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HOUSING FINANCE IN INDIA: *A DIAGNOSTIC APPROACH TO 'HOME SCHEMES'* IN TELANGANA STATE

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Abstract

Owning a House is one of the essential needs of mankind, along with food, clothing and education. The Housing Finance Companies (HFCs) as they are called today have stepped up their lending over the years contributing to the growth of the Housing Sector. The speedy development in housing and various housing activities has led to the growth of the Indian Housing Finance market. In this context, the present study is undertaken to analyze the phases of the Indian Housing Finance; present the schemes offered by the various categories of Housing Finance Institutions and to make a Region-wise and District-wise analysis of the Housing Finance provided by the various categories of the Institutions of Andhra Pradesh.

The Study is based on Secondary Data. The analysis of the schemes offered by the various State Government institutions financing housing in Andhra Pradesh is made Scheme-wise, District-wise and Region-wise. The data are analyzed with the help of percentages and ranks. HUDCO sanctions various schemes for housing and infrastructure activities in the States. A major portion of the total project cost is sanctioned as loan by HUDCO depending upon the progress of work. Housing Finance Companies are providing assistance for Housing Finance along with the other financial services like, Leasing and Credit, Financial Consultancy, Auto Finance, Car Finance, Personal Loans, Mortgage Loans and Insurance. Telangana State Government is offering various schemes for Lower Income Group, Middle Income Group and Weaker Section of the society through various State Government Housing Corporations.

Introduction

The importance of the Housing Sector can be judged from the fact that people consider house as the best investment and wants to invest their earnings in a house. The need for finance to purchase a house brought out specialized Housing Finance Institutions. The Housing Finance Companies (HFCs) as they are called today have stepped up their lending over the years contributing to the growth of the Housing Sector.

Housing Finance is a new concept in India compared to the other financial services that are available in the country. However, the speedy development in housing and various housing activities has understandably led to the growth of the Indian Housing Finance market. As a result, a number of players have barged into the market.

In this context, the present study is undertaken in order to present the various phases of Indian Housing Finance and the schemes offered by The Housing Finance Institutions in Andhra Pradesh.

REVIEW OF LITERATURE

1. **Lee Bosher (2011)** in his article "Household and Government Perception of Risk: Implications for the Appropriateness of Housing Provision in South India" highlights limited risk management strategies due to inadequate availability of insurance cover in the villages while ultimately illustrating the pitfalls of ill conceived and overly technocratic approaches to housing development.
2. **Manoj P.K. (2010)** in his article "Benchmarking Housing Finance Companies in India: strategies for enhanced operational efficiency and competitiveness" seeks to (i) make an overall review of the emergence of the institutional system for housing finance in India and to trace the broad pattern of its composition over the years, (ii) study the major problems and challenges faced by HFCs, particularly in comparison with CBs, the other major group, (iii) analyze the operational efficiency of the major HFCs and to benchmark them based on their relative operational efficiency, and (iv) suggest suitable strategies for enhanced operational efficiency of HFC's in India.
3. **Dr.V.Chandrasekar (2010)** in his research article "Housing Finance and Housing, A view from India and beyond" made an attempt to study the structure of newly liberalized housing finance market of India and analyze its affect on the Indian Housing Market.
4. **Sreelaxmi (2007)** in her article" Housing Finance Sector in India- An Overview" stated that housing has always been an important agenda for the Government of India. It generates national income by creating employment and helps the individuals in their socio – economic development. It gives impetus to the economy by enhancing capacity utilization of related industries such as steel, cement, transportation, etc.
5. **Rao K.N. (2006)** in his article "Housing Finance- A Global Perspective" mentioned that home loans have been registering exponential growth in India during the last six years. Easy liquidity conditions, low interest rates, availability of tax shelters on repayment of principal and interest surging demand from middle income group borrowers, lower regulatory capital, the comfort of tangible security have all collectivity contributed to the spurt in home loans.

6. **Brar, Jasmindeep Kaur and Paricha.S (2005)** in their article "Performance of Housing Finance Companies" study the operational performance, and the financial performance of the selected institutions.
7. **Praveen Gupta (2005)** in his article "Housing Finance Companies- An insight into regulatory aspects" highlights some key regulatory aspects pertaining to Housing Finance Companies in the light of various directives and guidelines issued by the National Housing Bank, their regulatory authority in India.
8. **M.Mahadeva (2004)** in his article "Housing Problem and Public Action: Contained Incompatibility experience from a South Indian State" analyzed the nature and distribution of the housing problem in Karnataka and examined how the state has addressed this issue.

The review of literature points to the fact that though many studies have been made on Housing Finance, there is a gap with regard to an in-depth study of Scheme-wise, District-wise and Region-wise Housing Finance in Andhra Pradesh and hence the study to fill the research gap.

Objectives of the Study

- Analyze the phases of the Indian Housing Finance
- Present the schemes offered by the various categories of Housing Finance Institutions
- Make a Region-wise and District-wise analysis of the Housing Finance provided by the various categories of the Institutions of Andhra Pradesh Including Telangana state.

Methodology

- The Study is based on Secondary Data. The sources of Secondary Data are Annual Reports of Housing and Urban Development Corporation, National Housing Board and Andhra Pradesh State Government Websites.
- The analysis of the schemes offered by the various State Government institutions financing housing in Andhra Pradesh is made Scheme-wise, District-wise and Region-wise.
- The data are analyzed with the help of percentages and ranks.

PHASES OF INDIAN HOUSING FINANCE

The Housing Finance revolution in India can be divided into five distinct phases which are presented in Table 1.

Table – 1:Phases of Indian Housing Finance

Phases	Period	Status
Phase I	Before 1970	Government domination
Phase II	1970-1980	HUDCO and HDFC established
Phase III	1980-1990	Establishment of NHB
Phase IV	1990-2000	Liberalization of interest rates
Phase V	2000 to Present	High Growth

Source: ISB, Indu Centre for Real Estate and Infrastructure

Earlier to the year 1970, the Government domination was more in Housing Finance. In the year 1970, Housing and Urban Development Corporation (HUDCO), a fully owned Government Corporation was established to finance various housing and urban infrastructure activities. In the year 1977, India's first private sector housing finance company viz., Housing Development Finance Corporation Limited (HDFC) came into existence. Since then, the Housing Finance in India has been flying high. With the establishment of National Housing Bank (NHB) in the year 1988, which is wholly owned subsidiary of RBI, Housing Finance Companies in India were regulated. In the years 1990-2000, interest rates of Housing Finance Companies were liberalized. From the year 2000 onwards, there is a high growth in Housing Finance in India.

Housing Finance Institutions in India: Schemes Offered

Currently, housing finance in India is provided to the public by the different groups of institutions viz., Scheduled Commercial Banks; Scheduled Co-operative Banks; Housing Finance Companies (with public deposits & without public deposits); and State Level Apex Housing Finance Societies. The same is presented in Table 2 along with the number of companies and schemes offered.

Table – 2 :Housing Finance Institutions in India: Schemes Offered

S.No.	Category of Institution	No. of Companies	Schemes
1	Scheduled Commercial Banks	43	Direct Housing Finance, Indirect Housing Finance, Housing loans under priority sector
2	Scheduled Co-operative Banks	53	Construction/purchase of houses by individuals, repairs alterations and additions to houses by individuals, schemes for housing & hostels for SC and ST, Slum clearance schemes
3	Housing Finance Companies (not accept deposits)	33	Direct and indirect housing finance
4	Housing Finance Companies (accept deposits)	19	Direct and indirect housing finance
5	State Level Apex Housing Societies	25	Construction/purchase of houses by individuals, repairs alterations and additions to houses by individuals, schemes for housing & hostels for SC and ST, Slum clearance schemes

Source: National Housing Bank Reports

From the above table 2, it is clear that the number of companies offering Housing Finance Schemes under Scheduled Cooperative Banks is the highest with 53 companies followed by Scheduled Commercial Banks (43), Housing Finance Companies not to accept deposits (33) State Level Apex Housing Societies (25) and Housing Finance Companies accepting deposits (19). It is the banks, both Cooperative Banks and Commercial, which are playing a major role in Housing Finance Sector due to their vast spread of branches, reaching every nook and corner of the country.

The Schemes of the various institutions offering Housing Finance are both direct and indirect housing finance and Housing Loans under priority sector. The Direct Housing Finance is for the construction/purchase of houses by the individuals, repairs, alterations and additions to houses by the individuals. Indirect Housing Finance includes refinancing schemes/sponsored schemes. Housing Loans under Priority Sector consists of schemes for Housing and Hostel for SC and ST and Slum Clearance Scheme.

Projects Sanctioned by HUDCO: State-wise Analysis

HUDCO sanction various schemes for housing and infrastructure activities in the States. The State-wise sanction of schemes, loan amount and dwelling units is presented in Table 3.

Table – 3: State Wise Details of Projects Sanctioned by HUDCO

Sl. No	State/UT Name	No. of Schemes Sanctioned	Project Cost in crores Rs.	Loan sanctioned in crores	Loan released in crores	Dwelling Units		Plots
						UPGD	New	
	STATES							
1	A P & Telangana	2126	33496.06	13599.4	8448.43	144243	2305529	5687
2	Arunachal Pradesh	9	16.48	6.38	6.39	0	1822	0
3	Assam	190	1882.86	955.17	897.03	15536	40713	1926
4	Bihar	218	9716.64	2067.23	242.65	23032	81102	5740
5	Chhattisgarh	276	31812.44	3152.46	1066.47	314	97754	18573
6	Delhi	86	100488.70	7437.44	1086.06	0	19905	0
7	Goa	40	2853.72	2130.91	261.79	5983	1410	1526
8	Gujarat	1249	50145.32	8801.91	5547.7	58492	532698	8196
9	Haryana	376	4360.86	1645.72	1271.22	17437	92228	4987
10	Himachal Pradesh	183	2184.84	1119.09	1061.07	948	73647	1391
11	Jammu & Kashmir	118	4444.52	590.32	546.33	11123	12828	11330
12	Jharkhand	123	9995.22	3303.93	2202.62	10346	388185	2000
13	Karnataka	1439	48639.92	12823.76	9232.15	287596	1906560	35872
14	Kerala	1100	6649.48	3508.13	3118.42	99286	1156270	651
15	Madhya Pradesh	950	19256.22	5805.01	4154.24	9436	176221	140384
16	Maharashtra	1254	97828.08	13343.37	7404.88	51859	679756	18355
17	Manipur	39	280.59	148.63	140.51	385	14207	0
18	Meghalaya	35	555.15	368.58	297.37	291	15104	1
19	Mizoram	35	168.91	96.26	96.26	5150	6989	148
20	Nagaland	236	1250.39	886.86	858.37	29	22014	332
21	Odisha	456	12596.05	2510.11	1394.76	15283	261695	7147
22	Punjab	526	5713.90	2994.84	879.77	14864	103170	7169
23	Rajasthan	1156	16650.76	9529.76	6225.93	0	556100	204286
24	Sikkim	38	3268.32	415.85	246.72	3854	8985	0
25	Tamilnadu	2257	39894.89	13967.57	9735.85	324651	1075632	161749
26	Tripura	37	268.02	89.58	70.82	1909	5661	1
27	Uttar Pradesh	1298	30837.18	9074.49	5405.25	32546	653690	65928
28	Uttarakhand	105	1069.89	575.95	318.71	3506	51959	560
29	West Bengal	337	12702.58	366.37	3327.24	3020900	194796	5346
	UNION TERRITORY							
30	A & N Islands	16	25.86	13.21	10.91	0	534	0
31	Chandigarh	78	2066.94	203.50	171.16	0	28036	8045
32	Dadar Nagar Haveli	2	0.35	0.25	0.00	45	42	0
33	Puducherry	55	896.77	670.71	190.36	0	11860	0
	TOTAL	**16443**	**552017.91**	**125502.75**	**75737.44**	**4159044**	**10577102**	**717330**

Source: Annual Reports HUDCO

From the above Table 3 it is observe that, among all the states, Tamil Nadu took first place with 2257 schemes sanctioned followed by Andhra Pradesh with 2126 schemes and Karnataka with 1439 schemes reflecting upon the growing needs of the housing activities and infrastructure development of the respective states.

A major portion of the total project cost is sanctioned as loan by HUDCO depending upon the progress of work. The sanction of the loan depends not only on the project cost but also on the guarantee of the State Government towards borrowings.

The loans sanctioned for up-gradation of dwelling units is highest in case of West Bengal followed by Tamilnadu, Karnataka, and Andhra Pradesh whereas, for the new dwelling units, it is Andhra Pradesh which ranked first followed by Karnataka, Kerala and Tamilnadu. The demand for Housing Loans for plots is highest in case of Rajasthan followed by Tamilnadu and Maharashtra.

Housing Finance in Andhra Pradesh & Telangana State

The growing Housing Finance need in Andhra Pradesh is met by the various institutions. In Andhra Pradesh, there are 63 Housing Finance Institutions of which, 17 Finance Institutions are registered with National Housing Bank. The National Housing Bank (NHB) is a state owned bank and Regulation Authority in India created on July 8, 1988 u/s 6 of the National Housing Bank Act (1987). The institution, owned by the Reserve Bank of India, was established to promote private real estate acquisition. All Housing Finance Companies must register with National Housing Bank.

Here is the list of Housing Finance Companies in Andhra Pradesh which are registered with NHB.

Table – 4: Housing Finance in Andhra Pradesh

S.No	Name of the Institution	Services
1	HDFC	Housing Finance, Bank, Financing Leasing and Credit Organization
2	Dewan Housing Finance Corporation Limited	Housing Finance, Financing Leasing and Credit Organization, Investment Consultant
3	Bank of Maharashtra	Housing Finance, Bank, ATM
4	Bank of Baroda	Housing Finance, Bank, ATM
5	LIC Housing Finance Limited	Housing Finance, Financing Leasing and Credit Organization
6	Repco Home Finance Limited	Housing Finance
7	ICICI Home Limited	Housing Finance, ATM, Personal Loans, Car Finance
8	Indiabulls Housing Finance Limited	Housing Finance
9	Canfin Homes Limited	Housing Finance
10	Sundaram Bnp Paribas Home Finance Limited	Housing Finance, Financial Consultant, Leasing and Credit Organization
11	DHFL	Housing Finance

12	National Trust Housing Finance Limited	Housing Finance, Financial consultant, Leasing and credit Organization
13	GIC Housing Finance Limited	Housing Finance
14	SBI	Housing Finance, Banks, ATM
15	GE Home Loan Agent Property	Housing Finance
16	Manipal Housing Finance Syndicate	Housing Finance
17	Ind Bank Housing Ltd	Housing Finance

Source: www. Indiacom.com

From the above Table 4, it is observe that the Housing Finance Companies are providing assistance for Housing Finance along with the other financial services like, Leasing and Credit, Financial Consultancy, Auto Finance, Car Finance, Personal Loans, Mortgage Loans and Insurance. Of the 17 Finance Institutions registered with NHB, 10 Finance Companies are providing only Housing Finance services rest of the 7 Finance Institutions are offering other services along with Housing Finance.

The above mentioned Housing Finance Companies are focusing more on upper middle class and creamy layer. Andhra Pradesh State Government is focusing on the weaker sections of the society through its housing finance schemes.

State Government Housing Corporations in Andhra Pradesh: Schemes offered

In Andhra Pradesh, Housing Finance is provided by the various institutions viz., Institutions registered with NHB (17), Institutions not registered with NHB (46) and Housing Corporations fully owned by State Government (4). The schemes offered by the State Government Housing Corporations in Andhra Pradesh are provided in Table-5 below.

Table – 5: Andhra Pradesh State Government Housing Corporation: Schemes offered

Name of the Institution	**Incorporated Year**	**Schemes**
A.P. Housing Board	1st July 1960	Integrated/Composite Housing Schemes
A.P. Housefed	13th December 1968	L.I.G.H.-I&II, M.I.G.H-I&II, Repairs and Extensions
Andhra Pradesh State Housing Corporation	5th July 1979	Indiramma, Flood Housing, Indira Awas Yojana, Beedi Workers Housing in Rural and Urban areas, Integrated Housing and Slum Development Programs, Jawaharlal Nehru National Urban Renewal Mission, Weavers Work Shed, Other Schemes
A.P. Rajiv Swagruha Corporation Limited	August, 2007	Housing Schemes for moderate income group

Source: A.P. State Government Websites

From the above Table, it is observed that Andhra Pradesh State Government is offering various schemes for Lower Income Group, Middle Income Group and Weaker Section of the society through various Housing Corporations. The State Government Housing Corporations are Andhra Pradesh Housing Board, Andhra Pradesh Housefed, Andhra Pradesh State Housing Corporation and Andhra Pradesh Rajiv Swagruha Corporation Limited. Now a detailed study of these Government Corporation Schemes is made.

Andhra Pradesh Housing Board: Schemes offered

A.P Housing Board is the oldest among all the State Government Housing Corporations. A.P. Housing Board earlier known as City Improvement Board was established on 1st July 1960. The various Schemes offered by the Andhra Pradesh Housing Board, the first State Government Housing Corporation in Andhra Pradesh is presented in Table-6

Table – 6: Andhra Pradesh Housing Board: Schemes Offered

Sl.No	Name of the District	SFC	HIG	MIG	LIG	EWS	CIB	RGK	Total	Rank
I	**Telangana Region**									
1	Mahabubnagar		26	327	841	109		384	1687	16
2	Nalgonda	-	14	419	1194	286	-	-	1913	13
3	Ranga Reddy	66	3563	6499	8828	1749	-	25747	46452	1
4	Hyderabad	1506	86	2784	7254	2647	2324	-	16601	2
5	Medak	-	-	775	1777	--	-	-	2552	9
6	Nizamabad	-	20	1454	1215	-	-	992	3681	3
7	Adilabad	-	-	306	770	208	-	-	1284	19
8	Warangal	-	28	962	1561	24	-	512	3087	5
9	Karimnagar	-	-	675	793	167	-	-	1635	17
10	Khammam	-	-	79	16	187	-	-	282	23
	Total	**1572**	**3737**	**14280**	**24249**	**5377**	**2324**	**27635**	**79174**	**I**
II	**Rayalaseema Region**									
11	Kurnool	-	106	827	929	-	-	120	1982	12
12	Ananthapur	-	16	718	1068	-	-	-	1802	15
13	Cuddapah	-	45	284	815	-	-	1248	2392	10
14	Chittor	-	12	179	279	-	-	-	470	22
	Total	**-**	**173**	**2008**	**3091**	**-**	**-**	**1368**	**6640**	**III**
III	**Andhra Region**									
15	Nellore	-	179	400	1336	100	-	704	2719	8
16	East Godavari	-	131	589	1120	60	-	-	1900	14
17	West Godavari	-	110	834	1616	245	-	280	3085	6
18	Krishna	-	126	1767	120	-	-	-	12013	11
19	Guntur	-	49	961	138	-	-	1888	3036	7
20	Prakasam	-	-	389	250	-	-	-	639	21
21	Vizayanagarm	-	-	414	579	-	-	-	993	20
22	Srikakulam	-	-	797	677	-	-	-	1474	18
23	Visakhapatnam	-	169	1823	1417	-	-	-	3409	4
	Total	**-**	**764**	**7974**	**7253**	**405**	**-**	**2872**	**19268**	**II**
	Grand Total	**1572**	**4680**	**24262**	**34593**	**5782**	**2324**	**31875**	**105088**	

Source: A.P. Housing Board Website

The above Table shows the details of houses constructed and allotted for different districts in Andhra Pradesh since its inception. From the Table, it is observed that, it is providing different housing schemes namely, SFS (Self Finance Scheme), HIG (Higher Income Group) MIG (Middle Income Group), LIG (Lower Income Group), EWS (Economically Weaker Sections) and CIB (City Improvement Board) and RGK (Rajiv Gruhakalpa).

- Scheme-wise analysis reveals that the number of houses constructed is highest in Lower Income Group (34593) and under Rajiv Gruha Kalpa (31875).
- District-wise analysis shows that Ranga Reddy District took first place in the total number of houses constructed with 46452 houses followed by Hyderabad (16601) and Nizamabad (3681).
- As per the Region-wise analysis, Telangana Region ranked one (79174 Houses) on an overall basis followed by Andhra (19268) and Rayalaseema (6640) Region.
- An interesting feature is that, in Telangana Region, Rajiv Gruha Kalpa Scheme is popular whereas in Rayalaseema, Lower Income Group Schemes are popular and in Andhra Region, popularity is for Middle Income Group Schemes.

Andhra Pradesh Housefed: Schemes offered

A.P. Housefed was registered as an Apex Cooperative Federation under the Andhra Pradesh Cooperative Societies Act (A.P.C.S), 7 of 1964 on 13.12.1966 and started functioning since 1968. Its area of operation is the entire State of Andhra Pradesh. As on today, it has got 1,438 Primary Societies as Members, of which 820 are borrowing members.

The main objective of the A.P. Housefed is to advance loans to the members of the Primary Housing Societies in the State of Andhra Pradesh by availing loans from Life Insurance Corporation of India, Mumbai. The loans availed from the LIC of India are not guaranteed by the Government of A.P.

The A.P. Housefed is financing loans to the members of the affiliated Primary Cooperative Housing Societies in the State of Andhra Pradesh under 7 Schemes viz., L.I.G.H.-I and II; M.I.G.H and H.I.G.H-I, II and III; and Repairs and Extensions.

Andhra Pradesh State Housing Corporation Limited (APSHCL): Schemes Offered

A.P. State Housing Corporation Limited (APSHCL) was incorporated on 5th July 1979 under Companies Act. APSHCL aims to bring dignity to each and every below poverty line family by assisting them, both financially and technically, for construction of permanent (Pucca) houses. APSHCL is implementing various schemes viz., Indiramma, Rachabanda, Flood Housing and Indira Awaas Yojana (IAY) in rural areas; Beedi Workers Housing in Rural and

Urban areas; Integrated Housing and Slum Development Program (IHSDP) and Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

Andhra Pradesh Government has taken a decision to take up the development of model villages and towns with an intention to saturate certain identified basic needs of the people and the village/town infrastructure in an integrated and focused manner. This is planned to be achieved in a period of 3 years. This new model of development is named as **Indiramma** (Integrated Novel Development in Rural areas and Model municipal areas)

The aim of Indiramma program is to provide in every village pucca houses, drinking water supply, individual sanitary latrines, drainages, power supply to every households, road facilities for transportation, pension to eligible old age persons, weavers, widows and disabled, primary education to all, special nutrition to adolescent girls/pregnant and lactating women and better health facilities in all the villages over a period of three years in a saturation mode, to improve the living standards of the people significantly.

Indiramma Scheme is the major activity of the APSHCL which is offered under three phases as provided in the Tables below.

- From the below Table, it is observed that among all the schemes, number of houses constructed is highest in Rural including IAY Scheme with 89.13 % of the total followed by Urban (9.60 %) and Flood Housing Schemes (1.26%).
- Among all the districts, Ananthapur district took 1st place in the total number of houses allotted with 1,33,899 houses and Cuddapah and Visakhapatnam are placed 2nd and 3rd places with 1,11,614 and 1,09,912 houses allotted respectively.
- According to Region-wise analysis, Andhra Region was in the 1st place with 777817 houses followed by Telangana Region (738996) and Rayalaseema Region (459208). As far as Rural including IAY and Flood Housing Schemes are concerned, it is Telangana Region which topped the list. Rayalaseema is in the last position with regard to all the schemes under Indiramma Phase – I Program.

Table – 7:Indiramma Phase – I: Region-wise and District-wise Analysis of Houses Allotted Under Various Schemes during 2006 - 07

Sl. No.	District	Urban	Rural including IAY	Flood Housing	Total
I	**Telangana Region**				
1	Mahabubnagar	3939	97428	0	101367
2	Ranga Reddy	5634	35816	151	41331
3	Hyderabad	0	0	0	0
4	Medak	6943	61263	1979	73185
5	Nizamabad	7037	51378	5678	64093
6	Adilabad	11575	80911	939	93425
7	Karimnagar	10697	54766	127	65590
8	Warangal	10256	88487	2681	101424
9	Khammam	7297	96830	1263	105390
10	Nalgonda	4306	89248	365	93191
	Total	**67684**	**656127**	**13183**	**738996**
II	**Rayalaseema Region**				
11	Chittur	11704	92281	0	103985
12	Cuddapah	8457	103157	0	111614
13	Ananthapur	10093	123806	0	133899
14	Kurnool	13711	95999	0	109710
	Total	**43965**	**415243**	**0**	**459208**
III	**Andhra Region**				
15	Srikakulam	5922	69096	1875	76893
16	Vizayanagaram	10362	67493	1755	79610
17	Visakhapatnam	5134	102989	1789	109912
18	East Godavari	14558	8391	5230	102879
19	West Godavari	13641	81120	1095	95856
20	Krishna	6287	60519	00	66806
21	Guntur	5179	71723	00	76902
22	Prakasham	4956	77296	19	82271
23	Nellore	12202	75486	00	86688
	Total	**78241**	**614113**	**11763**	**777817**
	Grand Total **% to Total**	**189620** **(9.60)**	**1760183** **89.13 %**	**24946** **1.26 %**	**1974749** **100 %**

Table – 8: Indiramma Phase – II: District wise allotment

Sl.No.	District	Urban		Rural		Total	Rank
		No. of Municipalities	No. of Houses	No. of Panchayats	No. of Houses		
I	**Telangana Region**						
1	Mahabubnagar	40	6308	508	155936	162244	2
2	Ranga Reddy	148	3344	248	28193	31537	21
3	Hyderabad	0	0	0	0	0	23
4	Medak	63	11548	341	92244	103792	15
5	Nizamabad	57	10635	228	59177	69812	19
6	Adilabad	80	16765	347	102858	119623	11
7	Karimnagar	69	17540	451	77089	94629	17
8	Warangal	30	11811	414	119207	131018	8
9	Khammam	68	13343	278	125804	139147	6
10	Nalgonda	46	8982	456	131416	140398	4
	Total	**601**	**100276**	**3271**	**891924**	**992200**	**II**
II	**Rayalaseema Region**						
11	Chittor	85	19692	534	125100	144792	7
12	Cuddapah	80	12465	315	99943	112408	12
13	Ananthapur	108	33015	363	181595	214610	1
14	Kurnool	63	12847	339	130107	142954	5
	Total	**336**	**78019**	**1551**	**536745**	**614764**	**III**
III	**Andhra Region**						
15	Srikakulam	42	7286	404	75631	82917	18
16	Vizianagarma	43	14660	323	114157	128817	10
17	Vishakhapatnam	20	3405	347	114727	118126	9
18	East Godavari	74	13559	352	148604	162163	3
19	West Godavari	93	16872	297	95356	112228	14
20	Krishna	52	8792	374	55679	64471	20
21	Guntur	134	140183	358	87765	101948	16
22	Prakasam	42	6555	380	73668	80223	19
23	Nellore	50	15722	370	97582	113304	13
	Total	**550**	**227034**	**3205**	**863169**	**1090203**	**I**
	Grand Total	**1487**	**279329 (10.86 %)**	**8037**	**2291832 (89.14 %)**	**2571161**	

Source: APSHC Website

Table – 9 :Indiramma Phase – III: Stages of Beneficiaries Houses as on 16-10-2012

S.No.	District	Reg.	NS	BBL	BL	LL	RL	RC	ISL	Total
I	**Telangana Region**									
1	Mahabubnagar	2308	76853	4418	12172	3433	9038	43099	6882	155895
2	Ranga Reddy	1113	19456	3519	4625	1433	1979	32293	4763	68158
3	Hyderabad	0	0	0	0	0	0	0	0	0
4	Medak	3072	44224	4107	6477	3786	3102	27439	5012	94147
5	Nizamabad	1680	28624	931	1548	819	748	9589	3877	46136
6	Adilabad	585	22046	5261	7251	3792	8156	29380	1793	77679
7	Karimnagar	859	23074	1437	2793	937	1384	17644	4448	51717
8	Warangal	1659	53363	6059	6014	2989	5320	36553	6670	116968
9	Khammam	565	33275	1825	3732	1186	4210	31925	4025	80178
10	Nalgonda	4111	39010	1865	5886	1584	4118	28728	7773	88964
	Total	**15952**	**339925**	**29782**	**50498**	**19959**	**38055**	**256650**	**38361**	**779842**
II	**Rayalaseema Region**									
11	Chittor	5970	33547	1676	7092	678	3984	55066	6701	108744
12	Kadapa	2693	13703	600	4300	303	1059	17320	7555	44840
13	Ananthapur	11308	23858	6755	8020	1305	7117	34070	10374	91499
14	Kurnool	6055	36481	2545	4528	1187	3348	33220	14400	95709
	Total	**26026**	**107589**	**11576**	**23940**	**3473**	**15508**	**139676**	**39030**	**340792**
III	**Andhra Region**									
15	Srikakulam	1942	40385	1135	2998	1084	2028	31401	2188	81219
16	Vizayanagaram	1857	44079	1346	5544	1840	2897	40123	3877	99706
17	Visakhapatnam	686	37837	2192	4290	2296	5250	40287	5433	97585
18	East Godavari	2651	32787	2684	1775	561	2169	27185	13868	81029
19	West Godavari	2149	15524	595	950	268	819	15861	9978	43995
20	Krishna	11902	18912	468	1067	364	1073	16376	4903	43163
21	Guntur	2003	24288	1092	1844	694	1139	23336	8940	61333
22	Prakasam	1531	27613	688	1989	620	1154	19044	5750	56858
23	Nellore	1647	24287	969	1733	441	871	19974	3280	51555
	Total	**26368**	**265712**	**11169**	**22190**	**8168**	**17400**	**233587**	**58271**	**616443**
	Grand Total	**68346 3.93%**	**713316 41.06%**	**52167 3.00%**	**96628 5.56%**	**31600 1.81%**	**70963 4.08%**	**629913 36.26%**	**142490 8.20%**	**1737077**

Source: A.P. State Housing Corporation website

Under Indiramma Phase – II Program, the total number of houses allotted for rural area is 89.14 per cent of the total houses allotted emphasizing the fact that rural areas were given top priority.

District-wise Analysis shows that, Ananthapur district took 1st place in the total number of houses allotted with 214610 houses and Mahabubnagar and East Godavari are placed 2nd and 3rd with 162224 and 162163 houses allotted respectively.

As per the Region-wise Analysis, Andhra Region (1090203) ranks first followed by Telangana (992200) and Rayalaseema Region (614764) in absolute terms. A noteworthy feature is that Telangana Region ranked first in the number of houses allotted in rural area and Andhra Region occupied the first place as far as the number of houses allotted in urban area. Rayalaseema Region ranked last in respect of the number of houses allotted in both, urban and rural areas as the number of districts is less.

District-wise Analysis shows that, Mahabubnagar took 1st place with 155895 houses and Warangal and Chittoor are placed 2nd and 3rd places with 116968 and 108744 houses respectively. As per the Region-wise Analysis, Telangana Region (779842) ranks first followed by Andhra (616443) and Rayalaseema Region (340792) in absolute terms. As far as registration of houses is concerned Andhra Region (26368) occupies first position followed by Rayalaseema (26026) and Telangana (15952).

Andhra Pradesh Rajiv Swagruha Corporation: Rajiv Swagruha Scheme

Government launched this program in 2007 for providing affordable housing to the moderate income group for implementation in all Municipalities and Municipal Corporations in the state. The main objective of Rajiv Swagruha Program is to make available the houses/flats to the moderate income group at cost 25% less than the prevailing market rate with best quality of construction and other infrastructure facilities. The details of places, number of units and project cost as on 2012 are given below is Table- 10.

Table – 10 :Andhra Pradesh Rajiv Swagruha Corporation Limited: Number of Units and Project Cost as on 2012

S.No	Place	No. of Units	Project Cost (Rs. in Crores)	Rank (on the basis of No. of Units)
1	Chandanagar	1140	132	23
2	Pocharam	2604	405	9
3	Bandlaguda	2970	460	8
4	Kondapur	1736	407	15
5	Ananthapur	1134	170	25
6	Vetapalem (Chirala)	427	48	35
7	Nellore	1249	185	21
8	Bachupalli-I (39 & 40)	3517	760	6
9	Gajularamaram	2520	650	10
10	Mahabubnagar	1134	122	25
11	Kakinada	1664	285	16
12	Nizamabad	1140	174	23
13	Jawaharnagar	6214	1000	3
14	Bachupalli-II	2000	650	12

15	Adilabad	963	130	26
16	Yendada (VSP)	3588	1030	5
17	Nalgonda	458	65	34
18	Tandur (R.R. Dist.)	761	110	29
19	Vizag (Nadipur)	17000	5000	1
20	Etcherla (Srikakulam)	1461	225	18
21	Karimnagar	7350	1000	2
22	Narasaraopet	672	70	30
23	Ongole-I (Flats)	1548	120	17
24	Srikalahasthi	357	50	36
25	Tirupathi	1332	230	20
26	Rajampet	168	38	38
27	Rayachoti (KDP)	480	85	32
28	Khammam	1836	262	14
29	Chandanagar-II (Arambh)	1344	760	19
30	Munaganur	2000	380	12
31	Bahadurpalli	5400	1190	4
32	Kamareddy	580	85	31
33	Vikarabad	1200	175	22
34	Gadwal	906	155	27
35	Ramagundam	176	40	37
36	Boduppal	3068	665	7
37	Eluru	900	140	28
38	Nuzividu	468	55	33
39	Anakaplli	2008	340	11
40	Proddutur	488	40	31
		85961	17866	

Source: A.P. Swagruha Corporation Limited Website

From the above Table, it is observed that among all the places, Vizag took 1st place in the total number of units allotted with 17000 units and Karimnagar and Jawaharnagar are placed 2nd and 3rd with 7350 and 6214 units allotted respectively.

Conclusion

Investment in house is considered as the best option and the speedy development in housing and various housing activities has led to the growth of the India Housing Finance Market. The Government domination in housing finance has been reduced since 1970 and at present there is a high growth in the housing sector. The establishment of NHB has led to the regulation of the housing finance in India. Banks play a major role in Housing Finance Sector due to the vast spread of their branches reaching every nook and corner of the country. In Andhra Pradesh, the growing housing finance need is met by the various State Government Housing Corporations namely, A.P.Housing Board, A.P. Housefed, Andhra Pradesh State Housing Corporation and A.P. Rajiv Swagruha Corporation Limited by offering various housing finance schemes.

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ETHICAL INVESTMENT: AN EMERGING BRANCH OF FINANCE FUNCTION

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Abstract

Ethical investing gives individuals the power to allocate capital towards companies that are in line with their personal views, whether they are based on environmental, religious or political precept. Investors should keep in mind that "ethical" does not imply "outperform." A good way to start with an ethical investing policy is to write down the areas you want to avoid as well as where you want to see your money invested. From there you can come up with an asset allocation plan and begin researching individual securities and funds. The concept of ethics in finance has recently become a momentous issue and the objectives of this paper is to disclose the value and the importance of ethical investment in this contemporary era of human life

Key words: Ethical Investment, Asset allocation, Augmented Prominence.

INTRODUCTION

Ethical investment-or socially responsible investing-is part of a broad range of trends relating to social and environmental awareness in society. It relates to savings and investments. It has come to public focus due to increasing awareness of the important role that financial institutions play in the global economy.

Ethical investment is about investors taking ethical, social, environmental criteria into account while making investment decisions. “Investment” here primarily refers to investment in stocks, as ethical investment is mainly concerned with how investors through their shareholdings can contribute to moving corporations towards more accountable and sustainable business practices. This is usually accomplished through either negative or positive screening of investments, shareholder activism or targeted investments. Ethical investors can be individuals or institutions. Institutions can be investment companies or public or private sector pension funds.

Objectives of the study

1) To know the concept of ethical investment
2) To study the fundamental principles of ethical investment
3) To identity ethical and unethical investments

CONCEPT OF ETHICAL INVESTMENT

Dictionaries list several definitions for the word "ethics." The primary definition is a system of moral principles, and a secondary definition is that it is the rules of conduct as used by a specific group or culture. The term ethics is the branch of philosophy dealing with values relating to human conduct, with respect to the right and wrong of certain actions and their respective motives and consequences.

It is necessary to understand the concept of ethical investment because for many, the concept is not yet clear. It is an investment which benefits the society at the maximum level both short run and long run. Ethical investment is not constraint to an individual, time, group but the value can be created which benefits utmost, for maximum level of communities both in short run and long run.

Almost across the globe many of us learn the moral values from the religious teachings, because we believe that the scope of human being to understand the world logically is so limited and though the needs of human beings insist for the unethical activities. Almost all the religious teachings across the globe on ethics are similar.

There is a great deal among investors, companies, NGOs and academics on what exactly constitutes ‘ethical investment’, or ‘socially responsible investment’, as it is more commonly known in the US. The terms are often used interchangeably with, or as an umbrella term for various types of sustainable or responsible investment. If one key, obvious source for this lack of consensus is disputes over what an ‘ethical’ standard is, another, less obvious source is the propensity of early ethical funds and advisors to *differentiate* their products from those of others.

As a modern concept, the term 'ethical investment' is usually used to mean the integration of ethical values and social and environmental considerations into investment decisions, rather than basing such decisions solely on financial calculations (expected risks and returns).

Responsible investment helps people to invest in line with their values and their financial needs. However, investors are hampered by the fact that there’s no single definition for what can be called 'ethical', 'sustainable', 'socially responsible' or 'socially responsive'.

FUNDAMENTAL PRINCIPLES OF ETHICAL INVESTING

The terms “ethical investing” and “socially responsible investing” are often used interchangeably. Other terms that we may hear include “mission investing” or “sustainable investing” or even simply “responsible investing.” All of these approaches are based on selecting investments from companies who make positive contributions to the world we live in, while avoiding certain practices that may damage quality of life. Let us observe the following principles:

1.Screen for ethical and socially responsible companies we can respect.

Most ethical investors would never consider operating a casino, owning a liquor store or profiting from military weapons. We believe a sound investment considers the social and ethical consequences. That's why we incorporate values into our investment management process. In addition to traditional financial and quantitative analysis, we exclude companies with significant revenues from alcohol, tobacco, meat, gambling, pornography and interest-based banking.

2. **Make investor voice heard on corporate governance matters.**

   Being the owner of the organization one should raise their voice for good corporate governance matters.

3. Strive for financial freedom for ourselves.

Our ethical investment philosophy considers the social consequences of investments within the context of rigorous financial analysis. Our products reflect our belief that to strive financially, we must behave responsibly with our finances.

4. **Leverage our generosity to benefit charitable causes for a brighter tomorrow.**

   We believe that charity giving is an important pillar of ethical investing. As we build wealth for ourselves and our families, we believe in giving back to build a better world. Discover how we can give our wealth and a mission with tax smart charitable giving, whether we give through a donor or adviser, a trust or a foundation.

How to choose ethical and avoid unethical Investments

Majority of the investors will look for the following from their investment outlets.

1) Outlets which provides good returns
2) Outlets which are safe and secured
3) Outlets which are ethical and legal

While choosing ethical outlets one should follow the following two steps.

1) Avoid unethical investment outlets/ channels. It can be done by following simple steps.

   i) Avoid causing illness, Disease and Death

   ii) Avoid destroying or damaging the environment

   iii) Avoid treating honest people with disrespect

2) Selecting positive ethical investment outlets/ channels. We can consider the following two types of investment outlets as ethical.

i) Socially responsible investing**:** Companies are generally screened out if they take part in excluded activities, but may be included if their commitment to social responsibility outweighs the negative aspects.

ii) Sustainable investing**:** Investments are chosen on the basis of how well a company manages environmental, social and corporate governance factors, not on what the company makes or sells.

Ethical investments in India

Ethical investment today investor plays a prominence role in meeting the social responsibility. In India the investors are aware of the social responsibility towards the nation and fellow members. Today investors are willing to invest for long term in the organizations that contribute positively to sustainable development and environment position. In India companies such as ABN Amro launched first India's SRI Fund. Global Index provider Dow Jones Indexes and Dharma investments, a private investment company, in Jan, 2008 announced the launch of Dow Jones Dharma Index of measuring the performance of companies selected according to the value system and principles of Dharma religions. This index has been put together by wall street. The stocks will be screened on Industry, environmental and corporate governance parameters to meet the sustainable development before being included in the Dharma Indexes. The Index constituents would be reviewed on quarterly basis.

CONCLUSION:

Socially responsible investment is generally inter-changeable with ethical investment regarding both the structure and definition themselves. The concept of ethics in investment decisions is not new to the financial world and it is applicable equally for all types of investors. Now at this age of rapid development, investors are aware on the part of their responsibilities, even though there is need to focus much on ethical investment. Ethical investing depends on investors views; some may choose to eliminate certain industries entirely or to over-allocate to industries that meet the individual s ethical guidelines. A good way to start with an ethical investing policy is to write down the areas you want to avoid as well as where you want to see your money invested, from there you can come up with an asset allocation plan and begin researching individual securities.

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IMPACT OF MICRO-FINANCE ON POVERTY LEVELS OF RURAL WOMEN: A STUDY IN NIZAMABAD DIST.,

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ABSTRACT

In order to eradicate poverty and achieve sustainable development, women and men must participate fully and equally in the formulation of macroeconomic and social policies and strategies for the eradication of poverty. The eradication of poverty cannot be accomplished through anti-poverty programmes alone but will require democratic participation and changes in economic structures in order to ensure access for all women to resources, opportunities and public services. Poverty has various manifestations including lack of income and productive resources sufficient to ensure a sustainable livelihood; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increasing morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; social discrimination and exclusion. It is also characterized by lack of participation in decision-making and in civil, social and cultural life. The SHG programme was initiated to help those women who are living below poverty line. But in practice the ineligible candidates got enrolled in the SHGs and obstructing to reach the fruits to real needy people. Hence the present study is a humble attempt to assess the role of SHG programme in eradication of poverty The micro finance intervention is expected to pave the way to make women to come out from the clutches of poverty. Hence the present study makes an analysis of the impact of micro finance on various aspects of poverty in Nizamabad district .

Key words: Poverty, Shelf Help groups, Sustainable development ,Micro finance.

Introduction

The women in rural areas are subject to several injustices since time immemorial. They will work day and night for the betterment of their family. But there is no proper recognition to the labour of women. Inspite of her contribution to the well being of family members, the dependency of her on male members even for trivial economic expenditure made the life of her more deplorable. At this juncture the micro finance emerged as a ray of hope for women in rural areas. Like minded women come together and formed self help groups to avail micro finance benefits in several villages. The micro finance intervention is expected to pave the way to make women to come out from the clutches of poverty. Hence the present study makes an analysis of the impact of micro finance on various aspects of poverty in Nizamabad district.

More than one billion people in the world today, the great majority of whom are women, live in unacceptable conditions of poverty, mostly in the developing countries.

Poverty has various causes, including structural ones. Poverty is a complex, multidimensional problem, with origins in both the national and international domains. The globalization of the world's economy and the deepening interdependence among nations present challenges and opportunities for sustained economic growth and development, as well as risks and uncertainties for the future of the world economy. The uncertain global economic climate has been accompanied by economic restructuring as well as, in a certain number of countries, persistent, unmanageable levels of external debt and structural adjustment programmes. In addition, all types of conflict, displacement of people and environmental degradation have undermined the capacity of Governments to meet the basic needs of their populations. Transformations in the world economy are profoundly changing the parameters of social development in all countries. One significant trend has been the increased poverty of women, the extent of which varies from region to region. The gender disparities in economic power-sharing are also an important contributing factor to the poverty of women. Migration and consequent changes in family structures have placed additional burdens on women, especially those who provide for several dependants. Macroeconomic policies need rethinking and reformulation to address such trends. These policies focus almost exclusively on the formal sector. They also tend to impede the initiatives of women and fail to consider the differential impact on women and men. The application of gender analysis to a wide range of policies and programmes is therefore critical to poverty reduction strategies. In order to eradicate poverty and achieve sustainable development, women and men must participate fully and equally in the formulation of macroeconomic and social policies and strategies for the eradication of poverty.

The eradication of poverty cannot be accomplished through anti-poverty programmes alone but will require democratic participation and changes in economic structures in order to ensure access for all women to resources, opportunities and public services. Poverty has various manifestations including lack of income and productive resources sufficient to ensure a sustainable livelihood; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increasing morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; social discrimination and exclusion. It is also characterized by lack of participation in decision-making and in civil, social and cultural life. The SHG programme was initiated to help those women who are living below poverty line. But in practice the ineligible candidates got enrolled in the SHGs and obstructing to reach the fruits to real needy people. Hence the present study is a humble attempt to assess the role of SHG programme in eradication of poverty.

OBJECTIVES OF THE STUDY

The objectives of the proposed study are as follows:

1.To identify the nature of relationship between poverty, micro-finance and development.

2.To study the positive and negative impacts of the micro-finance programme on selected beneficiaries.

3.To evolve a holistic model to address the issues of poverty through micro-finance programme.

4.To suggest ways to reorient micro-finance programme to be more effective instrument for poverty alleviation.

Hypothesis

Keeping in mind the broad objectives mentioned above, the following hypothesis have been formulated for this work.

The impact of micro-finance programme is minimal in reducing the poverty levels among rural women.

The programme almost failed in improving the economic status of the women.

The social impact is also limited to few areas.

Methodology

To examine the objectives of this study, relevant data will be collected from both primary and secondary sources. Field Survey will be undertaken for collection of primary data. For this purpose, a pre-tested interview schedule will be employed. Further, observation technique will be followed to understand certain aspects of the problem. Separate questions will be framed for micro-finance borrowers of different categories. Besides, secondary data regarding the growth of micro-finance institutions in India, in Andhra Pradesh and Nizamabad will be collected from different published records which include Reports of the Government of India, Reports of the SERP, Reports of NABARD, Annual Reports and records of DRDA Nizamabad, Statistical Abstracts of Government of Andhra Pradesh and District Credit Plans prepared by the Lead Bank of the District.

Variables of the Study

Independent Variables: Social Category, Religion, Educational Qualifications, Occupation, Economic status, and Locality.
Dependent Variables: poverty levels, approach of MFIs, attitudes, levels socio-economic improvements.

Sampling

Micro finance to rural women has been extended to all Mandals of the Nizamabad district. Almost all the villages, hamlets in the district are covered by the micro finance. For effective study of the impact of micro finance on rural women, multi-stage random sampling method was followed. In the first stage three revenue divisions in the district were selected. In the second stage four rural Mandals which registered highest number of micro finance beneficiaries in the respective revenue division were selected. In the third stage from each selected Mandal five villages which have highest number of micro finance beneficiaries were selected. In the fourth stage from each selected village 15 micro finance beneficiaries were selected. So the universe of the sample constitutes 3 revenue divisions, 12 Mandals, 60 villages and 900 women respondents.

Sources of Data

The sources of data for the study include both primary sources and secondary sources. The secondary sources include the season and crop reports and statistical abstracts of Andhra Pradesh, Micro Finance Statistics of NABARD, and the District Census Hand Books Hand book of Statistics, Nizamabad, were collected. Besides, records of the office DRDA were consulted for collecting the relevant information.

The primary data which includes the socio-economic background, land ownership, land transactions, cropping pattern, productivity, problems faced in the distribution of water and so on, was collected from the sample farmers.

Analysis of Data

The collected data have been processed and analyzed both manually data were tabulated to bring out systematic analysis of the impact of microfinance in improving the livelihood opportunities of sample farmers. The data drawn from the various sources were analyzed and inferences drawn by apply data were tabulated to bring out systematic analysis of the impact of microfinance in improving the livelihood opportunities of sample farmers. The data drawn from the various sources were analyzed and inferences drawn by applying certain statistical tools like averages, growth rate, percentages etc.

Review of Liturature

Chandrashekar T.C., and Shivashankar S.C., (2009) in their article on "Microfinance for the Extreme Poor: A Study" says that the inclusion of the poorest in microfinance is often discussed in terms of tradeoffs ins social and financial performance. Microfinance started to gain prominence as an effective intervention for the poor since the early 1980s. As such, poverty-focused MFIs used "ownership of less/than 50 decimal of land" as the eligibility criteria. These targeting criteria ought to be inclusive of the extreme poor, and this was the case in the initial years.

A. Munian (2009) said that the SHG Bank linkage approach is found to be an effective instrument by which very poor people can access to hassle free formal credit without any collateral security and simultaneously improve their thrift habits. The approach also contributes to a social empowerment of the women. However, the linkage and its impact can be made sustainable with the sincere interventions by the promotional agencies particularly the banks and Block authority in the areas of awareness building, skill development and training.

It is quite clear that the above studies touched on various aspects related to the SHGs in India, but were mostly in a general way covering the problems of women and the implementation of the programmes but did not touch the impact of SHGs on specific categories of people i.e., the Scheduled Castes, Scheduled Tribes, Backward Castes and other Women and how far this programme has helped them to generate additional income and employment in rural areas to come out of the vicious circle of poverty.

ANALYSIS OF THE STUDY

Credit flow to Self Help Groups by Banks

Nationalized banks, regional rural banks and cooperative banks are actively extending the financial assistance to SHGs. The year wise details of SHG-Bank linkage programme are given here under:

Table- 1: Year Wise Credit flow to Self Help Groups in Nizamabad District

(Rs. In Lakhs)

Year	No. of Groups	Amount (Rs. In crores)	Per Group Finance in Rs.
Up to 1998-99	219	0.40	18,265
1999-2000	526	0.85	16,160
2000-2001	2538	4.84	19,070
2001-2002	6440	11.31	17,562
2002-2003	5778	16.21	28,055
2003-2004	4983	18.10	36,323
2004-2005	6511	30.57	46,951
2005-2006	10763	50.70	47,106
2006-2007	14472	140.12	96,821
2007-2008	16923	230.97	1,36,482
2008-2009	16782	257.00	1,53,140
2009-2010	12806	229.77	1,79,423
2010-2011	13892	298.35	2,14,764
2011-2012	14591	367.85	2,52,108
2012-2013	15689	396.75	2,52,884
2013-2014	16,588	426.64	2,57,198
2014-2015	16,402	476.8	2,90,697

Source: District Rural Development Agency, Nizamabad.

It is evident from table 1 that the total number SHGs linked to commercial banks in 1998-1999 in the district is only 219 and they increased to 12, 806 by 2009-2010. It means they increased nearly 58 times during the 12 years of the study. The amount sanctioned to these SHGs increased more than 9 times during the same period of time. The year wise number of SHGs linked to banks is gradually increased up to 2001-02. Thereafter the number of SHGs linked to banks is not evenly distributed. The average finance per group is highest in 2009-10 (Rs. 1,79,423) and the lowest amount per group is as low as Rs. 16,160 in 1999-2000.but, from 2001-2002 onwards the average amount per group is gradually increasing in the district.

Status of VOs, SHGs and Members in sample Mandals

Table 2 provides the particulars of number of villages organizations, SHGs and SHG members in sample mandals in Nizamabad district.

Table-2 : Sample Mandal Wise Total VOs, SHGs and Members

S.No	Mandal Name	Total counts (as on March 2016)				
		Total VOs	Total SHGs	Total Members	PWD SHGs	PWD Members
1	Bheemgal	44	1368	13468	15	81
2	Bhiknur	65	1399	15059	21	154
3	Bichkunda	46	1139	11189	7	38
4	Dhar Palle	29	935	9817	17	100
5	Domakonda	63	1358	14169	10	75
6	Kotgiri	49	1157	11088	4	33
7	Machareddy	60	1322	14369	5	62
8	Nizam Sagar	32	783	7547	11	84
9	Pitlam	33	876	8654	9	78
10	Sadasivanagar	59	1240	12531	15	115
11	Sirkonda	36	1168	11687	11	94
12	Velpur	29	943	9501	19	145
Total		**545**	**13688**	**139079**	**144**	**1059**
		34.08	**32.74**	**32.57**	**34.78**	**33.11**
District Total		**1599**	**41808**	**427080**	**414**	**3198**

Source: District Rural Development Agency, Nizamabad.

It can be found from table 2 that there are 545 village organizations in sample mandals. The highest and lowest number of VOs were registered in Bhiknur (65) and Velpur (29) mandals of the district. The share of sample mandals in total VOs of the district is stood at 34.08 per cent. In three samples mandals namely Nizam Sagar (783), Pitlam (876) and Velpur (943) the total number of SHGs is less than thousand. The highest number of SHGs is registered in Bhiknur mandal as in the case of VOs. The share of 12 sample mandals in the total SHGs of the district stood at 32.74 per cent. The registered women members in SHGs is highest in Bhiknur (15,059) mandal and lowest is registered in Nizam Sagar (7,547) mandal. The share 12 mandals together to the district is 32.57 per cent. The number of persons with disability SHGs in sample mandals ranges between 4 (Kotgiri) to 21 (Bhiknur). There are 1059 PWD members in PWD SHGs in sample mandals. The average number of SHGs for each VO in the sample mandals is worked out as 25.12. The average number of SHGs for each VO in the sample mandals is worked out as 25.12. The average number of member for each women SHG in the district is 10.16 members. The average number of member per each PWD SHG in sample mandals is 7.35 members.

Impact of Micro Finance on Sanitation Toilet Facility

Eliminating open defecation is said to be an important part of development efforts. High levels of open defecation in a country are usually correlated with a high child mortality, as well as high levels of under-nutrition, high levels of poverty and large disparities between the rich and poor. The particulars of the impact of micro finance on usage of toilets in sample households.

Table 3: Impact of Micro Finance on usage of Toilets in Sample Households

S. No.	Type Toilet	Before	After
1	Open Defecation	827 (91.89)	511 (56.78)
2	Community Toilet	11 (1.22)	11 (1.22)
3	Sanitary non-Flush Type	58 (6.44)	287 (31.89)
4	Flush Type Sanitary Toilet	4 (0.44)	91 (10.11)
Total		**900 (100.00)**	**900 (100.00)**

Source: Field survey

It can be assumed from table that the impact of micro finance on improving toilet facility of sample households is minimum. Open defecation is continuing by more than half (56.78 per cent) of sample households even after micro finance intervention. The number of households using community toilets remained constant before and after micro finance intervention. The households using sanitary non-flash type of toilet increased more than 25 per cent after micro finance intervention. Flash type sanitary toilet using households is confined to 4 before micro finance intervention, such households increased to 91 after micro finance intervention

Type of Floor

It can be estimated that a particular household is living under BPL or APL by knowing the type of floor in which they are living. Table 4 gives the particulars of type of floor of the sample households.

Table-4 :Impact of Micro Finance on Type of Floor in Sample Households

S. No.	Type of Floor	Before	After
1	Dung Floor	429 (47.67)	36 (4.00)
2	Napa Slab Floor	397 (44.11)	642 (71.33)
3	Concrete Flooring	58 (6.44)	183 (20.33)
4	Marble Flooring	5 (0.56)	11 (1.22)
5	Tile Flooring	11 (1.22)	23 (2.56)
6	Granite Flooring	0 (0.00)	5 (0.56)
Total		**900 (100.00)**	**900 (100.00)**

Source: Field survey

It appears from the table that there are sea changes in the flooring pattern of sample households with the interventions of micro finance. It is evident from the study that in 47.67 per cent of sample households the floor is made of dung before micro finance institutions. But, with the intervention of micro finance the number of such households declined to 4 per cent. It means that in most of the sample households the better type of floor was laid with the micro finance interventions. The per cent of sample households with Napa Slab floor has sharply increased from 44.11 per cent before micro finance intervention to 71.33 per cent after micro finance intervention. The number of households also increased significantly with micro finance intervention. The per cent of marble flooring, tile flooring and granite flooring households increased slightly.

Impact of Micro Finance on Number of Living Rooms

In rural India most of the poor people lives in a household which is having single room. The income generating activities through micro finance, they are likely to improve the housing conditions. The impact of micro finance on availability of number of rooms in sample households is present in table 5.

Table- 5: Impact of Micro Finance on Number of Living Rooms in Sample Households

S. No.	Number of Living Rooms	Before	After
1	One	541 (60.11)	168 (18.67)
2	Two	282 (31.33)	597 (66.33)
3	Three	60 (6.67)	108 (12.00)
4	More Than Three	17 (1.89)	27 (3.00)
Total		**900 (100.00)**	**900 (100.00)**

Source: Field survey

It is evident from table that the number of households with two rooms increased from 31.33 per cent before micro finance intervention to 66.33 after micro finance intervention. The households with three living rooms also doubled with micro finance interventions. The number of houses with more than three living increased from 17 to 27 constituting 3 per cent of total households.

Impact on Possession Household Durables

The living condition of a household can also be estimated by assessing the possession of household durables like radio, television, cycle, mobile phone, motor cycle, refrigerator, etc by a particular family. Table 6 furnishes the details of the impact of micro finance on possession of households by sample households in the study area.

There is a clear demarcation in the possession of household durables by sample households before and after micro finance interventions. Before micro finance intervention only 14.14 per cent of households were possessing television. But, such percent of households sharply increased to 64.89 per cent after micro finance intervention. The number of households possessing mobile phone sharply increased from 21.89 per cent to 96.33 per cent before and after micro finance intervention. The number of households possessing radio decreased from 58.44 per cent to 11.22 per cent. It is due to the impact of possession to television by good number of households. The number of households possessing cycle nearly doubled with micro finance intervention. The number of households possessing motor cycle, refrigerator and other households durables also increased after micro finance interventions.

Table-6 : Impact of Micro Finance on Possession of Household Durables by Sample Households

S. No.	Number of Living Rooms	Before		After	
		Yes	No	Yes	No
1	Television	130 (14.44)	770 (85.56)	584 (64.89)	316 (35.11)
2	Mobile Phone	197 (21.89)	703 (78.11)	867 (96.33)	33 (3.67)
3	Radio	526 (58.44)	374 (41.56)	101 (11.22)	799 (88.78)
4	Cycle	398 (44.22)	502 (55.78)	784 (87.11)	116 (12.89)
5	Motor Cycle	5 (0.56)	895 (99.44)	129 (14.33)	771 (85.67)
6	Refrigerator	2 (0.22)	898 (99.78)	97 (10.78)	803 (89.22)
7	Others	124 (13.78)	776 (86.22)	329 (36.56)	571 (63.44)

Source: Field survey

Impact on Cooking Fuel

Cooking fuel using by sample households is also one of the indicator to measure the poverty levels of a particular households. Table 7 gives the details of cooking fuel used by sample households before and after micro finance intervention.

Table-7 : Impact of Micro Finance on Source of Cooking Fuel in Sample Households

S. No.	Major Source of Cooking Fuel	Before	After
1	Firewood	764 (84.89)	98 (10.89)
2	Kerosene	77 (8.56)	71 (7.89)
3	LPG	26 (2.89)	690 (76.67)
4	Electricity	33 (3.67)	41 (4.56)
Total		**900 (100.00)**	**900 (100.00)**

Source: Field survey

Table 7 clearly shows that a preponderant majority i.e. 84.89 per cent of households depending on firewood for cooking. But the scene has gradually changed with the intervention SHG micro finance. After micro finance intervention the number of households depending of LPG gas as cooking fuel sharply increased from 2.89 per cent to 76.67 per cent registering a growth of 73.18 per cent. The dependency of households on firewood and kerosene has decreased due to micro finance intervention. The households depending on electricity have slightly increased from 3.67 per cent to 4.56 per cent.

Impact on Food Consumption Pattern

Food Consumption pattern is the most important indicator to decide whether a particular family is living below poverty line or not. Generally, the people in the study region will take three square meals per day. Due to poverty, it may be one square or two square meals or no meal. Table 8 gives the particulars of the impact of micro finance on food consumption pattern on sample households.

Table- 8: Impact of Micro Finance on Food Consumption by Sample Households

S. No.	No of Meals per Day	Before	After
1	One square meal a day	432 (48.00)	11 (1.22)
2	Two square meals a day	342 (38.00)	211 (23.44)
3	Three square meals a day	109 (12.11)	651 (72.33)
Total		**900 (100.00)**	**900 (100.00)**

Source: Field survey

It is regrettable to note that nearly 48 per cent of households in the study area lead their life with one square meal before micro finance institutions. However, such households reduced to 1.22 per cent after micro finance intervention. Around 38 per cent of sample households lead their life with two square meal before SHG's micro finance intervention. But such households reduced to 23.44 per cent after micro finance intervention. It is pertinent to note that after micro finance intervention the households with three square meals per day have sharply increased from 12.11 per cent to 72.33 per cent.

Impact on Food Expenditure

The household expenditure pattern on food items also indicates the poverty level of particular households. As such during field survey the sample women respondents were asked to give the particulars of their households' monthly expenditure on food items and the same is presented in table 9.

Table-9 : Impact of Micro Finance on Food Expenditure by Sample Households

(Per Month)

S. No.	Food Expenditure	Before	After
1	Below Rs. 1,000	695 (77.22)	127 (14.11)
2	Rs. 1,001 to Rs. 1,500	103 (11.44)	198 (22.00)
3	Rs. 1,501 to Rs. 2,000	61 (6.78)	147 (16.33)
4	Rs. 2,001 to Rs. 2,500	17 (1.89)	283 (31.44)
5	Rs. 2,501 to Rs. 3,000	13 (1.44)	79 (8.78)
6	Rs.3,001 and above	11 (1.22)	66 (7.33)
Total		**900 (100.00)**	**900 (100.00)**

Source: Field survey

It is clear from table 9 that the monthly expenditure on food items is less than Rs.1000 in 77.22 per cent of sample households. But after micro finance intervention such holds percentage reduced to 14.11. The monthly expenditure on food items is Rs.1001 to Rs.1500 in 22 per cent of households after micro finance intervention. The per cent of households spending Rs.1501 to Rs.2000 on food items is increased from 6.78 per cent, 16.33 per cent. With regard to expenditure group of Rs.2001 to Rs.2500 the per cent of households sharply increased from 1.89 per cent before micro finance intervention to 31.44 per cent after micro finance intervention. The per cent of households spending Rs.2501 to Rs.3000 as well as Rs.3001 and above also increased with micro finance intervention.

FINDINGS OF THE STUDY.

1. The study indicates that a preponderant majority i.e. 55.22 per cent of sample SHGs in Nizamabad district are promoted by Micro Finance Institutions (MFIs). The MFIs forms the SHGs and extend credit facilities at higher rates of interests. In order to reduce the debt burden caused by MFIs the Government of Andhra Pradesh issues separate regulations for regulation of MFIs.
2. It is evident from the study that most of the women availed loans from different institutions only once. Around 76.67 per cent of sample women availed loans from regional banks only once. Commercial banks are the source of loan for 66.78 per cent of sample women and it is followed by micro finance institution with 65.33 per cent, SHG loans with 64 per cent our loans from cooperative banks with 28.22 per cent.

3. It is clear from the study that a preponderant majority i.e. 60.33 per cent of women borrowed money for productive purposes like, agriculture development, dairy development, petty business, tailoring, embroidery works etc. Around 12.56 per cent of women reported that they have taken loan to meet health expenditure and to improve sanitation facilities in the house premises. To invest on the education of children around 11.22 per cent of women borrowed money.
4. The study shows that the micro finance has visible impact on income levels of sample households in the study area. There is a clear bulge in the percentage of households in the income groups of Rs.30, 001 to Rs.400000, Rs.40, 001 to Rs.50, 000, Rs.50, 001 to Rs.60, 000 and Rs.60, 001 and above after micro finance intervention. After micro finance intervention highest per cent of households were temped into the income group of Rs.40, 001 to Rs.50, 000 (52 per cent).
5. The study indicates that the micro finance intervention brought sea changes in the nutrition levels of sample households in rural areas. There are one or two or more malnutrition's children in 86.67 per cent of sample households before micro finance interventions in sample villages.
6. It can be found from the study that the micro finance intervention has brought marginal changes in the health expenditure pattern of sample households. The health expenses of 65.44 per cent of sample households are less than Rs.5000 before micro finance institutions. Such households decreased to 3.67 per cent after micro finance interventions.
7. It is evident from the study that the number of out of school children in the study region is one in 45.67 per cent of sample households before micro finance intervention.
8. It is evident from the study that the attendance of school going children is either very irregular or irregular in case nearly 68.77 per cent of sample households in the study area. Such irregularity very sharply declined to 0.22 per cent of after micro finance interventions. The percent of regularity or very regularity is reported by 40.44 per cent and 36 per cent of sample households after micro finance interventions. In 22.33 per cent of sample households there are no school going children.

SUGGESTIONS

- ☞ SHG concept should target the holistic development of women members. The recent scenario suggests that the focus lies empathetically with economic empowerment. In addition, life (social) and developmental issues related to the quality of life of the poor needs immediate attention. Therefore, programmes targeting holistic development should be conceptualized and even the existing programmes may be oriented towards this.
- ☞ We believe that SHGs will sustain only if they enter into some form of commercial activity like production and marketing of elementary household requirements. In this context, We are seriously concerned about the current policy of the Govt. dereserving products made by village industries SSI, cottage, units in the country.
- ☞ Further, large corporations have entered into marketing of basic household requirements like Achar, Spice Powder, and Agarbati. This trend will expose the SHGs to totally unfair

competition and deny them the opportunities to become economically viable and sustain. Therefore the request to the Government is to reconsider its policy in this regard.

- The experience from southern states where SHG movement has now taken strong roots suggests that forming SHGs, pooling savings is easy. However, utilization of these savings for building micro enterprises requires considerable policy and programme support.
- Exposure visits to areas where SHG movement has taken off should be a critical component of SHG development programmes.
- Among the poor, the credit utilization is invariably from consumption to production process. Hence the consumption needs cannot be ignored and adequate provision should be made in the scheme for this.
- Subsidy element for development purpose for SHG members is an important policy issue, which needs thorough analysis.
- Emphasis on financing of groups under SGSY needs to be moderated
- The quantum and timing of subsidy needs to be reviewed keeping in view the resource handling capabilities of the members and the group.
- Development administration has a great responsibility to build synergy between various departments for convergence. Every development department has to be sensitized to this effect. The DRDA under the supervision of District Collector / Magistrate has to take lead role in this regard.
- There is a need for continuous sensitisation programmes for Bank Officials and Staffs.
- Integrating formation & nurturing of SHGs, capacity building of various SHG promoting institutions to be made integral in various Govt. programmes working for women & child development, literacy etc. This would call for both human & financial resource commitment by the Govt.
- Encouraging their participation in the Gram Sabhas, Panchayat- Level Federation (PLF) Clusters, Block Level Federations, BLCC meetings and DPCC meetings held under the chairmanship of the District Collector.

CONCLUSION

The far-ranging impact of microfinance has been discussed in this study, some positive, some negative and some more consistent than others. Evidence that financial services help to protect livelihoods by regularising income flows and reducing variability In consumption levels appears to be fairly consistent across a range of different approaches to financial service provision. Although the positive impact of microfinance on women's poverty level is evident, microfinance providers must also be cautious to avoid possible negative outcomes. Studies have shown that women sometimes have little or no control over their loan, with the husband or male family member making all decisions.. Moreover, differences in literacy, property rights and social attitudes about women may limit impact outside of the immediate household. Residents of rural areas specifically continue to have difficulties in accessing microfinance. Women may also struggle with the heavier workload created by the responsibility for loan repayment. Changes in the access to finance influence the distribution of working time between men and women in the same household and between activities yielding different returns. Evidence suggests that up to a point microcredit increases the workload of women and girls, perhaps offset by more equality in household decision making

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ROLE OF LANGUAGE LABS IN VOCABULARY ACQUISITION

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ABSTRACT

Vocabulary is an important part of a language as well as the basis of linguistic abilities. The size of vocabulary is an important standard to evaluate a learner's English level. Vocabulary is central to a second language learner's conversational fluency and reading comprehension. But in language learning and teaching,adequate attention is not paid to develop academic as well as conversational vocabulary of the ESL learners. This paper aims to highlight the role of language labs in vocabulary acquisition and presents the feasibiity of enlarging one's vocabulary under the condition of multimedia environment. English Language Labs are designed to provide a solution to English language learning and teaching with an inbuilt learning management system. The paper discusses different approaches and techniques which can assist students to enrich their vocabulary with CALL (Computer-Assisted Language Learning) and CALT (Computer-Assisted Language Teaching)through EL labs. Language lab occupies the most prominent place among the technological aids in language teaching. It acts as a platform for learning and practising vocabulary skills through interactive lessons. It is an excellent tool in enhancing proficiency in linguistic skills through its emphasis on new items of vocabulary. Then the paper presents a vocabulary lesson plan as an example of activity based learning and finally suggests a few strategies for vocabulary instruction.

Keywords: conversational fluency, reading comprehension, vocabulary, language labs, and activity based learning.

Introduction

"Without knowing the force of words, it is impossible to know more."

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Confucius.

Vocabulary acquisition is essential for language learners. A great vocabulary is a valuable asset for any student. A student with an expansive vocabulary is able to understand any type of writing. The more words you know, the more you will be able to understand what you hear and read, and the better you will be able to say what you want when speaking or writing. Vocabulary size rather than depth is considered to be crucial to learners. It is an essential component of speech fluency. The ESL learners have tremendous hurdles to overcome as they attempt to develop academic as well as conversational vocabulary. It is also an important factor in defining the size of necessary vocabulary. The learners' personal goals are an important factor in defining it. If a learner just wants to survive a short vacation in a foreign country, a survival list of 100 words is enough. "2000 words seem to be the most commonly pointed initial goal for language learners. A vocabulary of this size makes basic conversation possible, but is also considered to provide a solid basis for moving towards more advanced study (Schmitt, Narbert). It enables the learner to acquire specialized vocabulary and lower frequency words.

As a result, many universities have introduced English language communication skills laboratory in the curriculum. It acts as a platform for learning and practicing language skills through interactive lessons. With the initiative of the Department of Higher Education English language labs and JKC labs are established along with internet facility in many professional as well as degree colleges.

A vast majority of students and teachers report that vocabulary acquisition is an essential part of first and second language learners. Vocabulary is central to English language teaching because without sufficient vocabulary, students cannot understand others or express their own ideas. As students develop greater fluency in English it is crucial for them to acquire more productive vocabulary knowledge and to develop their own personal vocabulary learning strategies. Words are not instantaneously acquired. Rather, they are gradually learned over a period of time from numerous exposures. This incremental nature of vocabulary acquisition manifests itself in a number of ways. Being able to understand a word is known as receptive knowledge and is normally connected with listening and reading. If we are able to produce a word on our own while speaking or writing it is considered productive knowledge. Nation (1990) proposes the following list of the different kinds of knowledge that a person must master in order to know a word.

- The meaning of the word
- The written form of the word
- The spoken form of the word
- The grammatical behavior of the word
- The collocations of the word
- The register of the word
- The frequency of the word

There are types of word knowledge which are necessary to be able to use a word in the wide variety of language situations one comes across.

The use of modern language lab or reading lab system will allow the students to learn any language or improve their own reading and speaking skills and develop vocabulary at an accelerated rate. The language lab provides an opportunity for the students to listen to model pronunciation, repeat and record the same, listen to their own performance and compare with the model and do self-assessment. In a lab setting the students can be subdivided into small groups to either listen and respond to the instructor's program material or interact with each other in conversational exercises. There are many types of exercises and activities that can be developed by instructors for the students.

Why is vocabulary learning so important? To understand a text, one must understand the words that represent the ideas or concepts. Studies revealed the high correlation between vocabulary knowledge and reading comprehension. Students with limited English language proficiency can benefit from technology in multiple ways. Burns (1996) notes that multimedia soft ware and production tools provide students with a richer linguistic environment that accommodate their needs both through video as well as through clear audio to model correct pronunciation to repeat sounds and words. The paper looks at teaching vocabulary at the undergraduate level in government and aided colleges with a special focus on the language laboratory with technological advancement and exposure to western models of teaching and learning.

There has been a spurt in the growth of language laboratories. Computer assisted language laboratory (CALL) uses computer to teach language. The course materials are already fed into the computer and are displayed according to the features available in the system. Most of the labs are connected to the internet.

- The language lab helps students acquire vocabulary in developing good listening skills and aids the process of communication.
- Students hear the correct language patterns all the time through their headsets instead of mimicking other students who may be pronouncing incorrectly.
- It provides variety of regular classroom situations. The use of visual stimulus coupled with selective audio materials increases the attention span of the students
- Using the random pairing feature that all advanced modern learning systems incorporate, instructors can generate a variety of vocabulary exercises

Despite the availability of technology and media, it is not on a teacher's priority lists to provide vocabulary Instruction strategies and materials. These gaps can be addressed by employing certain strategies organized into three instructional areas. Technology when used flexibly in response to students' various needs and interests can and should be part of the solution to the vocabulary gap. Online vocabulary games include crossword puzzles, picture word matches, word scrambles etc. 2 sites can be recommended which offer a variety of activities to engage students playing with word and word meaning:

- Vocabulary games (http://www.vocabulary.co.in). The games are supplemented with themed word lists, test preparatory items and activities on prefixes and suffixes.
- Vocabulary (http://www/vocabulary.com)
- ESL website contains hundreds of vocabulary quizzes
- BBC Learning English
- Word think word of the day
- Word game – Merriam-Webster online provider a free online dictionary, thesaurus, audio pronunciation, vocabulary quiz etc.

Since students of the rural areas have been taught English through grammar – translation method, they do not get the opportunity to acquire English vocabulary. This method makes them dependent on their mother tongue. During the time of exams, they cram the material. Because of this method, the students have no vocabulary of English words. To tackle this problem productive and receptive use of words should be kept in mind. The student should be made to learn simple words. This will help in inculcating a habit of learning new words in them.

A Vocabulary Lesson Plan

The text book is a useful tool which can be made more interesting and relevant to the students contexts by adding language activities. To tackle with the problem of lack of vocabulary in the students, productive and receptive use of words need to be emphasized. They need to be encouraged to learn at least five words everyday. The newly learnt words will be part of their own vocabulary and they can have their own personal dictionaries. Gradually they will be able to use the words.

Lesson: '<u>Kalahandi--- A Poem by Jagannadh Das</u>

Activity 1: Identify and list vocabulary words on board. Ask the students to provide the following:

- Definition
- Part of speech
- Synonym
- Antonym
- Sentence

Activity 2: Find 5 adjectives to describe a poverty stricken village.

Activity 3: Learn and practice pronunciation of target words.

Activity 4: Do Mind mapping on the topic "Famine".

Activity 5: Change the following adjectives into nouns by providing suffixes.

frail ,drab ,sunken, abject, sound, cheap, rare, celebrated

Ex:frail-frailty

Some strategies for vocabulary instruction:

Vocabulary instruction needs to be context based with meaningful and authentic relevance to lesson context and learner interest. Learning words does not occur in a vacuum, students do not acquire meaning of words in isolation, Mikhail Graves (2006) offers a framework for successful vocabulary programmer that supports effective teaching and students' development of word knowledge. It can be done in 4 stages.

- Provide rich and varied language experiences
- Teach individual words
- Teach word learning strategies
- Faster word consciousness
- Advice the students to keep a dictionary program on their computers open and handy.

Conclusion:

From the above discussion it can be concluded hat successful vocabulary instruction makes it imperative that the institute possess a language lab. There are however huge challenges in the use of language lab in India. Firstly many institutions cannot afford the huge amount of money required to set up a multimedia digital language lab. Secondly, maintenance and sustenance of costly equipment require additional funds. Thirdly, a student needs to visit the lab daily and be engaged in various language activities. But in reality, students hardly find time to work in the lab apart from regular study hours. Another problem is the provision of a trained assistant. The apathy of the students in learning vocabulary poses the most serious problem. Here the role of the teacher becomes crucial. The teacher must work towards effective classroom management that combines accessing multimedia resource and then engage in discussions and debates which they find useful in their daily life. If these problems are sorted out and a language syllabus with adequate number of lab hours is put in place only then language teaching and learning can be a fulfilling task.

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THE TRANSFORMATION OF INDIAN HIGHER EDUCATION FROM PRE-INDEPENDENCE TO POST- INDEPENDENCE: SOME OBSERVATIONS AND CONCERNS

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Abstract

The study reveals that at the time of Independence our population was 35 crores, population density was 138/sq.km. By *1901 there were 5 universities and 145 colleges, with 18,000 students (almost all male) but now as per MHRD-survey-2014, we have more than 768 Universities, institutions of higher learning and deemed universities, out of which 129 deemed to be universities, 51 institutions of national importance, 45 central universities, 318 state universities, 185 institutions established under state legislation act, 40 universities under the purview of MHRD and about 37,204 Colleges including about 300 plus Autonomous colleges and around 1.3 Million Schools (MHRD-2014). This statistics states that the number of Universities has increased 38 times from 20 in 1950 to 768 in 2014.*

It is also further found that the Higher education in India is presently having some challenges, if they do not address positively they may become onerous road blacks in the path towards growth and development of our nation. Such concerns includes promotion of world standard infrastructural ambience, providing adequate amount of financial resources, inculcating interest and zeal among faculty and disciples on research and scientific temper, revamp of curriculum and conventional pedagogy, implementation of professional, Technical and Vocational Education in higher learning institutions, harnessing the power of youth with value & quality orientation global outlook and a strong altruistic government initiation and intervention in almost all strategic issues and policy frameworks pertaining to the higher education. Hence it is very much needs to manage the competencies of the teaching faculty perpetually and potentially. Merely growth of higher education will not serve the basic purpose of education policy. It is necessary to see that the universities and colleges should provide quality education to the masses.

Keywords: Higher Education, Research, Competencies Youth Power and ICT

INTRODUCTION:

Undeniably, Higher Education is the key economic engine and has direct correlation with any nations GDP, Health indicators and multifaceted development. In an era of knowledge based economy, higher education will continue to play very significant role and its contributions certainly supports for brighter future of all its stakeholders. The paramount objective of education in any country has been the development of the individual in many facets. The minimum level of education that was necessary to achieve this goal in the agrarian society was primary and in the industrial age, secondary. In the present boundary less informative society, education needs to be able to respond to copious demands of a rapidly progressing world by raising awareness of environment, peace, cultural and social diversity, increased competitiveness, and the emerging concept of a global village. Education prepares the individual to connect - and live in harmony - with the multiple environments around him. Higher education is a very important sector for the growth and development of human resources which can take responsibility for social, economic, and scientific development of the country.

STATEMENT OF THE PROBLEM:

Copious amount of research work has done on the broad area of higher education and its allied areas like transformation of Higher education in India, role of various agencies in the development of Higher education and challenges and opportunities of higher education in knowledge based economy. But the present study is aimed at examination of higher education status & scenario in pre and post independence India. Further the research has also made an attempt to observe the emerging trends and concerns of higher education pedagogy.

OBJECTIVES OF THE STUDY:

1. To examine the journey of Higher education in Pre and Post independence India.
2. To study the emerging trends in Higher education.
3. To state the concerns to be addressed in Higher education in India.

SCOPE OF THE STUDY:

The present study is very crisp about the saga of Indian Higher Education from Pre-independence to Post- independence. Lucid effort has also been made to make some observations and concerns over Indian Higher education. Further this paper also throws light on the other subtle issues like Colleges & Enrolments of Students during 1883-1947, role of ICT based teaching and implications of research and scientific temper in growth and development of output of Higher education.

METHODOLOGY:

Methodology is the scientific approach adopted for the preparation of any report, dissertation, thesis or a research paper. For the present paper and for the purpose of study data have been collected from secondary sources exclusively. Necessary secondary data on conceptual frame work and a few previous works are collected from Journals, Magazines, Newsletters, News papers, Periodicals, Reference Books, and various other publications and reports.

HIGHER EDUCATION IN PRE- INDEPENDENCE INDIA:

The development of Indian Education can be divided under the following era, 1) Vedic era (3000B.C. to 500 B.C.) 2) Buddhist era (500 B.C. to 1200 A.D.) 3) Muslim era (1200 A.D. to 1700 A.D.) 4) British era (The pre-independence era, 1800 A.D. to 1947) 5) Post-independence era (1947 to till date). At the time of Independence our population was 35 crores, population density was 138/sq.km. By 1901 there were 5 universities and 145 colleges, with 18,000 students (almost all male). The curriculum was Western. By 1922 most schools were under the control of elected provincial authorities, with little role for the national government. In 1922 there were 14 universities and 167 colleges, with 46,000 students. In 1947, 21 universities and 591 colleges were in operation. Universities at first did no teaching or research; they only conducted examinations and gave out degrees. In 1950-51 India had 37 universities, which included 370 colleges for general education and 308 colleges for professional education (engineering, medicine, and education) and about 50 of Agricultural institutes.

Colleges & Enrolments of Students during 1883-1947

Sl.No	Year/Variable	1883	1901	1928	1947
1	No. of Colleges	139	145	307	591
2	No. of Universities	00	05	14	21
3	Enrolment of Students	16,088	18,000	90,677	2,28,881

Source: www.allresearchjournal.com/archives/2015/vol1issue2.

Higher Education in Post- Independence India:

Higher Education in India has recorded impressive growth since independence. The country has created one of the biggest higher education systems in the world. As per MHRD-survey-2014, we have more than 768 Universities, institutions of higher learning and deemed universities, out of which 129 deemed to be universities, 51 institutions of national importance, 45 central universities, 318 state universities, 185 institutions established under state legislation act, 40 universities under the purview of MHRD and about 37,204 Colleges including about 300 plus Autonomous colleges and around 1.3 Million Schools (MHRD-2014). This statistics states that the number of Universities has increased 38 times from 20 in 1950 to 768 in 2014. Similarly the number of Colleges also registered manifold increase of 74 times with just 500 in 1950 growing to 37,204 as on 31-03-2013 (MHRD-2014). Education System has increased fourteen-fold in terms of the number of universities and thirty three-fold in terms of the number of colleges, in comparison to the number at the time of Independence. At the beginning of the academic year 2012, the total number of students enrolled in the formal system of education in universities and colleges was 99.53 lakh- 64.97 lakh (19.3 per cent) in university departments and 86.57 lakh (86.97 per cent) in affiliated colleges and 4.37 lakhs teaching Faculty employed making India's system of higher education the second largest in the world. ILO has predicted that by 2020, India will have 116 Million Workforces in the age bracket of 20 to 24 years. India will also have a very favourable dependency ratio at the average age of 29 years as against 40 plus in the most of the developed countries in the world.

Table-2: Number of Recognized Higher Education Institutions and Students Enrolment

Years	Universities	Colleges	Students Enrolment	Year	Universities	Colleges	Students Enrolment
1950-51	27	578	4.0	2007-08	406	23099	172
1960-61	45	1819	10	2008-09	440	27882	185
1970-71	82	3277	33	2009-10	436	25938	207
1980-81	110	6963	48	2010-11	621	32974	275
1990-91	184	5748	49	2011-12	642	34852	292
2000-2001	254	10152	86	2012-13	665	35829	296
2005-06	350	16982	143	2013-14	723	36636	323
2006-07	371	19812	156	2014-15	757	38056	333

Source: Statistics of higher and Technical Education Publication (Figures from 1950-51 to 2009-10) and AISHE Portal (Figures from 2010-11 to 2014-15). Note: Students Enrolment is in Lakhs.

Emerging Trends in Indian Higher Education:

There is a serious imbalance between educational need and educational capacity. Almost 2, 00,000 Indian students are taking their higher education in abroad at present. Improving quality and access in education remains a key priority to lift the growth and make it moreinclusive. The global higher education scenario by its nature affected by an intersection of socio, cultural, economic and geopolitical variable. Almost all available evidences shows that the India's house of HE does not reflect a very pleasing and impressive picture: for instance The GER for the age group 17-23 is only 15 percent compared to Australia phenomenal 110%, 31% in Philippines and 23% in China. The student-teacher ratio is in HEI is 26:1, as against the global norms of15:1. India's share in global research output is for low at 3.5%. No Indian university or College was ranked among the top 200 of the prestigious *Times Higher Education supplement list.* Even reputed & Pioneer institutions like IIT,s and IIM,s have a shortage of 35% of faculty and the state universities suffer shortage of almost 50% of the faculty they need. A survey conducted by Aspiring Minds, a Gurgaon based firm, found that out of 55000 Engineers, IT firms could employ not even 3% without extra mind or training. Around 78% struggles in English and 56% lacked analytical skills. Hence to face those challenges our higher education system must also cope up with the following globally emerging trends in higher education:

- Technological innovations like Massive Open Online Courses (MOOCs) are offering alternative pathways to international students.
- Higher educational institutions are marching towards autonomous system.
- HEI are integrating their conventional teaching-learning mechanism with creative and Innovative pathways.
- Empirical Research and Research Centres have been playing significant role.
- ICT based teaching is the need of the hour in present Higher education.
- Funding agencies are striding indeed to support the higher education in India.
- We cannot either see or ignore the higher education without Technology.
- Collaborative education and Distance education is another phenomenon in Indian HE

- Transnational education and entering foreign universities in to domestic higher education system are other pivotal changes.
- Franchising and opening of Branch campuses are also prompting students for seeking HE.

Concerns to address:

Higher education in India is presently having some challenges, if they do not address positively they may become onerous road blacks in the path towards growth and development of our nation. Such concerns includes promotion of world standard infrastructural ambience, providing adequate amount of financial resources, inculcating interest and zeal among faculty and disciples on research and scientific temper, revamp of curriculum and conventional pedagogy, implementation of professional, Technical and Vocational Education in higher learning institutions, harnessing the power of youth with value & quality orientation global outlook and a strong altruistic government initiation and intervention in almost all strategic issues and policy frameworks pertaining to the higher education. Furthermore, as we are dwelling in information age, where information communication and technology has been playing pivotal role in almost all spheres of life, it must be earmarked with significantly considerable amount of investment and well versed training to be also provided for teachers and other human resources of the higher education institutions.

As per as youth and their academic, technological potency and competencies are concerned, more than 50% of the Indian population is below the age of 25 years. If we imbibe them with high degree of value orientation, technical support and employable skills certainly it will be an irrefutable fact that we should unleash the full potency and productivity of them. Regarding to skilled manpower, in India apart to IT, BPO the other prominent service sector education is also losing its competitive edge. Statistics reveals that in India only 3.5% of the entire workforce is skilled compared to 46% in China, 74% in Germany and 96% in Korea (TOI Editorial, 2015). As intellectual capital only create the competitive competency in the nation, Higher education needs to prepare proper plans and abreast with world progress.

Conclusion:

The rapid rise in skill premiums in India in the last few years has exposed an important paradox about India's labor markets. Despite its enormous size, the pool of skilled labor is relatively shallow, the result of a deep crisis in higher education despite the success of a few professional schools. The veneer of the few institutions of excellence masks the reality that the median higher education institutions in India have become incapable of producing students with skills and knowledge. The process neither serves a screening or signaling function, nor prepares students to be productive and responsible citizens. Consequently, students are forced to spend more years (and, increasingly, larger resources) to acquire some sort of post-graduate professional qualification, as they desperately seek ways to signal their qualities to potential employers.

Of course, the global educational atmosphere is also evolving radically and drastically on many fronts like technologically, economically, legally, demographically, institutionally and even culturally. Innovation and Creativity have remarkable impact on almost all the stakeholders of the education system especially on higher education phenomenon. It is very much needs to manage the competencies of the teaching faculty perpetually and potentially. One must see that higher education should integrate the development of personality and it should be imparted through head, hand and heart. Merely growth of higher education will not serve the basic purpose of education policy. It is necessary to see that the universities and colleges should provide quality education to the masses.

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AN ANALYSIS OF EXPECTATIONS OF THE FINANCIALLY EXCLUDED FARMERS TOWARDS THEIR FINANCIAL INCLUSION: AN EMPIRICAL EVIDENCE

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Abstract

The magnitude of NPAs have a direct impact on banks' profitability as legally they are not allowed to book income on such accounts and at the same time banks are forced to make provision on such assets as per the RBI guidelines. The rapid hike in NPAs of banks is a matter of great alarm and anxiety to the government since it causes obstacles in the free flow of credit jeopardizing the health of the banking system and the economy ending up in doldrums. For the purpose of the study sample respondents of 500 who are financially excluded from the formal financial institutions were selected from the three regions of Andhra Pradesh. Bhaimsa and Rebbana Mandals of Adilabad district of Telangana, Adoni, Bandi Atmakur mandals of Kurnool district of Rayalaseema and Sullurupeta and Vinjamur Mandals of Nellore Districts of Andhra Pradesh, mostly by resorting to the method of stratified random sampling. The stratification is done on the basis of size of the land holding and social status. The study concluded that the relationship between the size of the farmers and their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs, good credit history must be rewarded with enhanced credit limits, contingency loan facility must be provided to each farmer and provision of consumption credit are found to be statistically independent.

INTRODUCTION:

The problem of mounting NON PERFORMING ASSETS (NPAs) not only jeopardizes the interests of the defaulters but also of the regular members, auditors, and the very cooperative banking itself. There is no gainsaying the fact that a safe, sound and solid kind of credit structure depends to a considerable extent on the speedy recovery of funds advanced to the borrowers. The cooperative credit is no exception to this rule. The real test of its future strength lies in the record of the realization of loans. But there has been sluggishness in the recovery of loans in the cooperative credit agencies as well as in the societies financed by the commercial banks. This has made the RBI to give a call for a proper climate to tackle the problem of mounting NPAs which are smothering the progress of the cooperative movement. It has also exhorted the various cooperative organizations to make concerted efforts to reduce NPAs.

The objective of this paper is to

- Credit limits should be fixed on the market prices of inputs
- Good credit history must be rewarded with enhanced credit limits
- Contingency loan facility must be provided to each farmer
- Provision of consumption credit
- Clearance of NPAs in terms of flexible installments

Towards the end of the objective**,** Sample respondents of 500 who are financially excluded from the formal financial institutions were selected for the purpose of the study from the three regions of Andhra Pradesh. Bhaimsa and Rebbana Mandals of Adilabad district of Telangana, Adoni, Bandi Atmakur mandals of Kurnool district of Rayalaseema and Sullurupeta and Vinjamur Mandals of Nellore Districts of Andhra Pradesh, mostly by resorting to the method of stratified random sampling. The stratification is done on the basis of size of the land holding and social status. The relevant data are collected directly from the respondents by administering a pre designed questionnaire/ schedule.

RESULTS AND ANALYSIS

Table-1: **credit limits should be fixed on the market prices of inputs**

Response	**Frequency**	**Percent**	**Cumulative Percent**
Yes	421	84.2	84.2
No	79	15.8	100.0
Total	500	100.0	

Source: primary data

Table-1 refers to the distribution of the sample farmers by their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs. It is observed that 84.2 percent of the sample farmers have expected the banks to fix the credit limits on the basis of market prices of inputs and 15.8 percent of the sample farmers did not expect the same.

Table-2: **Good credit history must be rewarded with enhanced credit limits**

Response	**Frequency**	**Percent**	**Cumulative Percent**
Yes	397	79.4	79.4
No	103	20.6	100.0
Total	500	100.0	

Source: primary data

Table-2 reveals that 79.4 percent of the sample farmers have expected from the banks that good credit history must be rewarded with enhanced credit limits and 20.6 percent of the sample farmers did not expect the same.

Table-3: **Contingency loan facility must be provided to each farmer**

Response	**Frequency**	**Percent**	**Cumulative Percent**
Yes	377	75.4	75.4
No	123	24.6	100.0
Total	500	100.0	

Source: primary data

Table-3 refers to that 75.4 percent of the sample farmers have expected from the banks that contingency loan facility must be provided to each farmer and 24.6 percent of the sample farmers did not expect the same.

Table-4: **Provision of consumption credit**

Response	**Frequency**	**Percent**	**Cumulative Percent**
Yes	417	83.4	83.4
No	83	16.6	100.0
Total	500	100.0	

Source: primary data

Table-4 refers to the distribution of the sample farmers by their expectations from the banks and other related organs namely provision of consumption credit. It is observed that 83.4 percent of the sample farmers have expected from the banks that provision of consumption credit and 16.6 percent of the sample farmers did not expect the same.

Table-5: **Clearance of NPAs in terms of flexible installments**

Response	Frequency	Percent	Cumulative Percent
Yes	381	76.2	76.2
No	119	23.8	100.0
Total	500	100.0	

Source: primary data

Table-5 refers to the distribution of the sample farmers by their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments. It is observed that 76.2 percent of the sample farmers have expected from the banks that clearance of NPAs in terms of flexible installments and 23.8 percent of the sample farmers did not expect the same.

Table-6: Size of the farmer and Credit limits should be fixed on the market prices of inputs

Size of the farmer	Credit limits should be fixed on the market prices of inputs		Total
	Yes	No	
Marginal	52	13	65
	80.0%	20.0%	100.0%
	12.4%	16.5%	13.0%
Small	254	46	300
	84.7%	15.3%	100.0%
	60.3%	58.2%	60.0%
Medium	83	17	100
	83.0%	17.0%	100.0%
	19.7%	21.5%	20.0%
Big	32	3	35
	91.4%	8.6%	100.0%
	7.6%	3.8%	7.0%
Total	421	79	500
	84.2%	15.8%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=2.394, df=3, ρ=0.495, r=-0.040   Source: primary data

Table-6 refers to the distribution of the sample farmers by their size and by their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs. The correlation between the size of the farmers and their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs is found to be negative(r=-0.040). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the size of the farmers and their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs is found to be statistically independent.

Table-7:Size of the farmer and Good credit history must be rewarded with enhanced credit limits

Size of the farmer	Good credit history must be rewarded with enhanced credit limits		Total
	Yes	No	
Marginal	47	18	65
	72.3%	27.7%	100.0%
	11.8%	17.5%	13.0%
Small	240	60	300
	80.0%	20.0%	100.0%
	60.5%	58.3%	60.0%
Medium	80	20	100
	80.0%	20.0%	100.0%
	20.2%	19.4%	20.0%
Big	30	5	35
	85.7%	14.3%	100.0%
	7.6%	4.9%	7.0%
Total	397	103	500
	79.4%	20.6%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=2.940, df=3, ρ=0.401, r=-0.060

Source: primary data

Table-7 refers to the distribution of the sample farmers by their size and by their expectations from the banks and other related organs namely good credit history must be rewarded with enhanced credit limits. The correlation between the size of the farmers and their expectations from the banks and other related organs namely good credit history must be rewarded with enhanced credit limits is found to be negative(r=-0.060). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the size of the farmers and their expectations from the banks and other related organs namely good credit history must be rewarded with enhanced credit limits is found to be statistically independent.

Table-8: Size of the farmer and Contingency loan facility must be provided to each farmer

Size of the farmer	Contingency loan facility must be provided to each farmer		Total
	Yes	No	
Marginal	44	21	65
	67.7%	32.3%	100.0%
	11.7%	17.1%	13.0%
Small	226	74	300
	75.3%	24.7%	100.0%
	59.9%	60.2%	60.0%
Medium	78	22	100
	78.0%	22.0%	100.0%
	20.7%	17.9%	20.0%
Big	29	6	35
	82.9%	17.1%	100.0%
	7.7%	4.9%	7.0%
Total	377	123	500
	75.4%	24.6%	100.0%
	100	100	

Chi-Square=3.5, df=3, ρ=0.321, r=-0.078, Source: primary data

Table-8 refers to the distribution of the sample farmers by their size and by their expectations from the banks and other related organs namely contingency loan facility must be provided to each farmer. The correlation between the size of the farmers and their expectations from the banks and other related organs namely contingency loan facility must be provided to each farmer is found to be negative(r=-0.078). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the size of the farmers and their expectations from the banks and other related organs namely contingency loan facility must be provided to each farmer is found to be statistically independent.

Table-9: Size of the farmer and Provision of consumption credit

Size of the farmer	Provision of consumption credit		Total
	Yes	**No**	
Marginal	52	13	65
	80.0%	20.0%	100.0%
	12.5%	15.7%	13.0%
Small	252	48	300
	84.0%	16.0%	100.0%
	60.4%	57.8%	60.0%
Medium	82	18	100
	82.0%	18.0%	100.0%
	19.7%	21.7%	20.0%
Big	31	4	35
	88.6%	11.4%	100.0%
	7.4%	4.8%	7.0%
Total	417	83	500
	83.4%	16.6%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=1.5, df=3, ρ=0.697, r=-0.026

Source: primary data

Table-9 refers to the distribution of the sample farmers by their size and by their expectations from the banks and other related organs namely provision of consumption credit. The correlation between the size of the farmers and their expectations from the banks and other related organs namely provision of consumption credit is found to be negative(r=-0.026). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the size of the farmers and their expectations from the banks and other related organs namely provision of consumption credit is found to be statistically independent.

Table-10: Size of the farmer and Clearance of NPAs in terms of flexible installments

Size of the farmer	Clearance of NPAs in terms of flexible installments		Total
	Yes	No	
Marginal	43	22	65
	66.2%	33.8%	100.0%
	11.3%	18.5%	13.0%
Small	232	68	300
	77.3%	22.7%	100.0%
	60.9%	57.1%	60.0%
Medium	76	24	100
	76.0%	24.0%	100.0%
	19.9%	20.2%	20.0%
Big	30	5	35
	85.7%	14.3%	100.0%
	7.9%	4.2%	7.0%
Total	381	119	500
	76.2%	23.8%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=5.58, df=3, ρ=0.134, r=-0.076

Source: primary data

Table-10 refers to the distribution of the sample farmers by their size and by their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments. The correlation between the size of the farmers and their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments is found to be negative(r=-0.076). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the size of the farmers and their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments is found to be statistically independent.

Table-11: Social status and Credit limits should be fixed on the market prices of inputs

Size of the farmer	Credit limits should be fixed on the market prices of inputs		Total
	Yes	No	
OC	95	20	115
	82.6%	17.4%	100.0%
	22.6%	25.3%	23.0%
BC	229	46	275
	83.3%	16.7%	100.0%
	54.4%	58.2%	55.0%
SC	61	9	70
	87.1%	12.9%	100.0%
	14.5%	11.4%	14.0%
ST	36	4	40
	90.0%	10.0%	100.0%
	8.6%	5.1%	8.0%
Total	421	79	500
	84.2%	15.8%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=1.86, df=3, ρ=0.601, r=-0.052

Source: primary data

Table-11 refers to the distribution of the sample farmers by their social status and by their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs. The correlation between the social status of the farmers and their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs is found to be negative(r=-0.052). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the social status of the farmers and their expectations from the banks and other related organs namely credit limits should be fixed on the basis of market prices of inputs is found to be statistically independent.

Table-12 :Social status and Good credit history must be rewarded with enhanced credit limits

Size of the farmer	Good credit history must be rewarded with enhanced credit limits		**Total**
	Yes	**No**	
OC	90	25	115
	78.3%	21.7%	100.0%
	22.7%	24.3%	23.0%
BC	215	60	275
	78.2%	21.8%	100.0%
	54.2%	58.3%	55.0%
SC	56	14	70
	80.0%	20.0%	100.0%
	14.1%	13.6%	14.0%
ST	36	4	40
	90.0%	10.0%	100.0%
	9.1%	3.9%	8.0%
Total	397	103	500
	79.4%	20.6%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=3.104, df=3, ρ=0.376, r=-0.049, Source: primary data

Table-12 refers to the distribution of the sample farmers by their social status and by their expectations from the banks and other related organs namely good credit history must be rewarded with enhanced credit limits. The correlation between the social status of the farmers and their expectations from the banks and other related organs namely good credit history must be rewarded with enhanced credit limits is found to be negative(r=-0.049). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the social status of the farmers and their expectations from the banks and other related organs namely good credit history must be rewarded with enhanced credit limits is found to be statistically independent.

Table-13: Social status and Contingency loan facility must be provided to each farmer

Size of the farmer	Contingency loan facility must be provided to each farmer		Total
	Yes	**No**	
OC	85	30	115
	73.9%	26.1%	100.0%
	22.5%	24.4%	23.0%
BC	208	67	275
	75.6%	24.4%	100.0%
	55.2%	54.5%	55.0%
SC	51	19	70
	72.9%	27.1%	100.0%
	13.5%	15.4%	14.0%
ST	33	7	40
	82.5%	17.5%	100.0%
	8.8%	5.7%	8.0%
Total	377	123	500
	75.4%	24.6%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=1.476, df=3, ρ=0.688, r=-0.024

Source: primary data

Table-13 refers to the distribution of the sample farmers by their social status and by their expectations from the banks and other related organs namely contingency loan facility must be provided to each farmer. The correlation between the social status of the farmers and their expectations from the banks and other related organs namely contingency loan facility must be provided to each farmer is found to be negative(r=-0.024). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the social status of the farmers and their expectations from the banks and other related organs namely contingency loan facility must be provided to each farmer is found to be statistically independent.

Table-14: Social status and Provision of consumption credit

Size of the farmer	Provision of consumption credit		Total
	Yes	**No**	
OC	94	21	115
	81.7%	18.3%	100.0%
	22.5%	25.3%	23.0%
BC	228	47	275
	82.9%	17.1%	100.0%
	54.7%	56.6%	55.0%
SC	61	9	70
	87.1%	12.9%	100.0%
	14.6%	10.8%	14.0%
ST	34	6	40
	85.0%	15.0%	100.0%
	8.2%	7.2%	8.0%
Total	417	83	500
	83.4%	16.6%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=1.059, df=3, ρ=0.787, r=-0.040, Source: primary data

Table-14 refers to the distribution of the sample farmers by their social status and by their expectations from the banks and other related organs namely provision of consumption credit. The correlation between the social status of the farmers and their expectations from the banks and other related organs namely provision of consumption credit is found to be negative(r=-0.040). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the social status of the farmers and their expectations from the banks and other related organs namely provision of consumption credit is found to be statistically independent.

Table-15 :Social status and Clearance of NPAs in terms of flexible installments

Size of the farmer	Clearance of NPAs in terms of flexible installments		Total
	Yes	No	
OC	85	30	115
	73.9%	26.1%	100.0%
	22.3%	25.2%	23.0%
BC	208	67	275
	75.6%	24.4%	100.0%
	54.6%	56.3%	55.0%
SC	57	13	70
	81.4%	18.6%	100.0%
	15.0%	10.9%	14.0%
ST	31	9	40
	77.5%	22.5%	100.0%
	8.1%	7.6%	8.0%
Total	381	119	500
	76.2%	23.8%	100.0%
	100.0%	100.0%	100.0%

Chi-Square=1.472, df=3, ρ=0.689, r=-0.045, Source: primary data

Table-15 refers to the distribution of the sample farmers by their social status and by their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments. The correlation between the social status of the farmers and their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments is found to be negative(r=-0.045). The acceptance of the null hypothesis with level of significance=0.05 and degree of freedom=3 implies that the relationship between the social status of the farmers and their expectations from the banks and other related organs namely clearance of NPAs in terms of flexible installments is found to be statistically independent.

CONCLUSION:

The present study concluded that 84.2 percent of the sample farmers have expected the banks to fix the credit limits on the basis of market prices of inputs. 79.4 percent of the sample farmers have expected from the banks that good credit history must be rewarded with enhanced credit limits. 75.4 percent of the sample farmers have expected from the banks that contingency loan facility must be provided to each farmer. 83.4 percent of the sample farmers have expected from the banks that provision of consumption credit. 76.2 percent of the sample farmers have expected from the banks that clearance of NPAs in terms of flexible installments. It is felt that if the said expectations are fulfilled, they can not only solve the problem of NPAs but also can prevent the problem forever.

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SOCIO-ECONOMIC CONDITIONS OF AGRICULTURE LABOUR – A STUDY IN NIZAMABAD DIST., TELANGANA

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ABSTRACT

India is predominantly an agrarian country where about 70 per cent of its population still depends on agriculture for its livelihood. The direct contribution of agricultural sector to the national economy is reflected by its share in total GDP, total employment and so on. It still remains the most acceptable fact that agriculture continues to play an important role in the socio-economic development of the country. The agricultural labourers constitute a considerable proportion of rural work force in India. In the present study area i.e., in Nizamabad District total population is 25,51,335, out of these males constitute 12.51 Lakhs and females constitute 13.01 Lakhs. Nearly 45.81% of main workers in the district are agricultural labourers. Majority of the agricultural labourers are belongs to Scheduled Caste and Scheduled Tribes. There income is low and employment is irregular. Since they possess no skills or training and then have no alternative employment opportunities either. Therefore they are a suppressed class because of all these reasons their economic lot has failed to improve even after six decades of planning. Qualitative data were also collected through focus group discussion. Study shows that main cause of labour shortage is rural out-migration and MGNREGA work. The consequence of labour shortage in agriculture is changes in cropping pattern and land market. The farmers have adopted various strategies to overcome labour shortage in agriculture such as use of family labour, increased use of machinery and hired labour from outside the village. Farmers (especially small and medium farmers) unable to pay wage rate as equal to the MGNREGA wage rate due to low income from agriculture. As MGNREGA is a labour bank in the rural areas, these labour should involve in agricultural work in the field of farmers that the best strategy to overcome labour shortage in agriculture. Another strategy is implementation of cooperative farming in the study areas.

Keywords: Labour shortage, MGNREGA, migration, wage rate, family labour

Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has completed ten years since its inception in India. The aim of the scheme is to enhance livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed employment in every financial year of every household whose adult members volunteer to do the unskilled work..NREGS was launched from Anantapur district, Andhra Pradesh by the UPA government in Feb 2nd 2006. It aimed at providing livelihood security by guaranteeing 100 days/year of unskilled manual work to every rural household. It had provisions of unemployment allowances in case the work is not provided within 15 days. Initially launched in 200 districts, it was extended to 130 more districts in 2007. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) completes ten years of implementation on 2nd February 2016. The achievements of a decade are a cause of national pride and celebration. Since the start of the programme, the expenditure on the programme has amounted to Rs. 3,13,844.55 crore and out of this 71% has been spent on wage payments to workers.Of the workers, the percentage of Scheduled Caste workers has consistently been about 20% and Scheduled Tribe workers has been about 17%. A total of 1,980.01 crore person days have been generated, out of which the percentage worked by women has steadily increased much above the statutory minimum of 33%. A total of 150 interviews were conducted with randomly selected MGNREGA beneficiaries. Interview schedule, structured discussion and observation methods have been also used to collect primary data from the field. In terms of MGNREGA's outcomes, the study reveals that the scheme is benefitting the poorest households and tribes in particular especially in terms of providing a safety net and as a tool for poverty alleviation and empowerment.

The data provided by the census of India reveals that in 1981, about 69 per cent of the total workers were engaged in agriculture and allied activities; during 1991, the share of agriculture in total employment slightly declined to 68 percent. In absolute terms, agriculture provided employment to 256 million persons in 1997, thus bringing percentage of economically active population in agriculture to 61 per cent. It was increased in 2011 census to 263.02 millions (72.57% of total main workers i.e. 362.45 millions). It is really disturbing that the proportion of agricultural labourers has increased and the cultivators have indicated a decline.

One of the most distinguishing features of the rural economy of India has been the growth in the number of agricultural workers, cultivators and agricultural labourers engaged in crop production. The phenomena of underemployment, under-development and surplus population are simultaneously manifested in the daily lives and living of the agricultural labourers. They usually get low wages, conditions of work put an excessive burden on them, and the employment which they get is extremely irregular. Agricultural workers constitute the most neglected class in Indian rural structure. Their income is low and employment irregular. Since, they possess no skill or training, they have no alternative employment opportunities either. Socially, a large number of agricultural workers belong to scheduled castes and scheduled tribes. Therefore, they are a suppressed class. They are not organised and they cannot fight for their rights. Because of all these reasons their economic lot has failed to improve even after six decades of planning.

PROBLEMS OF LANDLESS AGRICULTURAL LABOUR

The problem of agricultural landless labourers was increasing year after year and in order to evaluate the economic conditions of this class. The First Agricultural Labour Enquiry was conducted in the year 1950-1951 by the Ministry of Labour. The enquiries revealed the following problems of agricultural landless lobourers.

Low wage rate

Wage is the main problem in this sector. Through agricultural wages have been revised upward several times since independence the legislations are poorly implemented. For instance wages in U.P, Bahar, Orisa and M. Pranges from Rs.20. to 30 per day per man compared to the wage range between Rs. 7.50 and Rs. 9.50 in Punjab and haryana there is exploitation by landowners low wages generate the vicious cycle of poverty.

LARGE SIZED FAMILES

The number of members increased in the families are other problems of landless agricultural labours. Their income earning available sources only in the field of agriculture land.

Low social status

The incomes of agricultural labourers are very limited. So their standard of living is not improved way social status of the labourers are very low level compare with other income group of people.

No social security

Agriculture workers in the country do not have any social security. The existing legislations are also not enforced permanently by concerned authorities.

REVIEW OF LITERATURE:

MGNREGA as Strategies to Overcome Labour Shortage in Agriculture: Another suggestion of the farmers is that MGNREGA workers should be available agriculture work in the farmers' field. As we have discussed earlier that MGNREGA has positive and negative impacts on agriculture and rural households as on one hand remittances from MGNREGA are being used in agriculture and household expenditure and on the other it is responsible for the increasing wage rate in agriculture. MGNREGA gives equal opportunity to men and women in terms of work and wage rates. Women are happy with MGNREGA because of on time payment of wages, whereas in agriculture they get lower wages than men (Sivanandan, 2012).

MGNREGA was implemented in three phases since 2006. It has improved rural socio-economic conditions among landless and marginal farmers, as well as improved environmental related components. These components are water and soil conservation (Tiwari *et al.,* 2011).

Aparna (2012) also showed the impact of MGNREGA on input use, labour production, and returns of selected crops. Villages were using 75 per cent of their earnings from MGNREGA in improving irrigation and infrastructural facilities and have therefore increase land rent. Card holders have used their money to introduce chemical fertilizers and machinery in their fields.

From the above review, there is no particular study, which is based on agricultural work, wages and economic contributions of working to household income and pattern of expenditure and savings of agricultural labour.

OBJECTIVES OF THE STUDY

1. To examine the causes of landlessness and study the general level of wage differential function among the landless agriculture labourers.

2. To find out the structure of income and expenditure patterns of the landless agriculture labourers.

3. To analyze the levels of assets and liabilities of landless agriculture labourers.

4. To estimate the extent of poverty of landless agricultural labourers.

5. To examine the problems faced by the landless agriculture labourers and to offer suitable solutions.

METHODOLOGY

The present study is based on aggregated data about the agricultural labourer of Yedapally Mandal of Nizamabad District collected from government and semi-government sources. But it cannot answer satisfactorily the question such as – which factors are responsible for difference in income, consumption and indebtedness of the agricultural labourers in the mandal. To obtain answer to such questions it is necessary to make a comparative analysis of the sources of income, pattern of consumption and indebtedness of the agricultural labourers at the household level. This in turn calls for field study with individual household as unit of observation and accordingly field survey was carried out as a part of the study in a few selected villages in the mandal based on random sampling. The ultimate aim of the field survey is to find out the source, composition and pattern of income and consumption of the agricultural labourers. The Yedapally Mandal of Nizamabad District of Telangana State is purposively selected for the study in view of the strong agricultural labour concentrated in the area. Therefore totally 200 households were selected. Simple percentages and averages were worked out to analyze the general characteristics of the samples.

Table-1: Caste-wise Distribution of the Respondents

Caste	Mangalpad	Kurnapally	Thanakallan	Total
Backward Class	26 (32.09)	25 (30.87)	30 (37.04)	81 (40.50)
Scheduled Caste	11 (18.33)	22 (36.67)	27 (45.00)	60 (30.00)
Scheduled Tribe	--	--	17 (100.00)	17 (8.50)
Other Castes	--	5 (71.42)	2 (28.58)	7 (3.50)
Minority	23 (65.72)	12 (34.28)	--	35 (17.50)
Total	**60 (30.00)**	**64 (32.00)**	**76 (38.00)**	**200 (100.00)**

Source: *Field Study*

The table 1 explains the village wise and caste wise distribution of the sample respondents. Of the total sample Thanakallan respondents are more in number followed by Kurnapally and Mangalpad villages. In caste wise distribution 40.5 percent of Backward Class respondents, 30 percent Scheduled Caste respondents, 17 percent of Muslim Minority respondents, 8.5 percent Scheduled Tribe respondents are chosen for study, only 3.5 percent Other Caste respondents are available in our selected sample villages. It is noted that BC & SC respondents are almost equal number in all the three villages, whereas SC respondents are not available in Mangalpad and Kurnapally villages. It is significant to note that OC respondents are very less in number in the sample villages.

Table-2: Agricultural Labourers and Marginal Farmers

Community	Agricultural Labourers	Marginal Farmers	Total
B C	36 (18.00)	45 (22.5)	81
S C	32 (16.00)	28 (14.00)	60
S T	5 (2.50)	12 (6.00)	17
O C	5 (2.50)	2 (1.00)	7
Muslim Minority	35 (17.50)	--	35
Total	**113 (56.50)**	**87 (43.50)**	**200 (100.00)**

Source: *Field Study*

Table 2 reveals that the households 43.50 percent have land. Of this 22 percent are BCs, 14 percent are SCs, 6 percent are STs and only one percent belongs to OC community, Muslim Minority community do not have any land. In BC and SC community almost 50:50 division among landed households and landless households. In other communities landless households are more than landed households.

Table-3: Landholdings of the respondents

Community	Number of Respondents got land from Govt.	Number of Respondents have own Land	Total Respondents have Agricultural Land	Landless respondents/ Landless Agricultural Labourers	Total
B C	7 (3.50)	38 (19.00)	45 (22.50)	36 (18.00)	81 (40.50)
S C	15 (7.50)	13 (6.50)	28 (14.00)	32 (16.00)	60 (30.00)
S T	7 (3.50)	5 (2.50)	12 (6.00)	5 (2.50)	17 (8.50)
O C	--	2 (1.00)	2 (1.00)	5 (2.50)	7 (3.50)
Muslim	--	1 (0.50)	1 (0.50)	34 (17.00)	35 (17.50)
Total	29 (14.50)	59 (29.50)	88 (44.5)	112 (56.00)	200 (100.00)

Source: *Field Study*

Table 3 explains the landholdings of the sample respondents of the entire 200 sample respondents 44.50 per cent landed households, 22.50 percent are BC community, 14 percent are SCs, 6 percent are STs only one percent OC community. Majority of the respondents (56 percent) do not have any land. Among the landed households 29 respondents have got land from government.

Table-4: Income Particulars of the Respondents

(Income per Annum)

Income Range	B C	S C	S T	O C	Minority	Total
Below 2000	10 (5.00)	10 (5.00)	2 (0.10)	1 (0.50)	--	23 (11.5)
2000-5000	21 (10.5)	6 (3.00)	1 (0.5)	--	1 (0.5)	29 (14.5)
5001-10000	11 (5.50)	8 (4.00)	8 (4.00)	--	--	27 (13.5)
10001-15000	2 (1.00)	3 (1.50)	1 (0.50)	1 (0.50)	--	7 (3.50)
Above 15000	1 (0.50)	1 (0.50)	--	--	--	2 (1.00)
Total	45 (22.50)	28 (14.00)	12 (6.00)	2 (1.00)	1 (0.50)	88 (44.00)

Source: *Field Study*

Table 4 explains Majority of the respondents are getting income below Rs. 10,000 per annum, 3.5 percent of the respondents are getting in the range of Rs.10,000 to Rs. 15,000 only two persons are from BC and one from SC are getting more than Rs. 15,000 income, 11.5 percent of the respondents getting below Rs. 2,000 income. Thus, low level income shows that the economic conditions of the respondents, most of the respondents are not getting sufficient income from cultivation that why they are not depending on cultivation.

Table-5: Outstanding Loan Particulars of the Respondents

Range	B C	S C	S T	O C	Minority	Total
No Indebtedness Families	22 (11.00)	7 (3.50)	8 (4.00)	2 (1.00)	8 (4.00)	47 (23.50)
Below 10,000	15 (7.50)	26 (13.00)	2 (1.00)	1 (0.50)	14 (7.00)	58 (29.00)
10,001 – 20,000	18 (9.00)	14 (7.00)	3 (1.50)	--	11 (5.50)	46 (23.00)
20,001 – 30,000	9 (4.50)	7 (3.50)	2 (1.00)	1 (0.50)	--	19 (9.50)
30,001 – 40,000	3 (1.50)	2 (1.00)	--	1 (0.50)	1 (0.50)	7 (3.50)
40,001 – 50,000	10 (5.00)	2 (1.00)	1 (0.50)	1 (0.50)	--	14 (7.00)
Above 50,000	4 (2.00)	2 (1.00)	1 (0.50)	1 (0.50)	1 (0.50)	9 (4.50)
Total	**81**	**60**	**17**	**7**	**35**	**200 (100.00)**

Source: *Field Study*

Table 5 denotes outstanding loan amount of the respondents. It is noted that 153 respondents have outstanding loans, only 47 respondents do not have outstanding loans 29 per cent of the respondents outstanding loan amount is below Rs. 10,000, 23.00 per cent of the respondents outstanding loan amount is in the range of Rs. 10,000 – 20,000, 9.50 per cent of the respondents outstanding loan amount is in the range of Rs. 20,000 – 30,000, 7 per cent of the respondents outstanding loan amount is in the range of Rs. 40,000 – 50,000. Above 50,000 outstanding loan having respondents are 4.5 per cent.

FINDINGS:

The increasing vulnerability among the agricultural labourers is inevitable due to feckless schemes of the governments. This research is a module for attempting the whole issues of agricultural labouers was done primarily based on both primary and secondary data, the research analyses the employment generation, income of agricultural labour and the extend of indebtedness and earning prevalent among rural landless labourers and agricultural households in Yedapally Mandal of Nizamabad District with a view to understanding their livelihood patterns. In this Mandal—where more than 70 per cent of the population is rural—a third of rural households constitute landless labour households which depend completely on wage employment. Another 60 per cent of rural households are comprised of marginal farmers and small farmers who do not generate sufficient income from their land. Even small farmers with up to five acres supplement their agriculture without side jobs or wage employment. The evidence relating to rural labour households and agricultural labour households shows an explicit overall decline in employment both for male and female labour. There is also a decline in the average number of earning members per household. Clearly, the rural labour households and agricultural labour households in this mandal are characterized by low earning, decline in income, low consumption and high debt, and remedies will have to be found to generate more employment and income. Since independence, there is a significant improvement in India's economic and social development.

In the post-reform (sine 1991) period, India has done well in some indicators such as balance of payments, resilience to external shocks, service sector growth, significant accumulation of foreign exchange, Information Technology (IT) and stock market, improvements in telecommunications etc. GDP growth was around 8 to 9% per annum in the period of 2004-05 to 2007-08. Investment and savings rates were quite high 32 to 36%. However, exclusion continued in terms of low agricultural growth, low quality employment growth, low human development, rural-urban divides, gender and social inequalities, and regional disparities etc. In spite of all, several efforts have been made by both governments in order to promote livelihoods of the agricultural labourers across in India. Eventually, the Telangana State has made remarkable progress in certain sectors of its economy but this had led to no perceptible improvement in the living conditions of agricultural labourers. There are some acute poverty persist in the agricultural sector. However, in Yedapally Mandal of Nizamabad district is having acute poverty among agricultural labourers due to indiscrimination of wage paid to the labourers, using mechanized practices, cultivation of single crop due to failure of irrigation facilities and other social factors are highly vulnerable.

Suggestions for the Improvement of Agricultural Labours:

The following suggestions can be made for the improvement of the socio-economic position of the agricultural labourers

1. Better implementation of legislative measures.

2. Strengthening of Mahathama Gandhi National Rural Employement Guarantee Scheme (MGNREGS)3. Creating alternative sources of employment

4. Protection of women and child labourers

5. Public works programmes should be for longer period in year

6. Improving the working conditions

7. Regulation of hours of work

8. Credit at cheaper rates of interest on easy terms of payment for undertaking subsidiary occupation.

9. Proper training for improving the skill of farm labourers

10. Cooperative farming

CONCLUSION

Labour shortage in agriculture is being major problem in agriculture sector in India. The main cause of labour shortage in agriculture are- rural out-migration of agricultural labour; MGNREGA works and its wagerate; high wage rate; institutional factors. Former two factors are more prominent in rural areas. According to the farmers' response, labour shortage started since 1990s when economic reform was introduced but acute labour shortage started since 2005-06 when the MGNREGA was begin. Mechanization in agriculture is the best alternative for labour shortage but it has some limitation such as costly, small landholding, high maintenance charges, etc. MGNREGA is a labour bank in rural areas and involvement of it in agriculture is the best strategy to overcome labour shortage in agriculture. But is needs some regulation with rules and conditions.

The study recommends that farmers and agricultural labours are mutual partner in agriculture; Hence, both should be satisfied in terms of wage rate and nature of works. Government should facilitate MGNREGA labour to the farmers in subsidised rates.

One of the distinguishing features of the rural economy of India has been the growth in the number of agricultural workers, cultivators and agricultural labourers engaged in crop production. The Government of India conducted agricultural Labour Enquiry and Rural Labour Enquiries. The main objectives of these Enquiries have been to collect vital information on the Socio- Economic conditions of Rural Agricultural Landless Labourers. These enquiries formulate the policy measures to uplift the economic life of population in rural areas. In order to guarantee sustainable agricultural development in the new millennium, rural workers and their families should have access to adequate working and living conditions, health and welfare.

The wage employment programs and employment guarantee scheme of MGNREGS regulates the right direction to ensure livelihood security to the agricultural labourers. This Scheme Safeguard the agricultural landless labours sources of income earnings and improve standard of living.

A technology which best suit and fulfill the requirement of agricultural labours should be promoted in the direction of sustainable agricultural without affecting livelihood security of agricultural labour in India. A balanced approach towards capital intensive technology without affecting the interest of manual labour is the need of the hour in the Indian context.

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IMPACT OF PRICE DETARIFICATION AND PRODUCT DEREGULATION ON THE FINANCIAL PERFORMANCE OF NON-LIFE INSURANCE SECTOR IN INDIA- A COMPARATIVE STUDY

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ABSTRACT

Non-Life insurance sector in India is emerged has a strong driver of the GDP. With written premium of Rs 84,684 Cr in 2015 this sector has achieved an annual growth rate of 17% over the last five years. More than 7 lakh people are directly and indirectly working in non-life insurance sector in India. The non-life insurance sector contributed 11–12% (10-12 thousand Cores) of total losses over the string of natural catastrophes in India, thereby indicating that non-life insurance industry supports the government and society by reducing the financial burden of social welfare and sharing the cost of catastrophes. Further, the sector as a whole has invested 35% of its total assets in government securities and nearly 20 percent in infrastructure industry India. Various research studies witnessed that one standard deviation increment in general insurance penetration induces growth of 0.39 percent in GDP which is higher than banking and life insurance sector. The general insurance industry has created greater access to financial services and protection in recent years—over 300 million new beneficiaries added over the last 3 years. The present study examined the impact two important measures i.e. price detarification and product deregulation the financial position of the selected non-life insurers during post reforms period. The study revealed the two measures have significant impact on net worth, liquidity and reinsurance and insignificant impact on profitability and solvency.

INTRODUCTION:

The role of Insurance sector is very significant in providing protection against the risks of human life and business activities. It is one of the four pillars of the financial system of any country while others are banks, mutual funds, derivatives. Non-Life insurance sector in India is emerged has a strong driver of the GDP. With written premium of Rs 78,000 crore in 2016 this sector has achieved an annual growth rate of 17% over the last five years. More than 7 lakh people are directly and indirectly working in non-life insurance sector in India. The non-life insurance sector contributed 11–12% (10-12 thousand Cores) of total losses over the string of natural catastrophes in India, thereby indicating that non-life insurance industry supports the government and society by reducing the financial burden of social welfare and sharing the cost of catastrophes. Further, the sector as a whole has invested 35% of its total assets in government securities and nearly 20 percent in infrastructure industry India. Various research studies witnessed that one standard deviation increment in general insurance penetration induces growth of 0.39 percent in GDP which is higher than banking and life insurance sector. The general insurance industry has created greater access to financial services and protection in recent years—over 300 million new beneficiaries added over the last 3 years.

REVIEW OF LITERATURE:

Manisha and S.Modi (2011)[3] examined the impact of reforms on operational and financial performance of General Insurance Public Sector Companies (GIPSC) during the period of 2001-02 to 2007-08which found that reforms in general insurance sector could not lead to the improvement in profitability, solvency and financial soundness as expected. Further, he observed that price de-tariffication led to steep fall in premium rates particularly fire and engineering classes of all GIPSC followed by increased management expenses which put more pressure on underwriting performance and risk bearing capability. The study revealed that all GIPSC did not meet the IRDA investment norms during the study period 2001-02 to 2007-08.

TariaZafar (2013)[11] made an attempt to analyse the performance, growth and awareness of selected general insurance companies during the period 2003-07 pre-recession. He employed various financial ratios - Current Ratio (CR) Proprietary Ratio (PR), Solvency Ratio and ANOVA. The author observed that among all the selected companies, IFFCO TOKIO company has outperformed other companies and generated highest CR (0.974372) and Bajaj Allianz generated lowest CR (0.26104). The New India Assurance had performed fairly better in proprietary ratio and managed the higher of 1.43872. Oriental Insurance Company with its proprietary ratio of 0.10772 ranked lowest.

AnandByram and Swetha (2012)[13] have analysed the performance of united India Insurance Comapany in the segment of marine and hull insurance over a period of the five years. The main objective of the paper is project the premium and claims ratio based on past performance. The study revealed that company has experienced underwriting losses in these two segments due to low premium rates and high claims ratio. There was complete adverse selection of premium. They emphasized the need for more private players in these segments.

Rakesh Jain (2012)[19] said that service industries such as banking and insurance companies are exposed to various risks like credit risk, interest rate risk, default risk, operational risk, business risk which affect the Balance Sheet and financial status of the companies. To manage these risks efficiently they employ the analytical tools like Asset and Liability Management (ALM) to quantify these risks. Asset and Liability Management is an effective tool widely in practice in managing risks that arise due to mismatches between the assets and liability.

Sampat (2007)[31] had forecasted the behavior of premium rates, costs and profits of insurers due to the de-tariffication of prices with effect from January 2007. He argued that due to existing competition in insurance sector, price –detariffication leads to fall in premium rates, increase cost and results in low profit margins. He suggested the need for various distribution channels to bring in growth in business at low cost of commission like online marketing, Bancassurance, Direct Marketing, one stop financial shops etc.

PRESENT STUDY:

While choosing a policy in the non-life insurance sector, the customer looks at two important aspects – premium rates and availability of products to suit his/her requirements. Before the initiation of price detarification and product deregulation the customer had neither a choice of choosing from among different alternative policies with varied rates of premium nor a choice of products where both products and prices were highly regulated. After the initiation of detarification and product deregulation, the customer has a wider choice to choose policies with alternative policies with attractive rates of premium and products which exactly suits his/her requirements. The price detarification and product deregulation measures in the non-life insurance sector have changed entire scenario and performance of non life insurance sector. The present study which aims at analysing the impact of these two measures on the financial performance of public and selected private non-life insurance companies in India is a unique attempt as there is no specific research study in this area. The review of literature provides ample evidence for this.

OBJECTIVE OF THE STUDY:

- To analyze the Impact of Price Detarification and Product Deregulation on the Financial Performance of the Public and Selected Private General Insurance companies in India.
- To test the above objective following alternative hypotheses have been formulated and tested with appropriate statistical tools.

H_1. The price detarification and product deregulation have significant impact on profitability of Public and selected Private non-life Insurers

H_1. The price detarification and product deregulation have significant impact on Net worth of Public and selected Private non-life Insurers

H_1. The price detarification and product deregulation have significant impact on Liquidity of Public and selected Private non-life Insurers

H_1. The price detarification and product deregulation have significant impact on Solvency of Public and selected Private non-life Insurers

H$_1$. The price detarification and product deregulation have significant impact on Reinsurance of Public and selected Private non-life Insurers

RESEARCH METHODOLOGY:

In the present study, to measure the impact of price detarification and product deregulation on the financial activities of general insurance companies, data have been collected and analysed for a period of thirteen years i.e from 2001-02 to 2013-14. Impact on financial performance is measured in terms of profitability, return on net worth, solvency, liquidity and reinsurance. The present research study is based on secondary data collected from the annual reports of Insurance Regulatory and Development Authority (IRDA) and companies, Published Books, periodicals, journals, Websites of public and private insurance companies, GIC ,Dept of Financial services, Govt of India ,Institute of insurance of India. The present study makes a comparison of both public and private non-life insurers operating in India. In the public sector, all the four companies presently operating in India - National Insurance company Limited (NICL), New India Assurance company limited (NIACL), United India Insurance Company Limited (UIICL) and Oriental Insurance Company Limited (OICL) have been taken for the analysis while in private sector out of 17, only top four companies namely IFFCO TOKIO, BAJAJ ALLIANZ, ICICI LOMBARD and HDFC ERGO which are leading in terms of premium collection and market share have been chosen. Overall, it is a comparison between four public and four private non-life insurers in India. For analysisBoth financial and statistical tools have been used.The Financial tools include Ratios. The statistical tools include T- test, percentages and averages.

Table 1: FINANCIAL PERFORMANCE OF PUBLIC NON-LIFE INSURERS (%)

	Before Price Detarification and Product Deregulation (Average Ratio of seven years (2001-02 to 2007-08)					After Price Detarification and Product Deregulation (Average Ratio of Eight years (2008-09 to 2013-14)				
Insurers	**NICL**	**NIACL**	**UIILC**	**OICL**	**AVG**	**NICL**	**NIACL**	**UIILC**	**OICL**	**AVG**
Net Profit ratio	2.79	11.80	11.04	6.31	7.99	3.74	6.33	9.04	2.44	5.39
RONW Ratio	6.69	12.57	17.25	10.53	11.76	12.79	6.97	11.68	6.61	9.51
Liquidity Ratio	0.20	0.26	0.12	0.19	0.19	0.09	0.32	0.34	0.18	0.24
Solvency Ratio	1.60	3.55	2.26	1.52	2.23	1.59	3.0	2.95	1.57	2.28
Reinsurance Ratio	25.49	24.52	28.19	29.71	22.50	13.69	17.40	18.80	18.81	17.18

Table-2: FINANCIAL PERFORMANCE OF SELECTED PRIVATE NON-LIFE INSURERS (%)

	Before Price Detarification and Product Deregulation (Average Ratio of seven years (2001-02 to 2007-08)					After Price Detarification and Product Deregulation (Average Ratio of Eight years (2008-09 to 2013-14)				
Insurers	**IFFCO**	**BAJAJ**	**ICICI**	**HDFC**	**AVG**	**IFFCO**	**BAJAJ**	**ICICI**	**HDFC**	**AVG**
Net Profit ratio	13.19	-6.64	-63.13	-284.32	-85.23	2.30	5.73	2.39	-4.66	1.44
RONW Ratio	7.06	13.48	8.47	-5.29	5.94	6.06	16.26	4.27	-2.42	5.30
Liquidity Ratio	0.64	0.41	0.16	0.11	0.33	0.51	0.27	0.09	0.10	0.24
Solvency Ratio	1.60	1.15	1.71	1.54	1.50	1.51	1.68	1.76	1.78	1.68
Reinsurance Ratio	59.27	41.72	63.63	55.22	54.96	31.73	21.11	33.36	35.70	30.48

Table -3: IMPACT OF PRICE DETARIFICATION AND PRODUCT DEREGUALTION ON T HE FINANCIAL PERFORMANCE OF PUBLIC NON-LIFE INSURERS										
	IMPACT OF PRICE DETARIFICATION					IMPACT OF PRODUCT DEREGULATION				
Insurers	**NICL**	**NIACL**	**UIILC**	**OICL**	**Public Total**	**NICL**	**NIACL**	**UIILC**	**OICL**	**Public Total**
Net Profit/loss	1.3556	0.2027	1.6506	0.2240	0.4670	2.1 766	0.7389	0.6758	0.7324	0.4995
RONW	3.1424	7.3594	6.5673	3.8557	6.1419	3.9053	3.6014	5.4742	3.0366	4.3031
Liquidity	2.4186	3.4713	2.4870	3.5600	2.9842	2.9973	5.8266	2.2547	5.2591	3.3054
Solvency	1.0965	0.2713	1.5523	1.5102	0.8266	0.1455	1.7572	1.1312	0.5207	0.3298
Reinsurance	0.7231	0.8432	2.7317	1.4855	1.4855	0.3306	1.1887	3.5256	1.1545	2.3190
able value for 't' test is calculated at level of 5 percent significance Table Value: 2.2009										

Table :4.IMPACT OF PRICE DETARIFICATION AND PRODUCT DEREGUALTION ON T HE FINANCIAL PERFORMANCE OF PRIVATE NON-LIFEINSURERS										
	IMPACT OF PRICE DETARIFICATION					IMPACT OF PRODUCT DEREGULATION				
Insurers	**IFFCO**	**BAJAJ**	**ICICI**	**HDFC**	**Pvt Total**	**IFFCO**	**BAJAJ**	**ICICI**	**HDFC**	**Pvt Total**
Net Profit/loss	0.8671	1.566	0.4305	0.5431	1.0190	1.3688	1.7220	0.4259	1.0016	1.2192
RONW	4.3422	4.7522	7.4154	3.6264	5.7770	4.3844	4.9683	4.7846	8.2461	5.6819
Liquidity	3.4041	3.4041	2.4605	3.1468	3.4664	4.6173	5.5183	2.2636	5.4014	5.3058
Solvency	2.0620	2.0438	2.0072	1.4979	1.9027	1.3756	2.1647	1.0310	0.8585	1.5158
Reinsurance	6.6822	2.6454	2.6454	2.5267	3.2617	2.9863	1.8070	2.0965	3.9336	2.8420
Table value for 't' test is calculated at level of 5 percent significance Table Value: 2.2009										

profitability of the general insurers has shown the overall increasing trend in RONW. During the study period except UIICL in public insurers and BAJAJ ALLIANZ in selected private insurers the remaining all insurers could not generate even acceptable average returns of 10-15 percent on owner's funds. Particularly HDFC has generated negative returns on owners' funds during entire study period. This is an indicator of inefficiency of management in effective utilization of owners' funds and their financial weakness.

The calculated't' test values oftotal public sector and private insurers are higher than the table value of 2.2009.Hence, alternative hypotheses of " The Price detarification and product deregulation have significant impact on net worth of public and selected private non-life insurers" is accepted and null hypotheses is rejected.

LIQUIDITY RATIO: The total amount of a company's quick assets divided by the sum of its current liabilities. This indicates ability of insurer's to discharge their current liability out of the liquid assets. In insurance company's liquid assets comprises of cash in hand and cash at bank, money at call and short notice and other. current liabilities comprises of agent balances, balances due to other insurance companies, deposits held on reinsurance ceded, premium received on advance, unallocated premium, sundry creditors, claims outstanding etc.

It is observed from the table 4.1 and 4.2 that in public non-life insurers UIICL's average current ratio of stood at 12.0 percent before price detarification and product deregulation but thereafter it has increased to 34.0 percent which is the highest among all the public non-life insurers. Similarly, the average ratio of NIACL has increased from 26.0 percent to 32.0 percent. On the contrary, the average ratio of NICL and OICL has decreased from 22.0 percent and 19.0 to 36.0 percent and 18.0 percent. The average ratio of all public non-life insurershas increased from 19.0 percent to 24.0 percent.In case of selected private non-life insurers IFFCO TOKIO has reported an average liquid ratio of 64.0 percent before price detarification and product deregulation but thereafter, it has reported 51.0 percent which is the highest among all the selected private non-life insurers and even among public non-life insurers. Similarly, the average ratio of BAJAJ ALLIANZ, ICICI LOMBARD and HDFC ERGO has decreased from 41.0 percent, 16.0 percent and 11.0 percent to 27.0 percent, 9.0 percent and 10.0 percent during the same period. The average ratio of ICICI LOMBARD has decreased from 16.0 percent to 9.0 percent. The average ratio of all selected private non-life insurers has decreased from 64.0 percent to 24.0 percent.

The calculated't' test values on current assets of both public and private non-life insurers are higher than the table value 2.2009. Hence, alternative hypotheses of "The Price detarification and product deregulation have significant impact on liquidity of public and selected private non-life insurers" has accepted and null hypotheses is rejected.

SOLVENCY RATIO:

The solvency of an insurance firm refers to its ability to pay claims. Solvency ratio is an important indicator of the financial health of an insurance company and indicates the ability of the firm to survive in the long run. Solvency ratio means the ratio of the amount of Available Solvency Margin (ASM) to the amount of Required Solvency Margin (RSM). Available Solvency Margin means the excess of value of assets(as furnished in IRDA –Assets- Form AA) over the value of non-life insurance liabilities(as furnished in IRDA Form HG) and other liabilities of policyholders' and shareholders. In India RSM is prescribed by IRDA based on mathematical reserves and sum at risk, and the assets of policy holders' fund. Solvency margin is the excess of assets over liabilities that the insurance company has to maintain in the form of a safety margin. The Authority has mandated the non-life insurers to maintain solvency ratio of not less 1.50 per cent for all lines of business.

It is observed from the tables 4.1 and 4.2 that in public non-life insurers NIACL's average solvency ratio of stood at 3.55 percent before price detarification and product deregulation but thereafter it has decreased to 3.0 percent which is the highest among all the public non-life insurers and among selected private non-life insurers. Similarly, the average ratio of UIICL and NICL has decreased from 2.26 percent and 1.60 percent to 2.95 percent and 1.59 percent. But, the average ratio of OICL has marginally from 1.52 percent to 1.57 percent during the same period. The average ratio of all public non-life insurers has increased slightly from 2.23 percent to 2.28 percent.In case of selected private non-life insurers HDFC ERGO has reported average solvency ratio of 1.54 percent before price detarification and product deregulation but thereafter, it has reported 1.78 percent which is the highest among all the selected private non-life insurers. Similarly, the average ratio of BAJAJ ALLIANZ and ICICI LOMBARD has increased from 1.15 percent and 1.71 percent respectively, to 1.68 percent and 1.78 percent respectively during the same period. On the contrary, the average ratio of IFFCO TOKIO has decreased from 1.60 percent to 1.51 percent. The average ratio of all selected private non-life insurers has increased from 1.50 percent to 1.68 percent.

The calculated't' test values on solvency margin is lower than the table value of 2.2009.Hence, the alternative hypotheses of " The Price detarification and product deregulation have significant impact on solvency of public and selected private non-life insurers" is rejected and null hypotheses is accepted.

REINSURANCE RATIO:

Reinsurance is a mechanism of transferring the risk of one insurer to another insurer (reinsurer) by paying certain premium out of the total premium collected under insurance contract. In general, reinsurance assures both the insurer and policyholder for certain compensation when loss is incurred due to the incurring of insured event. Reinsurance allows a company to pass off some of the risk exposure to other insurers (usually a good thing), but too much dependency on reinsurance means that the insurer is not keeping a fair portion of responsibility for each unit of premium and not willing to bear the risk its own. Reinsurance ratio is calculated by dividing premium ceded for reinsurance/ gross direct premium. Higher the reinsurance ratio indicates increasing dependency on reinsurance and lower risk bearing capability of the insurers. Thus lower reinsurance ratio is better for assessing the insurers risk bearing capability.

It is observed from the tables.4.1 and 4.2 that in public non-life insurers, OICL's average reinsurance ratio of stood at 29.71 percent before price detarification and product deregulation but thereafter, it has decreased to 18.81 percent which is the highest among all the public non-life insurers. Similarly, the average reinsurance ratio of UIICL, NIACL and NICL has decreased from 28.19, 24.52 and 25.48 percents respectively before price detarification and product deregulation to 18.80, 17.40 and 13.69 percents respectively. The average reinsurance ratio of all public non-life insurers has decreased from 26.97 percent to 17.18 percent during the same period. In case of selected private non-life insurers, HDFC has reported average reinsurance ratio of 55.22 percent before price detarification and product deregulation but there after it has decreased to 35.70 percent which is the highest among all the selected private non-life insurers. Similarly, the average reinsurance ratio of ICICI, BAJAJ ALLIANZ and IFFCO TOKIO has decreased from 63.63, 41.72 and 59.27 percents respectively before price detarificatin and product deregulation to 21.27, 20.86 and14.58 percents respectively. The average reinsurance ratio of all selected private non-life insurers has decreased from 54.96 percent to 30.48 percent during the same study period.

The calculate ‘t’ test values of both public and selected private non-lie insures is higher than table value 2.2009. Hence, it has led to acceptance of alternative hypotheses that “The Price detarification and product deregulation have significant impact on reinsurance of public and selected private non-life insurers” and rejection of null hypotheses.

FINDINGS AND SUGGESTIONS:

i) The analysis revealed that in spite of negative net profit in 2001-02 and a very low net profit ratio (5.45 percent) in 2002-03 the public non-life insurers have shown an average net profit of 7.99 percent in operating profit during pre pricedetarification and product deregulation period. This could be mainly attributed to higher proportion of income from investment in operating profit earned. This could be achieved by them in spite of their underwriting losses throughout pre-price detarification and product deregulation period. During 2007-09, the subprime crisis and wide stock market fluctuations led to low proportion of income from investment in operating profit earned which in turn led to a decrease in overall profitability in subsequent years of all the public non-life insurers except NICL. On the other hand, Private non-life insurers have shown net profits in six out 13 years during the study period. During the initial three years the private non-life insurers have shown net losses due to huge underwriting losses. However, in subsequent years due to increase substantial reduction in underwriting losses and increase in investment income they reported net profits. This is a good indication of their overall profitability.

ii) Relatively, public non-life insurers have made higher profits than private non-life insurers due to higher investment income. However, the underwriting profits which normally is considered the true component of the operating profit is negative in public and selected private non-life insurance companies which is a cause of concern. The heavy underwriting losses have drained the profitability of both public and private non-life insurers during the entire study period. The highest average net profit ratio was only 10.04 percent by UIICL while NICL has reported lowest ratio of 3.24 percent during the entire study period. In selected private sector companies IFFCO TOKIO has reported the highest average net profitability ratio of 7.74 percent during the entire study period. Thus, the study revealed that price detarification and product deregulation has no significant impact on profitability of selected non-life insurers during the study period.

Existence of uniform pricing system under tariff era before 2007 led to an adverse effect on the insurance companies on both accounts – amount of premium collected and claims. From the point of view of premium, such a policy reduces the amount of premium because low risk categories may not attract the customers at all. Secondly high risk categories have been running after policies as they can claim the amount as and when the incident takes place. To overcome this problem price detarification was introduced giving flexibility to the companies to fix the price on their own based on risk levels of different categories. In spite of freedom given to the insurers, it is observed that the companies are still fixing the prices based on old tariffs of TAC with the only difference that they are offering wide range of discounts based on age, occupation etc, to withstand the ever growing competition in this sector. This measure therefore has not resulted in reducing the underwriting losses as expected which continue to persist throughout the study period. Both the public and private sector with a degree of difference. To overcome this crisis it is suggested that the insurance companies have to fix the price/ premium rates focusing on risk characteristics of different categories rather than continuing with offering discriminatory discounts to sell their products. The study revealed that both the public and private non-life insurers long term solvency ratio is in compliance with the regulatory norms issued by IRDA (1.50 percent) during the pre and post price detarification and product deregulation.

iii) When it comes to liquidity, even though the current ratio and liquidity ratio are below the accepted norm both in public sector and selected private non-life insurers, it cannot be concluded that there is a problem in meeting short term obligations like agent balances, outstanding claims, premium ceded for reinsurance, because they can be meet out of profits directly. When the firm attempts to meet these obligations out of current assets, a firm is almost said to be in technical insolvency as current assets have to be converted in to cash to meet these obligations. In fact, a firm is said to be successful when it keeps the investment in currents assets as low as possible without affecting the day to day activities. From this point of view low current and liquidity ratios of both public and selected private non-life insurers indicate that the companies have given equal importance to liquidity and profitability as it should normally be.

CONCLUSION:

Finally, it can be said that, the two important measures- price detarification and product deregulation initiated by the IRDA in 2007 and 2009 respectively have given ample scope to customers to select insurance companies and products based on performance and need to hedge their risks.These two measures could not show much impact on the net profitability of selected non-life insurers due to low underwriting losses of the insurers which are in turn caused by high claims ratio in motor and health insurance segments. However, income from investment is not a dependable source and does not indicate the internal efficiency. Unless, these companies generate underwriting profit by reducing claims through proper risk assessment while issuing the policy, increase the premiums without involving in price wars by offering heavy discount rates on policies, reducing their dependency on reinsurance further, it is very difficult for the industry to sustain the growth and maintain the balance between growth and profitability. To reduce the persistent underwriting losses, the industry has to continuously focus on product innovation to develop customer centric products, reengineering the distribution channels to achieve a tradeoff between distribution cost and product complexity by making them more cost effective and make the marketing more responsible. Net worth of the public non-life insurers is decreased and not satisfactory in case of private. Solvency position is satisfactory as per IRDA norms.

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