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Editor

Dr. Praveen Mustoor

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Dear Friend, It gives me immense pleasure to introduce to you the ninth issue of 'APOTHEOSIS' Tirpude's National Journal of Business Research, an online publication that encompasses scholarly work of academicians and corporate professionals. We received an good response for this issue with some quality research papers in domains like finance, e-commerce, human resources etc. A strong research culture is a precursor to academic development and environment. Knowledge disbursal then becomes more enriching. High quality original research enables an academic institution to serve its primary objective of value addition of updated and relevant knowledge to its students and the academic community at large. Research is one strand, which when weaved with other academic activities helps an institution to reach the pinnacle of academic excellence. 'APOTHEOSIS' offers its readers practical and meaningful contributions from academicians, research scholars and industry professionals in the field of business management that can be utilized for practical application in relevant fields. This issue of APOTHEOSIS contains an array of research work conducted by various authors under numerous topics like E- commerce, Emotional Intelligence, Customer Satisfaction , Consumer Attitude and Inventory Management. My task as an editor was extremely difficult selecting the best papers for publication though I could select a few based on originality with the help of our reviewing team comprising of erudite scholars from academia and industry. I appeal to all my contemporaries in management education and related areas to subscribe to our Journal. This will facilitate dissemination of knowledge contained therein to one and all. I am sure you will find the contents extremely enriching and of immense value and relevance to all concerned.

Thanking you in anticipation,

Dr. Praveen Mustoor Editor

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HR Function Outsourcing- An empirical study of the Small and Medium Enterprises in Mumbai

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Abstract :

Small and Medium Enterprises play a central role in the Indian Economy and are a major source of entrepreneurial skills, innovation and employment. The MSME sector in India has emerged as a dynamic and a vibrant sector and contributes nearly 8 percent of country's GDP, 45 percent of manufacturing output and 40 percent of the exports. Human Resource Management is a multi-faceted process involving strategic approach involving the most valued assets i.e. human resources of the company. The organizations are acknowledging the fact, that efficient management of human resources as a critical factor in their success. But the question arises – Does this equally apply to SMEs? It is often cited in the earlier studies that the SME owners often feel that HRM activities are not tailored as per the SME requirements. Human resource management (HRM) outsourcing means "having a third- party service provider or vendor furnish, on an ongoing basis, who does the administration of a HRM activity that would normally be performed in-house" (Cook, 1999, p. 4). HR activities have traditionally been performed in-house and characterized mainly by administrative work. The purpose of the study is to investigate the prevalence or non-prevalence of HR processes in SMEs and to explore the types of HR activities outsourced. The implications of the study will help us to understand the presence of HR processes in select SMEs surveyed and their exposure to buy plethora of HR business process outsourcing partners.

Key words: Human Resource Management, Small and Medium Enterprises (SMEs), Human Resource outsourcing (HRO), Human Resource Processes

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Small and Medium enterprises play a central role in the Indian Economy and are a major source of entrepreneurial skills, innovation and employment .The role of Micro, Small and Medium Enterprises (MSMEs) in India's economic landscape is worth appreciating. SMEs occupy an important place in the economy of most countries. The MSME sector in India has emerged as a dynamic and a vibrant sector's and contributes nearly 8% of the country's GDP, 45% of the manufacturing output and 40% of the exports. Globally, SMEs are the nurseries for entrepreneurship and innovation. The diverse range of products and services are created by SMEs in order to meet the local and global markets and national and international value chains (Marlow, Patton & Ram, 2013). Additionally, SMEs are complementary and supplementary to large industries as well as ancillary units and thus the sector contributes to the socio-economic development of the country. SMEs including registered and unregistered contributed 30% to the India are GDP and are the backbone for overall economic growth and key contributor to employment generation in the country.

The growth of SME in India has been double digits over last few years. Investment in 2011-12 alone estimated in excess of 6 lakh crores (approximately 100 billion USD). The SMEs consistently grew by 11 % till 2010-11. SMEs have initiated several innovations in manufacturing and service sectors and also a link in the supply chain to corporate houses and PSUs. They employ more than 59 million people in 26 million units. Atkinson (2007) forecasted that the future will be dominated by SMEs in terms of Job creation, innovation and new work methods. It was also cautioned that failure of SMEs could lead to a situation of unemployment and social tensions (Saini and Budhwar, 2008). The Ministry of MSME (2017) forecast that with the Indian Economy growing at an average of 7% per annum, it is likely to become a $ 5 trillion by the year 2025.

Human Resource Management in SMEs

Human Resources Management is a multi-faceted process involving strategic approach involving the most valued assets i.e., Human Resources of the company. It includes various activities like human resource planning, hiring process, HR operations, compensation and benefits, employee development and growth and the like. In Small and Medium Enterprises, the role of HR is very crucial as it requires the management of multi-skilled people due to the requirement of limited number people who are required to be multi-tasked. Dr.T.V.Rao defines Human Resource Development in the organizational context is a process by which the employees are helped in a continuous and planned way to perform the functions associated with their roles.

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Presently, the organizations are acknowledging the fact that the efficient management of human resources as a critical factor in their success or failure (Huselid, Jackson & Schuler, 1997, Paauwe, 2004: Schuler and Jackson, 1999). Does this equally apply to SME? The SMEs focus more on the running of business on a day to day basis, they find less time to manage the HR processes which is perceived as non-priority. The SMEs are not redesigning the organization structure as the status quo is delivering the output. There is a need to focus on HR processes like Recruitment, Selection, HR operations, Compensation and benefits and Employee Development and Growth.

It is often cited in the earlier literature that the SME owners often feel that HRM activities are not tailored to their needs and often time-consuming. This resulted in limited approach to the HRM practices in SMEs. Efficient workforce is the asset for any organization. It is very important for any organization to focus on the human and human resources aspects. However, it is rather disappointing to note that Human Resource processes are not given enough attention in Indian SMEs. In the last few years SMEs have transformed their businesses and are competing with big players as B2B or B2C models.

The HRM practices in small firms are definitely not comparable to those in the large organizations. Effective HR processes are more important in the knowledge based economy as the organizations face the challenge of the competent and qualified workforce. The challenge to become professionally driven company is there in SMEs. This is very essential to have formal HR processes even the organizations are small and it plays a significant role in keeping the employees engaged and connected.

Human Resource Outsourcing

Outsourcing activities or services to external organisations is not a new phenomenon. Outsourcing decisions have seen a tremendous increase worldwide with the first initiative of Eastman Kodak's landmark ten year 250 million contract in 1989. This is popularly known as "Kodak Effect" (Loh & Venkatraman, 1992). Organisations have always had to take decisions about what they make and what they buy (Gross, 1966; Venkatesan, 1992). Outsourcing grew rapidly in the 1980s and 1990s (Kakabadse & Kakabadse, 2002) and has now become an accepted dimension of corporate strategy. Until recently, IT outsourcing (Lacity , Willcocks & Feeny, 1995; Murray & Kotabe, 1999) received most attention. The outsourcing phenomenon is recognised as an important management practice by the management literature and it has gained pace particularly in the last decade (Norman 2009; Hekkila & Cordon, 2002).

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Human resource management (HRM) outsourcing means "having a third- party service provider or vendor furnish, on an ongoing basis, the administration of an HRM activity that would normally be performed in-house" (Cook, 1999, p. 4). HR activities have traditionally been performed in-house and characterized mainly by administrative work. Since the middle of the 1990s, however, there has been a growing trend towards outsourcing (selected) HR activities (Lever, 1997; Klaas *et al.,* 1999; Cooke *et al.,* 2006), particularly in the USA and Western Europe as a HR strategic streak (Banham, 2003; Cook, 1999). Recently, "all around the globe, HR executives are considering or are actively engaged in outsourcing all or part of the HR function" (Cook & Gildner, 2006), leading some observers to even call outsourcing "the key trend shaping the future of HR" (Adler, 2003, p. 53). The reason for this is an increasing awareness of the fact that HRM has a considerable impact on organisational performance and that, consequently, there is a growing need for firms to have an effective HR management in order to remain competitive. A number of HR activities (such as payroll, training and recruitment) have for sometime been delivered by other agencies and consultancies for a number of organisations.

Literature Review

Gilley, Greer and Rasheed (2004) studied HRO and organizational performance in manufacturing firms. The study was conducted in 94 firms and sought measures of financial and innovation performance. The findings showed a modest evidence of training and payroll was associated with measures of organizational performance. They have added firm size as a moderator to their model, but then the association disappeared. Kabst and Giardini (2008) conducted a study in Germany to test whether or not RPO has a negative effect on the perceptions and evaluations of job applicants. In an experimental study with 160 students they found that the satisfaction with the process, the attractiveness of the organization and intention to accept a job offer decreased with increasing levels of HRO. Dasborogh and Sue-chan (2002) collected data from 117 HR professionals in Australia and found that RPO was associated with trust in the RPO vendor and with the need to reduce internal labour, but not fixed costs

Other drivers of HR outsourcing are gaining specialised HR expertise, achieving flexibility, reducing risks, focusing managerial resources, keeping up with the changing work place and enhancing access to advanced technology (Belcourt, 2006; Lever, 1997; Scott-Jackson *et al.,* 2005; Klaas *et al.,* 1998; Laabs, 1993; Lever, 1997).By and large the motivations for outsourcing fall into one of two categories namely operational efficiency or strategic contribution (Greer *et al.*1999; Kakabadse & Kakabadse, 2002).

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SMEs and HR practices

SMES occupy an important place in the economy of the most of the countries. SMES provide a wide range of products to meet the needs of local and global markets in the national and international value chains (Marlow, Patton and Ram, 2013). SMEs face unique challenges due to their size. The larger organizations appoint a team of specialists for addressing the HR issues, but this is not an option for SMEs. According to Tom Chee, (1986;4), Hasheem and Oman, (2003:6) most of the SMEs failed to achieve their individual objectives due to the lack of human resource and organizational capabilities.

Manjari Singh and Neharika Vohra (2004) who have studied the HR practices in the small and medium enterprises found that the level of formalisation of HR systems in SMEs was low. It is essential for SMEs to find ways in which formal and flexible systems co-exist. Concerning the sectoral context of SMEs, evidence from a dataset of 44 SMEs in South India, on the effects of HRM on firm performance indicate the importance of systems architecture or guiding principles and philosophy particularly that of the owner which was a major determinant of profitability (Kasturi, Orlov, & Roufagalas, 2006). The study by Saini and Budhwar (2008) focused on people management issues in Indian SMEs using a case study approach. The findings of the study revealed that HR system is constrained by the owners of SMEs and this study recommended for future studies that focused on formalization of people management approaches. Further, recent study on HRM by Malik and Nilakant (2011) focused on drivers of training in SMEs. The survey conducted by Confederation of Indian Industries (CII) in the year 2007 revealed, around 80% of the small and 20% of the medium-sized enterprises in India did not have any formal HR department. A large number of SMEs pay their employees in cash and there are no proper systems for payroll accounting, employee recruitment, selection and training.

The question is will it help SMEs to have in-house capabilities for all HR interventions or it is wise to buy from the plethora of HR business process outsourcing partners. It is in this context that outsourcing HR activities becomes an important area of investigation from two perspectives.

Keeping the above two in mind and the gaps in the extant literature as identified in the previous chapter, the following are the objectives of this research.

1. To find out the prevalence or non-prevalence of various human resource activities in the SME sector.
2. To explore the types of HR activities outsourced among SMEs.

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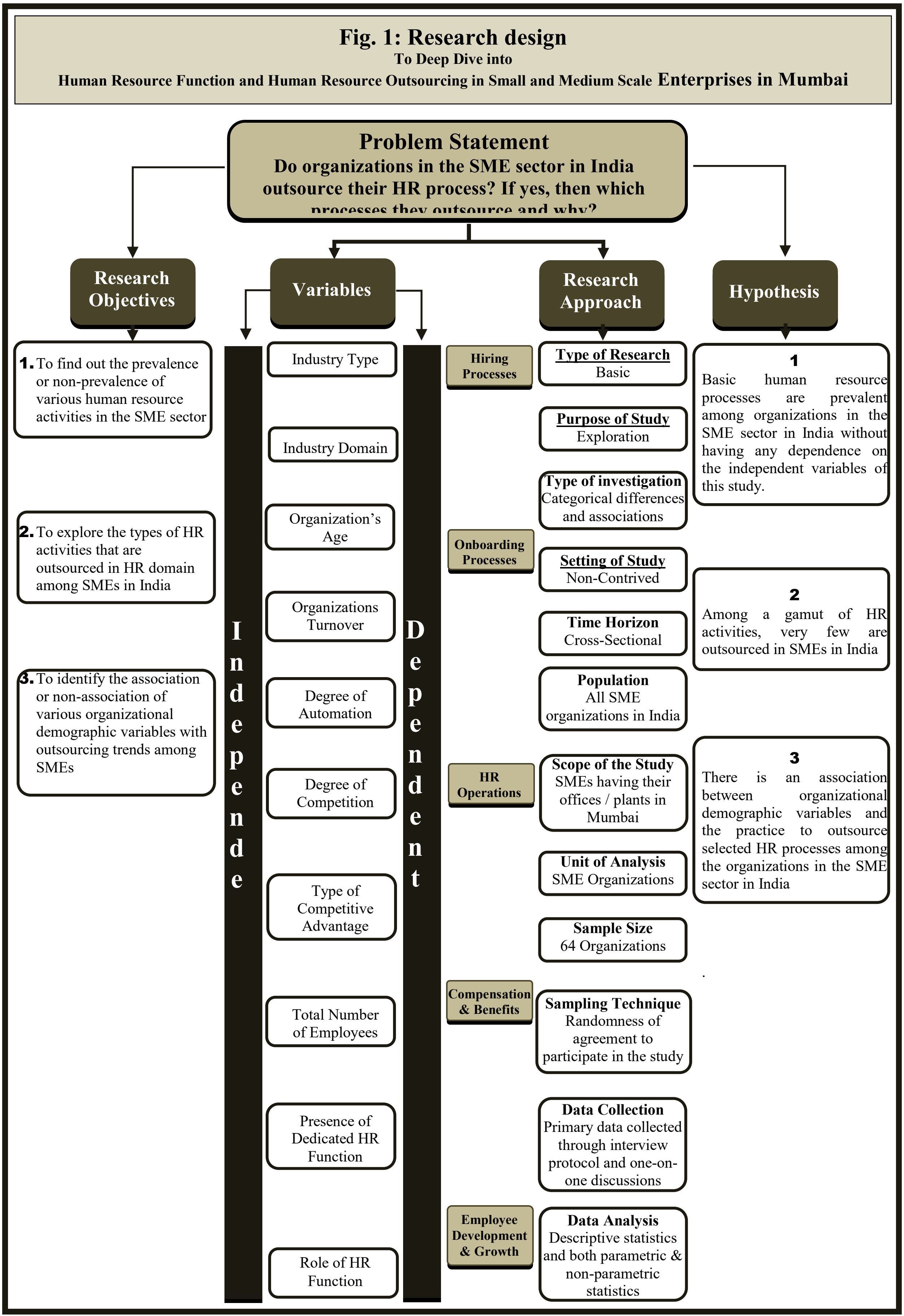
3. To identify the association or non-association of various organizational demographic variables with outsourcing trends among SMES

Figure 1 **Research Design**



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Research Methodology and Data collection

The scope of the study is limited to Small and Medium Enterprises having their plants / offices in Mumbai.

The unit of analysis for this study is taken as Small and Medium Enterprise Organizations in Mumbai. The target population were SMEs, Owner-managers/CEOs, HR managers handling the Human Resource function in the organization.

In this research, over 250 Small and Medium Enterprises in Mumbai were approached as the sample for hypothesis testing are the SME sector to explore the HR process outsourcing function in India. Sixty four organizations agreed to participate in the study.
Sampling techniques provide a range of methods that enable you to reduce the amount of data you need to collect by considering only data from a subgroup rather than all possible *cases* or *elements*' (Saunders, Lewis & Thornhill, 2003, p. 150). Thus, a sample is a representative of the total population under study. Using a sample for this study helped in understanding certain behaviour or studying specific characteristics of the population. Sampling will give more reliable results and it will save much time and valuable resources. The researcher conducted the study as per the randomness of agreement the respondent organizations to participate the study. An interview protocol is designed as per the research problem, organizational demographic variables and dependant variables. The key participants of the study were SME Owners /CEOs, HR heads to understand the various parameters designed in the interview protocol.

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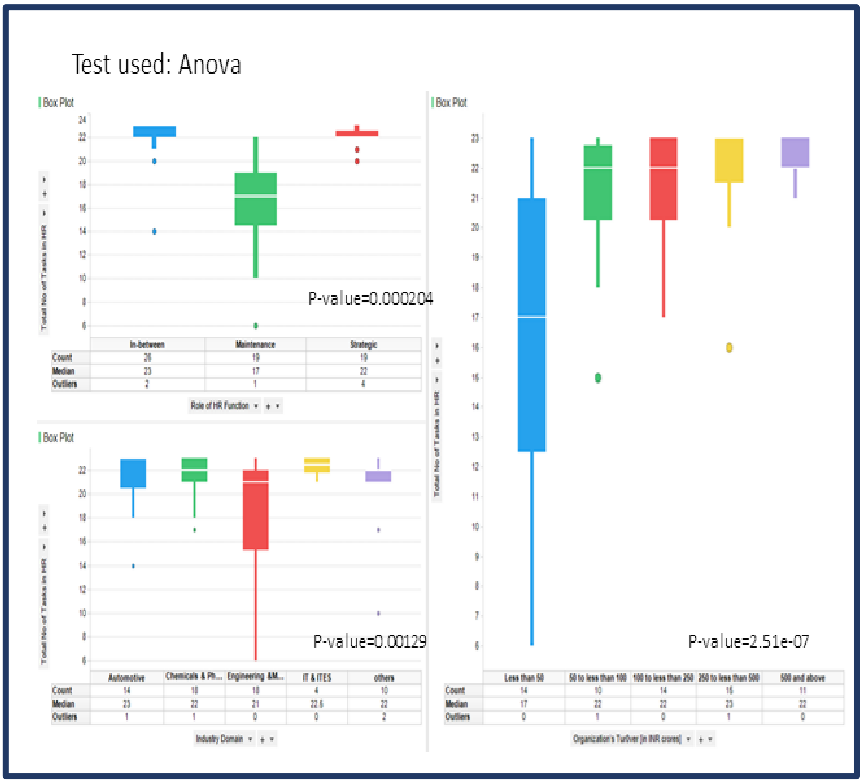
ANALYSIS AND INTERPRETATION

Figure 2 HR Processes Vs. Independent Variables



Hypothesis: 1 Basic Human Resource Processes are prevalent among organizations in SME sector in India without having any dependence on independent variables of the study

No. of HR Processes vs Independent variables

Table 2

	Df	Sum sq	Mean Sq	F Value	Pr(>F)	
Organizations. Turnover in INR crores.	4	323.4	80.86	13.682	2.51E-07	***
Type of Industry	1	1.2	1.19	0.201	0.656234	
Industry Domain	4	127.1	31.77	5.375	0.001298	**
Total Employee Strength Category	3	22.7	7.55	1.278	0.293677	
Degree of Automation	2	1.1	0.53	0.089	0.91471	
Degree of Competition	1	2.4	2.39	0.405	0.527957	
Role of HR .Function	2	122.6	61.32	10.375	0.000204	***
Organizations Age category	2	10.5	5.25	0.888	0.418884	
Residuals	44	260.1	5.91			

Signif. codes: 0 '*' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1**

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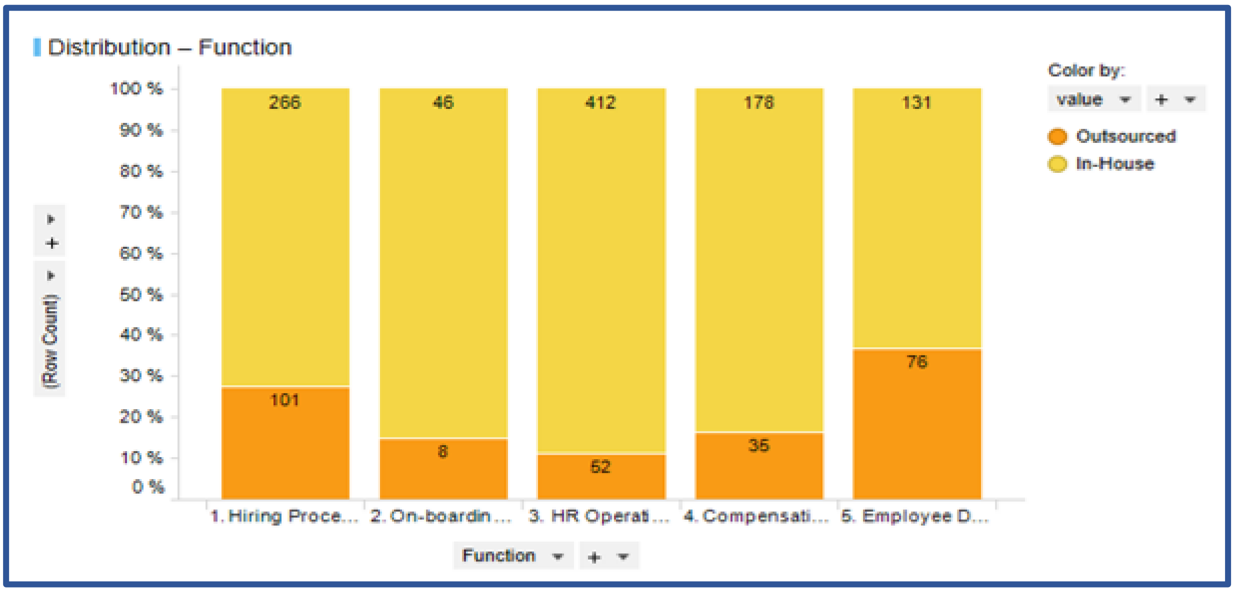
The test of one-way anova was conducted to find the significance between the independent variables of the study and total number of HR processes. The independent variables – Organization's turnover, Industry domain, role of HR function has a significant impact on the total number of HR processes the organization pursues. It is evident from the tests that the organizations with higher turnover have significantly more HR processes in contrast to the organizations with lower turnover. Another interesting finding is the organizations which are having role of HR function as maintenance have fewer number of HR processes than others. The various industry domains exhibit difference in the total HR processes they pursue.

Hence, the hypothesis 1 is rejected for three independent variables of the study i.e., Organizational turnover, Industry Domain and role of HR function. Accepted for other Independent variables.

Hypothesis 1 is accepted for rest of the independent variables of the study i.e. Employee strength, Degree of automation, degree of competition and organizational age.

Hypothesis 2: Among a gamut of HR activities, very few activities are outsourced in SME sector in India.

Figure 3 Hiring Process & Employee Development – Highly Outsourced



To be continued

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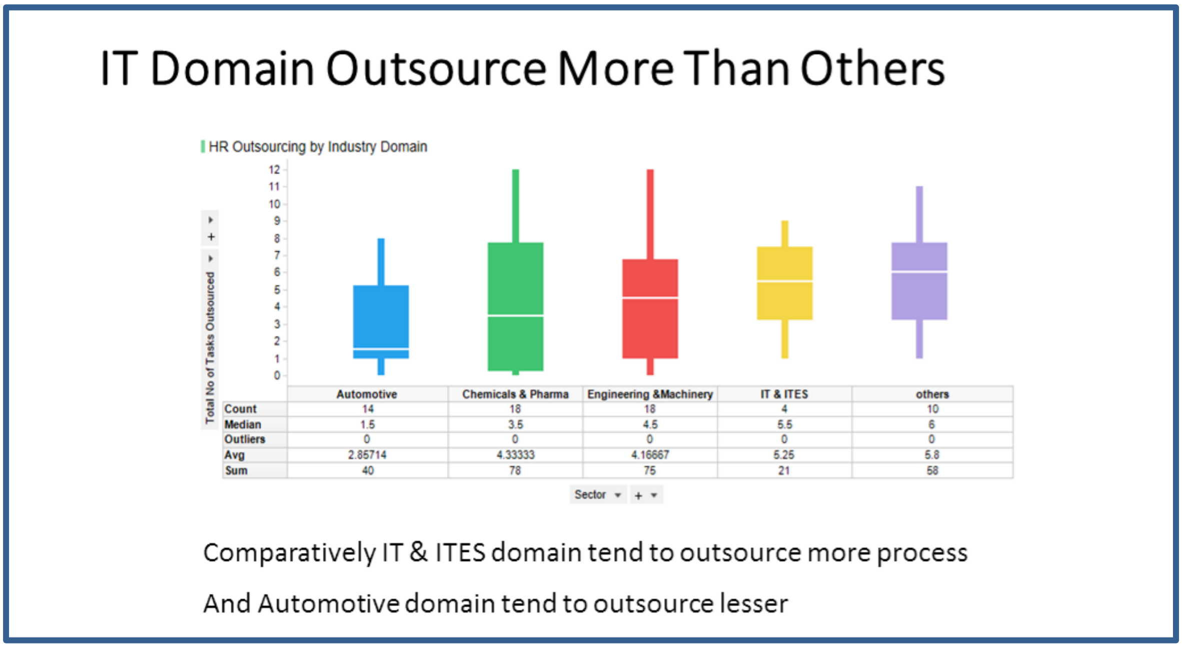
Table 3 Landscape of outsourcing

Function	Outsource		In-House		Grand total of Total Process
	Total Process	% of total process	Total Process	% of total Process	
Hiring Processes	4	0.37	268	0.26	367
Onboarding Processes	8	0.03	46	0.04	54
HR Operations	52	0.19	412	0.40	464
Compensation & Benefits	35	0.13	178	0.17	213
Employee Development & Growth	76	0.28	131	0.13	207

The landscape of HR outsourcing of various HR processes is presented here. Out of all the processes, Employee development is mostly outsourced function. A total of 37 % of the employee development processes are outsourced. Hiring process outsourcing is the second mostly outsourced function. It is observed that 28% of the hiring process is outsourced.

Figure 4 Outsourcing in Industry Domain



It is also observed that IT and ITES domain outsource more HR processes and automotive domain tend to outsource less HR processes

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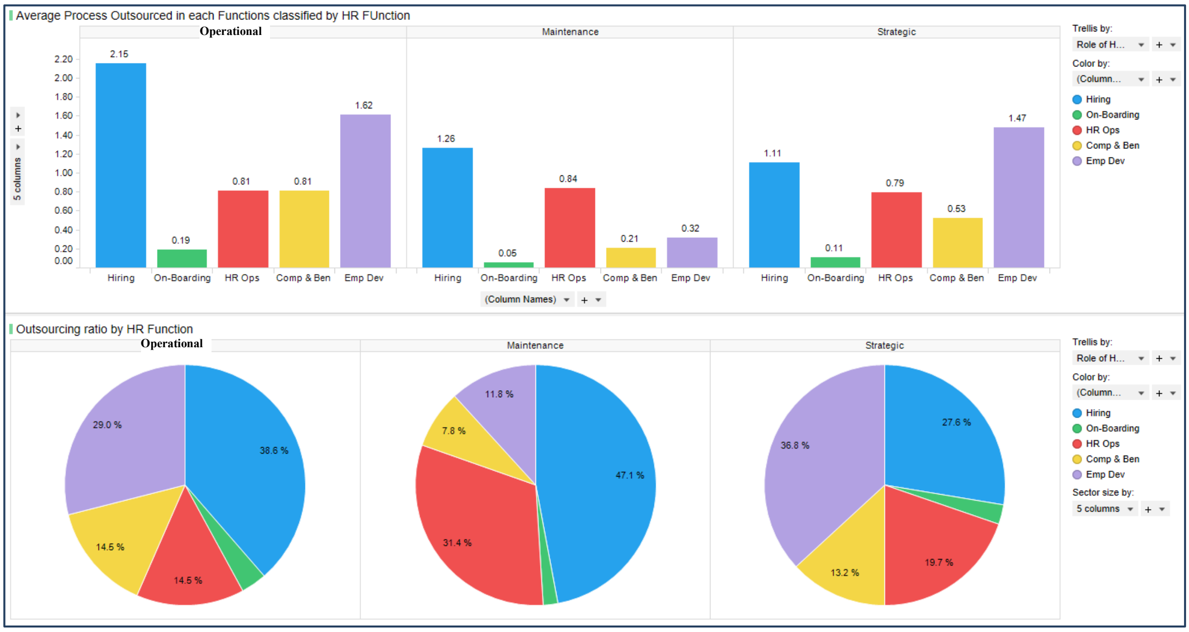
Succession planning is never outsourced in the Employee Development and growth process. Training need identification, training content development and training delivery are majorly outsourced processes in the process of Employee development and growth. Almost all the industry domains outsource more than one process in the Employee development and growth.

HR Outsourcing vs. Independent variables

A descriptive statistical understanding and the tests for further deep dive into the study on the independent variables of the study and the impact on the HR processes outsourced is presented below.

Figure 5 Outsourcing Pattern by HR Functions



It is observed that the organizations having the role of HR function as operational and strategic have more Hiring and Employee development processes outsourced. The organizations with the role of HR function as maintenance are outsourcing more of hiring and HR operations outsourced.

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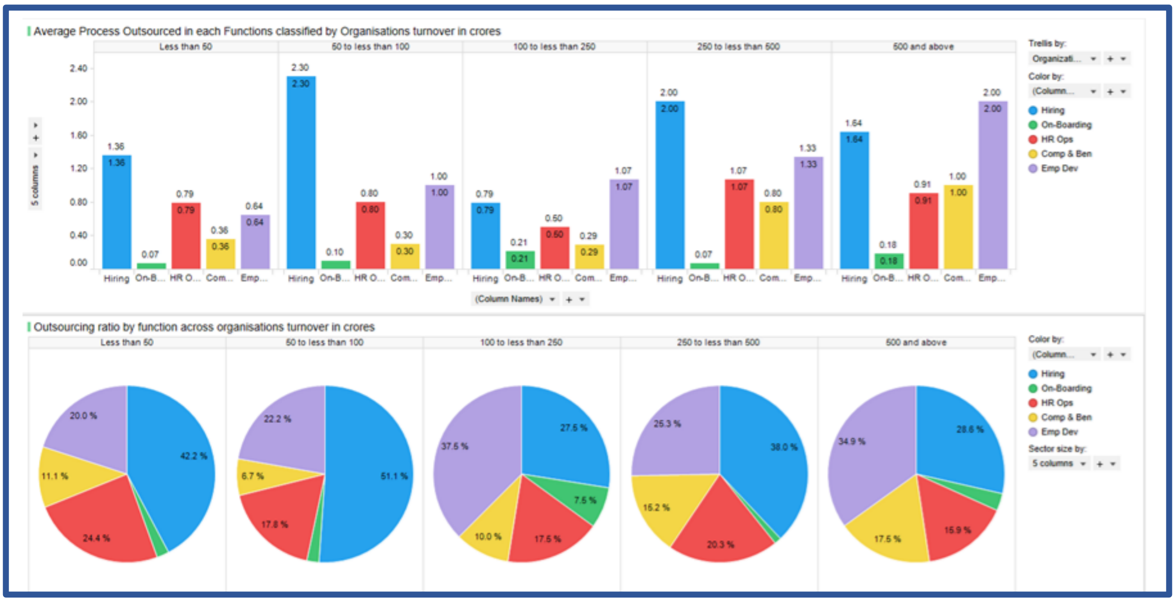
Figure 6 Outsourcing Pattern by Org. Turnover



It is observed that organizations with lesser turnover are comparatively outsourcing higher in hiring process. The organizations with higher turnover are outsourcing more of employee development process.

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Outsourcing pattern by employee strength

The outsourcing is seen very high in organizations with less and very high employee strength. The outsourcing of Employee development growth process increases from low employee strength to medium employee strength and decreases.

Figure 7 Outsourcing pattern by employee strength

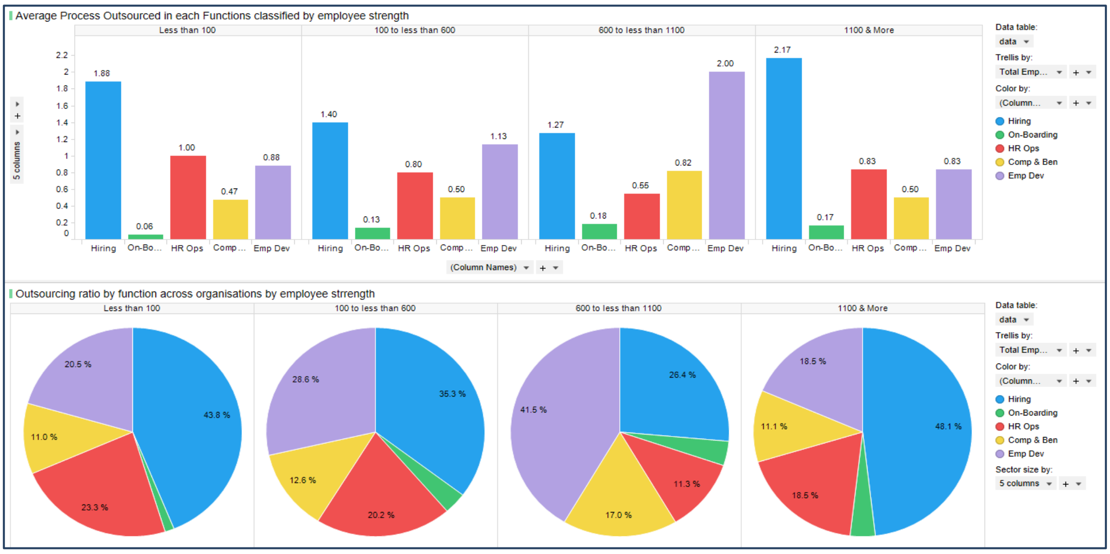
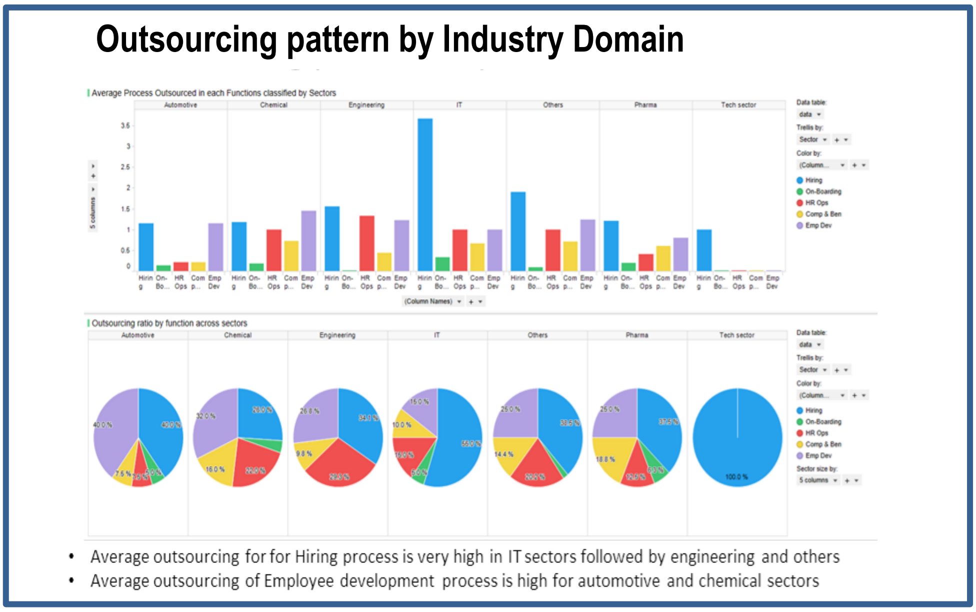


Figure 8 Outsourcing by Industry Domain



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The outsourcing for hiring process is very high in IT sectors and followed by engineering and other domains. Average outsourcing is high for Employee development and growth process in automotive and chemical sectors given the above backdrop and analysis, Hypothesis 2 of this study is accepted.

Hypothesis 3: There is an association between organizational demographic variables and the practice to outsource selected HR processes among the organizations in SME sector in India.

Figure 9 Total Number of HR Processes Outsourced Vs Independent Variables

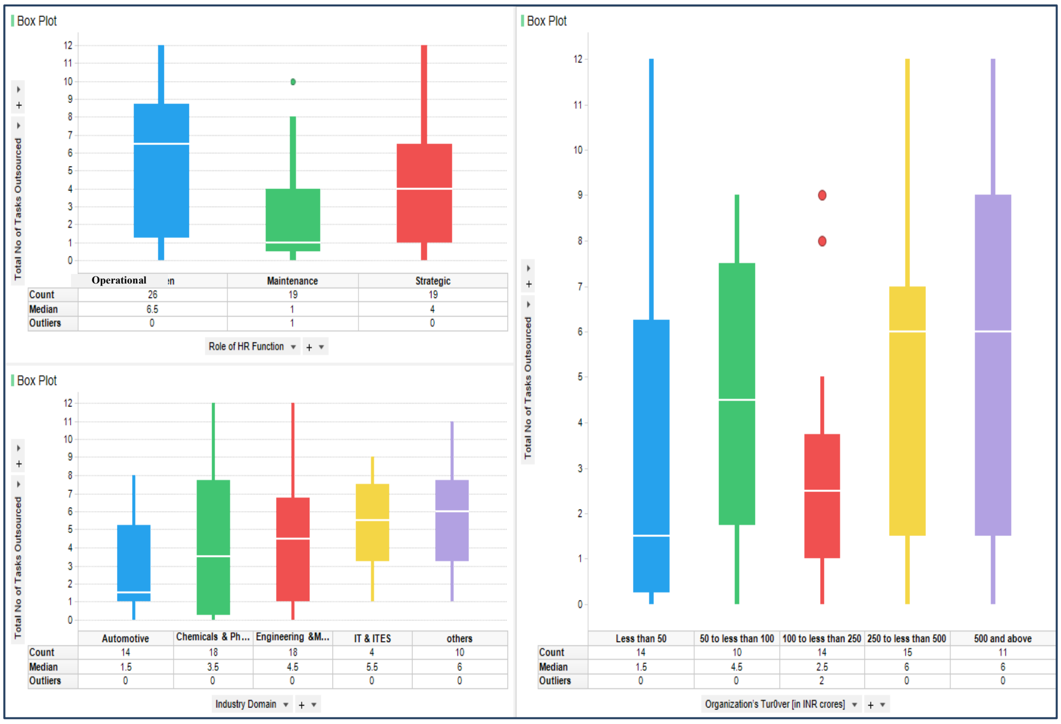

Table - 4

No. of HR process Outsourced vs Independent variables					
	Df	Sum sq	Mean Sq	F Value	Pr(>F)
Organizations Tur0ver in INR crores.	4	82.3	20.58	1.609	0.189
Type of Industry	1	0.7	0.74	0.058	0.8106
Industry Domain	4	61.6	15.41	1.205	0.3223
Total Employee Strength Category	3	17.1	5.69	0.445	0.7219
Degree of Automation	2	12	5.98	0.468	0.6296
Degree of Competition	1	0	0	0	0.9942
Role of HR Function	2	110.9	55.46	4.336	0.0191
Organizations Age category	2	10.6	5.28	0.413	0.6642
Residuals	44	562.8	12.79		

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We can observe, though Organization 's turnover and Industry domain has impact on the total number of HR process an organization pursue, only the HR function significantly has impact in the total number of HR process getting outsourced in an organization. And it is also observed that the organizations with HR Role as" operational " tend to have more HR processes outsourced.

The statistical test of one way Anova was used to study the significance between independent variables and the total number of HR processes outsourced in the sample organizations.

Though Organization turnover has impact on the total number of HR processes an organization pursues, only the role of HR function has impact in the total number of HR processes outsourced in an organization. And it is observed that organizations with operational role of HR function tend to have more HR processes outsourced than others.

Hypothesis 3 is accepted for the independent variable – role of HR function and rejected for other independent variables of the study.

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Conclusion:

The results show that almost all 95 percent of the SME organizations of the present study do have presence of HR. While the study further tried to deep dive and understand the total number of HR processes pursued in the Organizations studies reveals that the organization with the turnover of less than 50 crores tend to have lesser HR processes when compared to Organizations with higher turnover. However, SMEs with less turnover are either having the lesser HR processes and which are more day to day operational and will try to initiate the other HR processes as the employee strength and turnover increases.

This research shows that the SMEs in India are showing a drift towards formalising the HR practices and are having the presence of HR department. The Indian SMEs are formalising the HR processes as the SMEs in West. This is a change with respect to existing literature on Indian SMEs.

At the present scenario, they wouldn't want to have more processes and will see to have more processes formalised as the organization grows. It is also observed that only few organizations pursue structural On-boarding process and the others do not have a formal on boarding process for the new employees. Our discussions found that the reference checks as a formal process is conducted in a handful of organizations.

Some SMEs are keen to develop the HR systems with an outsourcing function but, the same depends on the management's interests and favourability. Hence the outsourcing decisions involve top management and the HR. The firm size and age didn't show any impact on the dependant variables of the study.

Future research can be conducted in larger organizations which are having more employee strength and higher turnover and the global presence where the HR outsourcing is been used and this can offer specific insights of the HR outsourcing. The future research can try to answer the question if the outsourcing of HR processes shows any difference or add value to the firms performance. The present research contributed to fill the gap in the literature elated to lack of HRO in Indian SMEs. It also analysed the HRO trends and the practices and the processes outsourced and the factors which have significant impact of outsourcing selected processes

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A STUDY ON FIRST TIME VISITORS AND REPEATED PATIENTS TO THE PRIVATE HOSPITALS: INFLUENCE OF PERCEIVED SERVICE QUALITY AND SERVICE RECOVERY ON LOYALTY

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SUMMARY

Brief introduction

Today, hospital facilities are available in the nook and corner of the entire country /State/District/village. When more medical facilities are available patients, then patients are having better choices for getting their healthcare. For the repeated healthcare visits, patients are expecting speedy recovery, better service quality and best treatment.

Objectives:

The aim of the paper is to find out the influence of perceived service quality and service recovery on loyalty of the first time visitors and repeated patients towards the private hospitals in Tamilnadu.

Methodology

A sample of 872 patients responded. A structured questionnaire was used to collect the primary data from the patients. Systematic random sampling method was adopted. SPSS 21 was used. Reliability analysis, Descriptive statistics and t –test were used.

Results and conclusions

The major finding is perceived service quality was higher for complaint resolved patients in the dimensions of tangibility, assurance and empathy. For the responsiveness and courtesy dimensions of service quality, loyalty and recovery had no influence on perceived service quality. In the SERVQUAL instrument, the 'responsiveness and courtesy' dimension has least important for patients.

Key words: SERVQUAL, Perceived service quality, Service recovery, loyalty, Patient, Hospital

1. INTRODUCTION

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A hospital is a place which is providing the treatment for specific health issues by nursing staff and Doctors. Government hospitals are providing health service with less cost. Nekoei-Moghadam M, Amiresmaili M. (2011) studied service quality in hospitals and clinics towards the patient satisfaction. They revealed in their study that, many relatives and friends gather inside and outside the hospital when a patient is admitted in the hospital. But, the patient is worried about admission, doctors, nurses and the payment options. Satisfied customer reacts to brand or services either loyalty or switching to some other brand/service (Venkateswaran et.al. 2015).

2. REVIEW OF LITERATURE

When the service quality is high and makes the customer happy, then it has a positive and strong effect on customer satisfaction (Venkateswaran et al. (2017). Venkateswaran et al. (2015) studied the influence of perceived quality, purchase intention and customer satisfaction towards brand loyalty for branded coffee powders in Madurai. They found that advertisement influences to take decisions towards their purchase. Consumer prefers a particular brand based on what are the benefits they actually can get from the brand.

It is imperative for every one of the hospitals to gauge, screen, and improve the nature of hospital services to continue and patient satisfaction (Fitriati R, Rahmayanti KP, 2012). Hospital directors require a heightened comprehension of the approaches to manage fabricate the nature of consideration in supportive terms. Under such conditions, patching office supervisor put their vital feature on drawing in a vague number of patients from could reasonably be typical and making ardent patients by observing their needs and endeavouring to react to them compellingly (Sodani P, 2012).

Kandampully et al. (2011) demonstrated that patient loyalty is estimated by both repeat purchase practices and patient auras, for instance, their preparation to propose an expert organization, and that these two estimations additively influence patient loyalty. Regardless, this relationship does not guarantee that attitudinal loyalty will dependably change over into behavioural loyalty and comparably that behavioural loyalty will react into attitudinal loyalty.

Hayes (2008) exhibits that patient satisfaction and loyalty may exist inside a comparative factor and that normally used patient loyalty instruments contain a general satisfaction

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measure cooperating with proportions of repurchase, for example, likelihood to pick the offering again or purchase additional things and organizations.

3. RESEARCH METHODOLOGY

The research design used for this study is "Descriptive research" whose purpose is to describe accurately the characteristics of a particular individual, or of a group. The data are collected from primary and secondary sources. A structured questionnaire was used to collect the primary data from the patients. Secondary data was collected from books, internet and journals. Out of 20 selected Private hospitals from five cities such as Coimbatore, Madurai, Trichy, Salem and Chennai (Each city –four private hospital), 20 inpatients were selected randomly from each hospital through hospital records.

The inpatients are selected based on their nature of disease, frequency of visit, no of days stayed in the hospital (researcher identified that the patients who stayed minimum of three days) were identified and the questionnaires were distributed. Researcher decided to collect the data from 400 patients. But researcher collected the filled questionnaire from 371 patients only. After scrutinizing the questionnaires, 364 usable samples were identified and used for data analysis. The sampling method adopted for this study is "simple random sampling". Tools used for the research is Percentage Analysis, 't' statistics and reliability analysis.

4. ANALYSIS AND INTERPRETATIONS

4.1 Socio economic details of the patients

63.2 percent of the respondents are in the age group of 56 –65 years. 48.5 percent of the respondents are married. 42.4 percent of the respondents are retired. 22.7 percent of the respondents are having chronic illness. 41.6 per cent of the respondents are earning between 15001-25000 rupees per month. 37.4 per cent of the respondents are having two children. 49.6 per cent of the respondents are taken care by their elder son.31.9 per cent of the respondents are pensioner. 41.7 per cent of the respondents are medically insured.

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Table 4.1

Influence of Service quality Variables and service recovery

S.No	*Service quality Variables*	*Mean Score*		*Service gap*	*'t' statistic*
		No complaint	*Complaint resolved*		
I	**Tangibility**	**Cronbach alpha = 0.8963**			
1.	Hospital is neat in appearance	3.477	3.299	0.178	3.635*
2.	Visually appealing instruments	3.399	3.643	-0.244	-4.951*
3.	Visually attractive and comfortable Physical facilities	3.333	3.684	-0.351	-6.814*
4.	Doctors/Patients were punctual	3.418	3.631	-0.213	-4.114*
5.	Hospital location is easily approachable	3.494	3.517	-0.023	-0.117
6.	Easy to identify the different service facilities	3.383	3.588	-0.205	-4.579*
II	**Reliability**	**Cronbach alpha = 0.7948**			
1.	Doctors/patients responded immediately when called	3.383	3.647	-0.264	-4.084*
2.	Doctors/patients' willingness to listen carefully and help patients	3.034	3.564	-0.53	-9.924*
3.	Speed and ease of admissions procedures followed in the hospital	3.089	3.568	-0.479	-8.016*
4	Availability of sufficient Doctors/patients	3.381	*3.874*	-0.493	-9.368*
5	Provides services at the time it promises	*3.569*	3.868	-0.299	-5.557*
6	Consistency in handling the patient's problems	*3.446*	*3.967*	-0.521	-9.672*
7	Ability of Doctors/patients to inspire trust and confidence in patient	3.383	3.647	-0.264	-5.006*
III	**Responsiveness**	**Cronbach alpha = 0.8472**			
1.	Given prompt and required services	*3.996*	3.677	0.319	7.041*
2.	Doctors/patients are sympathetic and reassuring	*3.749*	3.513	0.236	4.557*

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3.	Given adequate information about health condition	3.497	*3.871*	-0.374	-7.167*
4	Hospital's staff always willing to help	3.718	*3.904*	-0.186	-2.894*
5	The admissions staff was friendly and courteous	3.689	3.783	-0.094	-0.278
6	Responsiveness of the staff to needs of the patient	3.441	3.606	-0.165	-2.894*
IV	**Assurance**	**Cronbach alpha = 0.7629**			
1.	Preservation of patient confidentiality	*3.696*	*3.968*	-0.272	-4.264*
2.	Able to handle patients problems	3.343	3.667	-0.324	-5.792*
3.	Going individual attention	*3.769*	3.741	0.028	0.104
4.	Dealt within a caring fashion	3.342	3.773	-0.431	-7.642*
5	Convenient consulting hours	3.398	*3.815*	-0.417	-7.153*
V	**Empathy**	**Cronbach alpha = 0.8714**			
1	Knowledgeable staffs	3.318	*3.897*	-0.579	-9.963*
2	Doctors/patients give personal attention.	3.168	3.561	-0.393	-7.579*
3	Doctors/patients are consistently courteous	*3.571*	3.721	-0.15	-2.668*
4	Able to instil confidence in patients	3.387	3.682	-0.295	-5.369*
5	Able to handle Patients relatives	*3.599*	3.794	-0.195	-3.803*
6	Doctors/patients understand your specific need.	3.375	*3.839*	-0.464	-7.994*
VI	**Access**	**Cronbach alpha = 0.7617**			
1	Easy to access the staff	*3.694*	3.389	0.305	5.793*
2	Easy to access the doctors	3.547	*3.579*	-0.032	-0.094
3	Easy to access the food court	3.578	*3.536*	0.042	0.103
4	Easy to access the lab technician	*3.717*	3.425	0.292	5.565*
5	Easy to access operation theatre etc.,	3.515	3.382	0.133	2.214*
VII	**Courtesy**	**Cronbach alpha = 0.7631**			
1	Doctors are responsive	3.347	*3.661*	-0.314	-5.711*
2	Staff are always courteous	*3.579*	*3.527*	0.052	0.137
3	Staff respect the patient	3.412	3.203	0.209	3.785*

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4	Lab technicians are responding properly	*3.641*	3.212	0.429	7.931*
VIII	**Communication**	**Cronbach alpha = 0.8385**			
1	Nurses are always communicating well	*3.742*	*3.514*	0.228	4.071*
2	Doctors are providing necessary information	3.478	3.272	0.206	3.884*
3	Price information are explained clearly	*3.817*	*3.579*	0.238	4.031*
4	When there is a conflict between the staff and patient, the problems are handled effectively	3.503	3.277	0.226	3.914*

*Significant at 5 percent level

One-way ANOVA and the t-test of equality of means used to measure the influence of service recovery (lodged complaint resolved) on perceived quality. To test the service recovery influence the quality perceived in hospital SQ, the t-statistic for independent samples was used. Respondents who had experienced an effective service recovery were compared to non-complainers. The results are shown in table 4.1

Table 4.2
The Influence of Service Recovery on Service quality perceived

S.No	**Service quality variables**	**Mean scores among patients in**			**'t' statistics**
		No complaint	***Complaint resolved***	***Service gap***	
1.	Tangibility	3.4173	3.5603	-0.143	3.195*
2.	Reliability	3.3264	3.7335	-0.407	9.055*
3.	*Responsiveness*	*3.6816*	*3.7256*	*-0.044*	*1.368*
4.	Assurance	3.5096	3.7928	-0.2832	6.783*
5.	Empathy	3.4032	3.7495	-0.346	7.447*
6	Access	3.6102	3.4622	0.148	3.092*
7	*Courtesy*	*3.4947*	*3.4007*	*0.094*	*1.257*
8	Communication	3.6351	3.4105	0.2245	5.389*

*Significant at 5 percent level

Table 4.2 shows that SQ variables in the hospital service such as tangibility, reliability, assurance, empathy, access and communication was influenced by the degree of service recovery with complaint resolved patients indicating greater perceived quality. Similarly, in

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the hospital, perceived service quality was higher for complaint resolved patients in the dimensions of tangibility, assurance and empathy. However, no significant differences for the r*esponsiveness and courtesy* dimensions were found.

Table 4.3

The Influence of loyalty on Service quality perceived

S.No	SQ Variables	Mean scores among patients in		*Service gap*	't' statistics
		First visit	*Repeat customer*		
1	Tangibility	3.3687	3.8381	-0.4694	-8.3976*
2	Reliability	3.3194	3.6937	-0.3743	7.7172*
3	*Responsiveness*	*3.6817*	*3.7256*	*-0.0439*	*1.8536*
4	Assurance	3.5096	3.7928	-0.2832	-4.0225*
5	Empathy	3.4032	3.7491	-0.3459	-5.6364*
6	Access	3.4622	3.6102	-0.148	2.6472*
7	*Courtesy*	*3.4007*	*3.4947*	*-0.094*	*1.2885*
8	Communication	3.4105	3.635	-0.2245	4.3325*

*significant at 5 percent level

Table 4.3 shows that SQ variables in the hospital service such as tangibility, reliability, assurance, empathy, access and communication was influenced by the degree of customer loyalty with repeat patients indicating greater perceived quality. Similarly, in the hospital, perceived service quality was higher for loyal patients in the dimensions of tangibility, assurance and empathy. However, no significant differences for the r*esponsiveness and courtesy* dimensions were found.

5. CONCLUSIONS:

Loyal patients are likely to be more satisfied than non-loyal patients just because they have developed a positive strong relationship with the service provider (Zeithaml & Bitner, 2003). This study confirms that customer satisfaction is the most significant predictor of the service loyalty(David Rajesh et al. 2015).Patients are more familiar with Doctors, nurses and lab technicians of the hospital and therefore likely to experience good benefits from the relationship with the hospital, and perceive a higher level of service quality in the hospital. Perceived service quality was higher for complaint resolved patients in the dimensions of tangibility, assurance and empathy. For the responsiveness and courtesy dimensions of service quality, loyalty and recovery had no influence on perceived service quality. In the

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SERVQUAL instrument, the 'responsiveness and courtesy' dimension has least important for patients.

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The Association between Marital Status and Investment Decisions of Women – An Empirical Study

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Abstract:

Women in India have traditionally taken a back seat in decision making, including those related to investment. Recent studies have highlighted the fact that this is more or less a global phenomenon with women across the world often deferring to their spouses for long term investment decisions. This is despite the fact that education levels of women is on the rise and female presence in the corporate world is also steadily increasing, although the latter is not entirely true in the case of India. Studies have also revealed that in general life expectancy of women is more than that of men therefore it becomes imperative that women are encouraged to involve themselves in investment decisions in order to secure their future. This paper is therefore an attempt to study the presence of any association between marital status of women and investment decision-making.

Key Words: *women and investment, marital status and investment decision, confidence in investment decisions, preference for low risk investments*

INTRODUCTION

The traditional role of women in Indian society precluded them from involvement in important decisions, including those pertaining to investments. However, with societal changes such as rise in female enrolment in both secondary and tertiary education, the evolvement of nuclear families and a general improvement in income levels has witnessed a shift in the position of women, both within the familial set up as well as in society in general. This, combined with an ease of access to information resources due to technological

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advancement, including the internet boom, in the country has led to a rise in women's involvement in investment decision making, although they continue to lag far behind their male counterparts.

The engagement of women in India's workforce, measured in terms of labor force participation rate (LFPR), however, has been showing a declining trend over the last few years. As per World Bank data, based on International Labor Organization (ILO) estimates, women accounted for approximately 48% of the labor force across the globe in 2018, the figures for India were even lower at 26%. However, a turnaround in female participation in workforce may be expected if the feminization U hypothesis ("The paradox of low female…", 2017) were to be believed, which states that as an economy develops and prosperity increases female participation in labor force first declines and then exhibits an upward trend. India's policy making body the NITI Aayog states that if India's female LFPR is brought on par with global levels then the Indian economy can grow at a rate of 9% to 10% (Financial Express, 2018).

Assuming that the female LFPR improves over the next few years, the number of potential women investors could rise. Therefore, it is important to understand how the female investor thinks.

LITERATURE REVIEW

Rammya B,. Rao B.R. (2017) in a study involving women employees of private sector companies in Bangalore, found that nearly one-third of respondents took the investment decision independently. They further determined that age had no association with awareness regarding the various investment avenues with the exception of post office savings, NCS/KVP and bonds where there was an age based difference in awareness levels. Gold, bank deposits, and life insurance, in that order, were the preferred avenues of investment among the respondents.

Shukla, N. (2016) when studying investment preference of working women of North Gujarat Region, India, found that there was a significant association of both age and monthly income level with investment while there was no significant association between education and investment attitude.

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Velmurugan, G., Selvam, V., &Nazar, N. A. (2015) in their study conducted in Vellore, India concluded that there was no significant difference between men and women when it came to investing in assets such as real estate, insurance products, bank savings and stock market however, there was a significant difference between the genders when it came to gold and post office savings accounts with more women preferring them than men.

Venkateshraj V, (2015) in a doctoral study of investment pattern of working women conducted in Tamil Nadu, India, concluded that there was a significant association between age and investment pattern as well as marital status of respondent and investment pattern. The researcher further found a significant association between financial literacy level and pattern of investment. Safety of Investment was given the maximum weightage by the respondents followed by return on investment.

Murugesan, R., & Santhi, G. (2015) in their study conducted in Namakkal district, India, found that there was a significant difference between men and women when it came to investment awareness. Another interesting finding of this study was the lack of association between educational level and investor awareness.

Kansal P, & Zaidi N. (2015), while studying the investment behaviour of women in India found no significant association between marital status of respondents and their risk taking attitude. Similarly, they concluded that, there was no association between age and investment philosophy.

Santhiyavalli G. and Usharani M., in a 2014 study conducted among women investors in Coimbatore, India, found that Gold was the most preferred investment avenue as indicated by 31% of investors, followed by Bank deposits at 28% and Insurance policies coming a distant third with only 13% of respondents indicating them as their choice of investment. The study further concluded that while there was a significant association between preferred investment avenues and demographic factors such as age, educational qualification and occupation of the respondents, no such association was found between preferred investment and marital status.

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One of the aspects focused upon by Bhushan,P. & Medury, Y. (2013) while studying the investment behavior of university employees in Himachal Pradesh, India, was whether there was significant differences between male and female respondents in their preferences for investment avenues such as mutual funds, health insurance, life insurance, recurring deposits, fixed deposits and stock market instruments. They found a significant association between gender and preference for health insurance, fixed deposits and market instruments

Sellappan, R., Jamuna,S., &Kavitha, T. (2013) found in their study that there may be a significant association between age and investment avenue as well as between marital status and investment avenue. They further concluded that younger women were more likely to invest in shares, mutual funds, insurance and fixed deposits when compared to their older counterparts.

While there are many gender studies to ascertain the investing behavior of Indians very few have been focused on women, especially those residing in North India. This study is an attempt to address this gap. The researchers have focused on studying whether there is any association between marital status of women and their investment decision making.

RESEARCH METHODOLOGY

The objective of the study was to ascertain whether any association existed between marital status of women and confidence regarding investment decisions, proportion of income invested knowledge of family's available financial resources and preference for low risk investments. For this purpose a questionnaire was administered to 150 female respondents in the National capital Region of Delhi, India, of whom 117 reverted with responses and 103 were accepted as complete for the research purpose.

The following null hypotheses have been tested:

H01: There is no statistically significant association between marital status of women and confidence regarding investment decisions.

H02: There is no statistically significant association between marital status and proportion of income invested.

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H03: There is no statistically significant association between marital status and knowledge of family's available financial resources.

H04: There is no statistically significant association between marital status and willingness to accept responsibility for family's financial decisions.

SPSS version 20.0 was used for analysis purposes.

4. DATA ANALYSIS AND INTERPRETATION

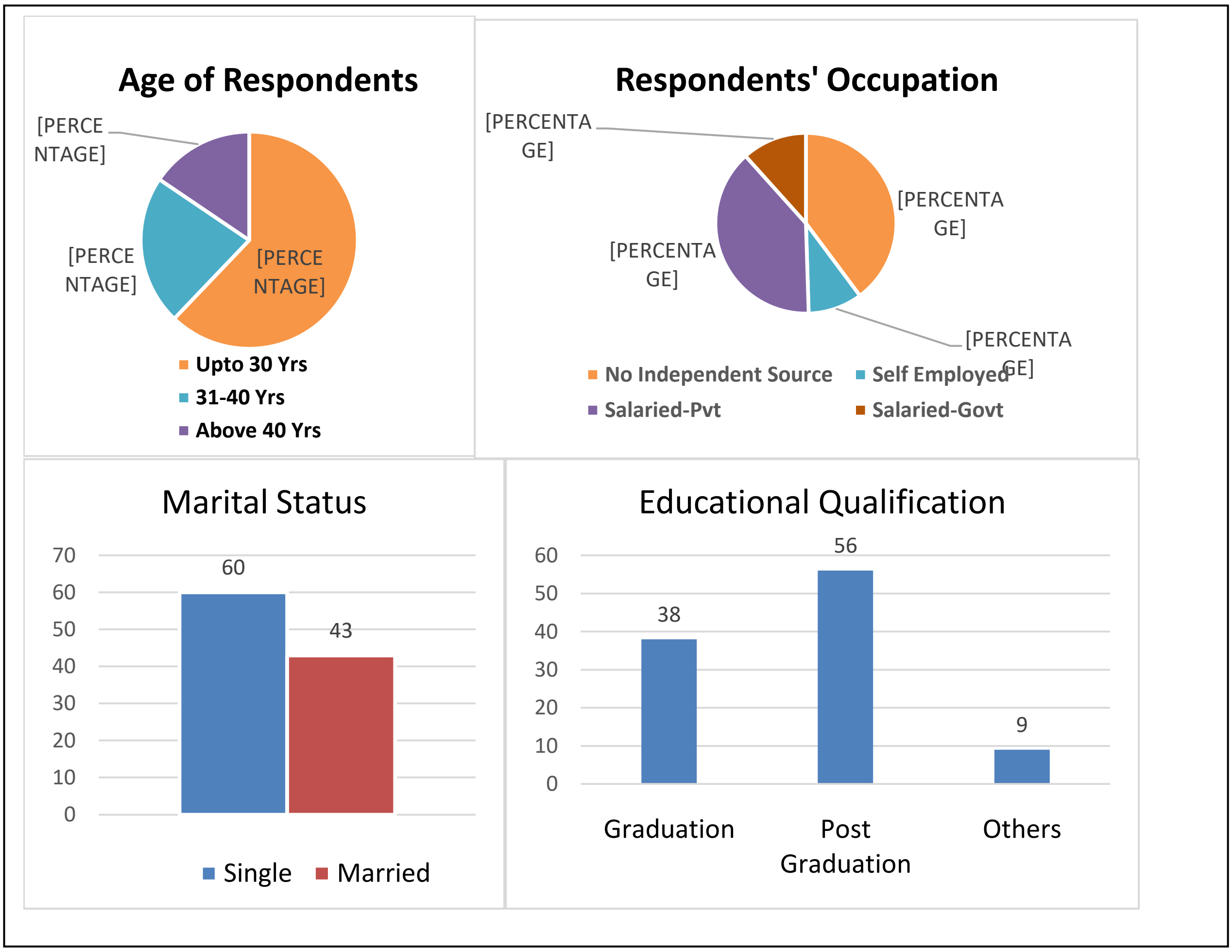

Fig. 1: Demographic Profile of Respondents

The respondents (Fig. 1) included 60 married and 43 single females. Salaried employees, in the public and private sector together, accounted for 50% of the respondents while 40% of those surveyed claimed that they had no independent source of income. More than half (56) of those surveyed had post graduate degrees while 38 of the women had completed their graduation. The upto 30 years age group accounted for 62% of the respondents while 22% were in the 31-40 years age and 16% of those surveyed were above 40 years.

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Table 1: Frequency of tracking Investments' Performance by Respondents

Particulars	No. of Respondents	Percentage
Daily	9	8.70%
Weekly	15	15%
Monthly	41	39.80%
Half yearly	22	21.40%
Yearly	16	15.50%

Respondents were also asked to choose from among five options the frequency at which they tracked the performance of their investments. Nearly 40% indicated that they did so, on a monthly basis, while a very small number, 8.7%, stated that they did so on a daily basis.

Table 2: Preferred Investment Options

Particulars	0-10%	10-20%	20-30%	more than 30%
Stock market	70	25	6	2
Provident fund	41	42	14	6
Mutual funds	42	43	14	4
Insurance policy	39	45	15	4
Real estate	54	27	15	7
Gold	38	36	22	7
Fixed deposits	31	34	29	9
Derivatives	66	29	7	1

An item in the instrument required respondents to select the proportion of their total investment that would they choose to allocate among eight options which included stock market, provident fund, mutual funds, insurance policy, real estate, gold, fixed deposits and derivatives. Very few respondents allocated more than 30% of their investment to any one of the financial assets. Insurance policies, mutual funds and provident fund accounted for between 10-20% of investment allocation for a large number of the respondents.

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Hypotheses Testing

H01: There is no statistically significant association between marital status of women and confidence regarding investment decisions.

Table 3: Cross-tabulation, marital status and confidence regarding investment decisions

Count

		I am Confident of Making Investment Decisions			*Total*
		Disagree	*Can't Say*	*Agree*	
Marital Status	Married	6	15	22	43
	Single	0	17	43	60
Total		6	32	65	103

When asked if they were confident of making investment decisions (table 3) a little over half (51%) of all married respondents considered themselves as confident investors while nearly 72% of single women surveyed were similarly confident. The data was further analyzed using a chi square goodness of fit test for $\alpha = 0.05$. The null hypothesis 'there is no statistically significant association between marital status and confidence in making investment decisions' was rejected, $\chi^2(2) = 10.387$, $0.006<0.05$.

H02: There is no statistically significant association between marital status and proportion of income invested.

Table 4: Cross-tabulation, marital status and proportion of income invested

Count

		Proportion of income invested			*Total*
		Upto 10%	*11-20%*	*Above 20%*	
Marital Status	Married	18	19	6	43
	Single	35	20	5	60
Total		53	39	11	103

The respondents were asked to indicate the proportion of their income that they set aside for investment purposes (table 4) and it was determined that nearly 42% of married women

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invest amounts equivalent of up to 10% of their income, 44% invest between 11 to 20% of their income and only 14% of them invest more than 20% of their income. In case of single women a significant 58% of them are able to invest only up to 10% of their income, while a little over 8% of them invest more than 20% of their income. The data was analyzed using a chi square goodness of fit test for α = 0.05. The null hypothesis 'there is no statistically significant association between marital status and proportion of income invested' was accepted, χ^2 (2) = 2.841, 0.242>0.05.

H03: There is no statistically significant association between marital status and knowledge of family's available financial resources.

Table 5: Cross-tabulation, marital status and knowledge of family's available financial resources

Count

		Complete Knowledge of Available Financial Resources			*Total*
		Disagree	*Agree*	*Can't Say*	
Marital Status	Married	8	13	22	43
	Single	9	20	31	60
	Total	17	33	53	103

The cross-tabulation between marital status and knowledge of family's available financial resources indicated that nearly half of both single as well as married women indicated that they were not sure if they had sufficient knowledge. Similarly about a third of respondents under each category were in complete agreement with the statement 'I have complete knowledge of family's available financial resources'. A chi square goodness of fit test for α = 0.05 revealed that there was no statistically significant association between marital status and confidence regarding knowledge of family's available financial resources as χ^2 (2) = 0.274, 0.872>0.05.

H04: There is no statistically significant association between marital status and Willingness to Accept Responsibility for family's financial decisions.

Table 6: Cross-tabulation, Marital Status and Willingness to Accept Responsibility for family's financial decisions

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Count

		Willing to Accept Responsibility for family's financial decisions			Total
		Disagree	Can't Say	Agree	
Marital Status	Married	3	9	31	43
	Single	0	7	53	60
Total		3	16	84	103

72% of married respondents and 88% of single ladies indicated a willingness to accept responsibility for family's financial decisions. The data was analyzed using a chi square goodness of fit test for α = 0.05. The null hypothesis 'there is statistically no significant association between marital status and willingness to accept responsibility for family's financial decisions' was rejected, $\chi^2(2) = 6.380$, $0.041<0.05$.

FINDINGS

The study found that of the four investment behavior items under study, the respondents, based on their marital status, differed significantly in two aspects i.e. their confidence in making investment decisions and willingness to accept responsibility for family's financial decisions. In both cases more number of single women exhibited confidence and willingness when compared to married women.

When it came to aspects such as knowledge of family's financial resources and proportion of income invested there was very little difference in the behavior of single or married women. What is important to note though is the fact that nearly half the respondents in both categories were not sure if they had complete knowledge regarding their family's financial resources. When it came to proportion of income invested, very few of the women, irrespective of marital status, invested more than 30% of their income in any one particular financial asset, which can be interpreted that the women practiced a diversified investment strategy.

Overall the respondents showed a clear preference for investing a larger proportion of their money in mutual funds, provident fund, insurance policies, fixed deposits and gold and the least proportion in traditional stock market instruments and derivative products.

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Limitations of the Study

When evaluating the findings of this study, limitations such as the fact that the data has been collected from a very small area of the country and the sample size is 103 should be taken into consideration.

Scope for Further Research

Any further study on the subject should address the limitations of the study that have been stated earlier. Additionally the impact of other demographic factors such as age, educational level, type of occupation, family size, no. of earning members in family, family income etc. should also be taken into consideration as they are likely to impact investment behavior.

CONCLUSION

Research studies in this area are important as recent research shows that female participation in investment decisions is relatively low across the globe. According to a study that was conducted over 15 months across nine markets around the world, namely Brazil, Germany, Hong Kong, Mexico, Singapore, Switzerland, Italy, the UK and the US, and published in early 2019, majority of women, 58%, defer long term investment decisions to their spouses, however, most of them, 85%, are intimately involved in the day to day spending decisions ("UBS Study of Women Investors". In India too, a recent financial express (2019) report states, the participation of women in financial decision making is very low with only 33% of the female respondents of a nation-wide survey admitting to participating in financial decision making. When it come to investing in stock market, only 12% of the female respondents claimed independent decision making as compared to 34% males.

There are social implications behind wanting to increase female participation in investment decision making as well, given that life expectancies are on the rise and statistics reveal that women are likely to outlive their husbands, measures must be taken to change the gender disparity in investment decision making. In this backdrop it becomes essential that policy makers as well as marketers of financial assets should strive to get a better understanding of female investors in order to encourage more of them to become active investors.

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Perceptions and Problems of Home Loan takers: An Empirical Study of Vijayawada City

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Abstract

India's housing requirement on an average increasing at a rate of 2.5-3 mn homes per annum. There is a dearth of more than 18.78 million homes at the commencement of 2012 projected by GOI, of which 95% were in the EWS (Economically Weaker Sections) and LIG (Low Income Group) segments. In addition to that, the country's total urban housing scarcity is predicted to be about 30 million by 2022. To fulfill the gap, the GOI launched the Pradhan Mantri Awas Yojana (Urban) beneath the Urban Housing Mission. Own House is a reverie of most of the people living in a villages as well as slum in urban areas and middle class people living in houses on rental basis. For these aspirants of houses, housing loan is golden chance to bring their dreams into reality. The Housing sector witnessed a real boom in the past decade due to the entry of Commercial banks in providing home loan facility. The customers of Home loan from Banks were facing several problems and there is a need to address them. Hence the present paper sheds light on Perceptions and Problems of Home Loan takers of banks in Vijayawada in line with PMAY scheme with GRT and Chi-square.

Keywords: Commercial Banks, Home Loan, PMAY, Problems, Urban.

INTRODUCTION:

Home is one of the dream that everyone one wants to own & fulfill. Home is a dream of every person that illustrates the extent of efforts; relinquish luxuries and above all gathering funds little by little to pay for one's dream. The demand of home loans has increased dramatically. For fulfill this purpose many banks are providing home loans whether commercial banks or home finance institutions to the people who want to have a home. Now-a-days the accessibility of these home loans easier and many to fulfill their dream through Home loans. The low rate of interest rates will attract and meet the demand of many home buyers. A home represents the principal asset that classically people encompass and this is why home loans have such a gigantic impact in the loan market nowadays. When a person purchases a home, he or she will be investing a massive amount of cash. Many people can't come up with the whole money to pay out the house, while some others can't even afford to

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invest money for the house they will like to purchase. At the time of getting a home loan, the persons should think taking care of different facets related to the home loan.

HOUSING SECTOR:

Housing Sector refers to the whole construction activity; it has maximum inclination to produce income and demand for materials, equipments and services. In fact, housing provides essential thrust to the economy as a whole. A Small proportion of inventiveness in housing will boost multiplier effects in the economy through a chain of linkage effects. Around 290 industries are activated besides the core manufacturing sector such as Cement, Steel and bricks etc for every 1 Crore Rupees of Investment in Housing. It has been estimated that out of every Rs. 100 spent on housing Rs. 11.40 is returned back to the national exchequer by way of stamp duty, registration and taxes.

Housing segment has seen outstanding changes in the last 15 years, both globally and domestically. In the last few years, the housing segment in India has eyewitnesses a erupt in demand not just for residential property but also for commercial property. This rise in demand may be credited to the large and increasing middle class inhabitants of 300 million people. The Technology and business Process Outsourcing have correspondent to growing demand for shopping malls, multiplexes, food outlets, office spaces ad business centers etc.

HOUSING FINANCE IN INDIA:

Home-buyers in India were traditionally debt averse and opted for external funding only as a last resort. Consequently, formal external funding of house construction/purchase has accounted for a relatively small proportion of housing finance in the three decades after independence and this business activity had formally began in India in the 1970s.

Construction/purchasing of a house needs a large investment, it requires long-term finance. In India, the main source of credit that flows into house construction is both formal and the informal sectors. The formal sector includes budgetary allocation of Central and State Government, assistance from the Financial Institutions, agencies and corporations like Life Insurance Corporation (LIC) and General Insurance Corporation (GIC) etc., the latter, it refers to finance from money lenders, household savings, disposal of existing property and borrowings from friends and relatives.

Since independence, the institutional framework for housing finance was in the form of insurance companies like LIC and GIC. Then in 1970, the Government set up the HUDCO as a 100 per cent, Government owned enterprise with the objective of housing and urban development as well as infrastructure development. HUDCO housing policy of was intended to apportion 55 per cent of its housing finance to the low income and weaker sections of society.

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PRADHAN MANTRI AWAS YOJANA (PMAY) :

With a growth rate of 11-12 mn per annum, the Indian urban population is set to take over its rural population by 2050. To cater to the housing needs of this growing urban population, the central government in June 2015 had launched the Pradhan Mantri Awas Yojana (Urban) under the Urban Housing Mission, which aims at addressing the shortage of over 20mn houses in the urban India by 2022.

TYPES OF HOME LOAN:

To cater the needs of Borrower's the following home loans are available in the market.

a) Home Purchase Loan: These are the basic home loans for the purchase of a new home. For the purchase of New / already built flat or bungalow these loans are given.

b) Home Improvement Loan: These loans are given for implementing repair works and renovations in a home that has already been purchased by the customer. This type of loan will be used for external works like structural repairs, waterproofing or internal works like tiling and flooring, plumbing, electrical work, painting, etc.

c) Home Construction Loan: These loans are available for the construction of a new home. There is a narrow difference from Home Construction loans and home purchase loans in terms of the required documents by the banks for granting to the customer. Depending upon the fact that when customer bought the land, the lending party would or would not include the land cost as a component, to value the total cost of the property.

d) Home Extension Loan: Home Extension Loans are given for expanding or extending an existing home. For example addition of an extra room, etc. For this kind of loan, customer needs to have requisite approvals from the relevant municipal corporation.

e) Home Conversion Loan: It is that loan wherein the borrower has already taken a home loan to finance his current home, but now wants to move to another home. The Conversion Home Loan helps the borrower to transfer the existing loan to the new home which requires extra funds, so the new loan pays the previous loan and fulfills the money required for new home.

f) Land Purchase Loan: Land Purchase Loans are available for purchase of land for both home construction or investment purposes. This type of loan may be granted even if the customer is not planning to construct any building on it in the near future. Within 3 years of tenure the customer has to complete the construction on the same land.

g) Bridge Loan: Bridge Loans are designed for people who wish to sell the existing home and purchase another.

***h) Top up loans*:** Enchasing the investment in a house without having to dispose it off to fund various needs related to Higher Education, Purchase of Furniture and Business Requirements. The term for

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this type of loan is 10 years maximum. Top up loans can give after 1 to 2 years of the final disbursement of the existing loan or upon possession/completion of the existing financed property.

REVIEW OF LITERATURE:

Sangwan and Bhan (2012) this study can find out the satisfaction level of customers and problems faced by them in obtaining home loans. Four commercial Banks in Chandigarh city namely H.D.F.C. Bank, Punjab National Bank(P.N.B.), Union Bank of India and Industrial Credit and Infrastructure Corporation of India(I.C.I.C.I) Bank. Basing on the objectives, the whole research was done and findings were drawn. Some of the limitations faced in collecting the data were Lack of time, lack of data, non-response, reluctant attitude and illiteracy of respondents, which posed problems in carrying out the research.

Rao (2013) this study discussed about the perception and problems of home loan takers in Andhra Pradesh. The paper discussed about the Housing Policy frame work, trends and progress in Housing Finance, the operational performance of H.D.F.C. and S.B.I. This paper focuses on perception and problems of home loan takers in the State of Andhra Pradesh with regards to Housing Finance to Individuals. The researcher finished by stating that the Housing Finance in India countenancing a number of set-back in decades but the designing of a shelter policy, the market of the housing finance, the overture of fiscal incentives have bought about a number of changes in the housing finance. The services and product innovations are the key tools for success.

Kumara swamy (2014) this study discussed about the importance of housing finance and the institutions providing housing finance. A comprehensive dialogue of the marketing strategies take up by financing institutions have been confer by taking into account the loan criteria eligibility, loan amount, interest rate, security, loan tenure, margin and processing fee. In conclusion the paper focuses the performance of the housing sector, major findings and suggestions to improve the effective marketing of housing finance for both public and private sector banks.

Gupta and Sinha (2015) this examining on the respondent regarding the purchase of home loan and low rate of interest, easy accessibility, status/ reputation of the institution and scheme offered by the company are the major factor for selection of the housing finance institution comparative study on Factor Affecting consumer's Buying Behavior towards Home Loan (with special reference to S.B.I. and L.I.C.H.F.L.)" and found that fixed rate of interest is most preferred option by the customers.

Chithra and Muthurani (2015) this study conducted on customer perception towards home loan in H.D.F.C are done Chennai with the 85 sample size and simple random sampling. The study shows that H.D.F.C. bank home loans has product portfolio for satisfying different consumer needs. The bank has got goodwill and this can be used for promoting its services. If new promotional activity and services introduced, it will help very much to organization to increase the business.

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Murugan and Jansirani (2017) a study carried out in Chennai to Customer perception towards home loan by selecting the 500 customer on randomly basis. This study made an attempt to evaluate in depth the performance and operational problems faced by the banking sector in extending finance to the housing sector and based on findings; identify the areas of concerns and strategic interventions required.

NEED FOR THE STUDY:

Today due to inflation in the economy, there is rise in the price of all commodities. Because to this an normal person is not capable to save adequately to meet the high cost obligation of house construction or purchase. He has to essentially depend upon of the Banks and Home Financial Institutions (HFIs) for borrowing money for the purpose of house constructions or purchase. The proposed study will bring out the various sources of finance for house construction/purchase and a detailed study about the types of home loans, loan procedure and documents required for home loan sanction from the Banks and FIs. There is a need to examine the housing policies, Government and RBI initiatives in order to appreciate the liquidity in the housing finance sector. In this process the Home loan borrowers are facing various problems and there is a need to address them.

OBJECTIVES OF THE STUDY:

1. To examine the Housing Policy frame work in India.
2. To analyze the trends and progress in Housing Finance in India.
3. To assess the perceptions and problems of home loan borrowers of SBI, HDFC Ltd, DHFL Housing & PNB Housing in Vijayawada, Andhra Pradesh.
4. Rank the Problems of Home loan borrowers for policy makers of Banks and Housing Finance Institutions for better solution.

Data Sources and Research Methodology:

This study is depending on Primary and Secondary data. The primary data is obtained from Home Loan Borrowers on a convenient sample of around 208 different categories people in Vijayawada using a self administered questionnaire, observation, discussion has made. The secondary data has been extracted from journals, newspapers and websites.

Research Design:

The research carried out here is explorative in nature and the study intended to conduct this research from the Home Loan Borrowers of State Bank of India, HDFC Ltd, DHFL Housing and PNB Housing specifically in Vijayawada, Krishna district, Andhra Pradesh. Hence, the first hand research is carried out for the period of June 2018 to August 2018. Through the self administered questionnaire

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the data was collected by using a convenient sampling technique. Keeping in view of the objectives the survey was made on Problems faced by Home loan borrowers were analyzed by applying statistical tools like arithmetic mean, percentages, chi-square test and rank them by using Garrett Ranking Technique by taking the help of MS-Excel package to draw relevant findings and conclusion.

LIMITATIONS OF THE STUDY:

Housing Finance Sector growth is influenced by various factors such the prices of land, steel, cement, labor cost, savings, inflation rate, etc., the impact of these factors was not taken for the present study. The other limitation is only individual loan schemes offered by the Banks & HFIs had been studied. Thus, the study neither covers the corporate loan schemes offered by the FIs nor the corporate customers.

PROBLEMS OF HOME LOAN BORROWERS:

1. Verification Process

Many applications of home loan get rejected in the verification process, send-off the borrowers painstakingly disappointed. The Lenders (Banks & Home Finance Institutions) have a detailed set of necessities, or eligibility criteria for home loan which help them to select their prediction. If you be unsuccessful to congregate a lender's qualifications, there is a high likelihood your loan will not be permitted.

2. Non-refundable processing fee

The lenders of home loan levy a certain share of the loan in order to process the loan, this may vary from 0.25% to 1% of the loan amount, or at times even be a fixed amount. If the bank were to decline your loan for whatever reason it deems fit, the processing fee cannot be refunded. The lenders that assure that the processing fee is refundable may turn back on their word, so it's imperative that you have that agreement documented in writing, so in case your loan is discarded, you only lose time in the bargain, and not your hard-earned money.

3. Lack of promise

The bank approach with a margin on how much loan you are entitled for. The loan amount depends on a number of criteria such as borrower's income stream, credit card usage, financial history, total years pending in employment and more. If you as a prospect fail to show swear, the lender can reject your loan request.

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4. Interest Rate options

For banks and Financial Institutions every borrower is a potential client, and they are at this juncture to do business. A bank will always look out for profit in each and every prospect they collaborate with, so be vigilant while you compare home loan rates, as there might be a catch. By go through with the terms and conditions thoroughly, and having a good outside unbiased loan advisor can benefit you greatly in making sure you get the best interest rates. Diminishing interest rates are absolutely well again, however the bank always has something up their sleeve, so make sure you analyze and calculate the total interest you'll be paying in detail in order to make a smart decision.

5. Rigidity of Loan Parameters:

While taking a loan, the customers agree to various parameters such as Equated Monthly Installments and loan tenure. EMI is based on the amount of loan taken, tenure and the interest rate. Banks rarely oblige a customer by changing their EMI as it involves extra processing costs. As a result, many customers may face fiscal hardship in paying their EMIs. Similarly, the banks are not willing to readjust the tenure of the loan as well. This inflexibility does not work in favour of the borrower and thus is a major cause of worry for them.

6. Fine Prints & Clauses:

Most of the borrowers fail to pay attention to fine prints of the loan. There are various clauses included in the contract as well, which are not paid attention to by the borrower. One such clause is Reset Clause. This clause gives the bank power to change the fixed rate interest. Despite its nomenclature, fixed interest rate is not fixed for the entire tenure of the loan. The loan agreement generally specifies the situation under which the bank may revoke the earlier rate of interest and impose a new one. This generally happens in the cases where there is steep rise in interest rate. Before taking a loan, the borrower should pay attention to this and other clauses. The borrower should ensure that the terms of the loan are fair and square. Reserve Bank of India continuously monitors the situation and brings about laws and regulations to keep the market fair for the borrowers. It is looking to make the home loan process simple and transparent for the borrowers. The market is likely to get more regulated in the near futures, alleviating most of the problems faced by the current borrowers.

7. Early application rejection

Most of the home loan applications are rejected and the reasons are many. Some of the applications get rejected because there is a wide difference between what the borrower is looking for and what the lender is able to authorize on the basis of the borrower's eligibility. Further, the loan application might

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fail to meet the criteria on parameters like age, experience, income, credit score, document checklist, negative technical or legal verification reports, doubtful field verification reports, etc.

8. Sanctioned amount less than expected

On the basis of borrower's repayment capacity the amount of home loan is sanctioned. But that is not the sole criterion. The Banks and Financial Institutions may also investigate on other parameters like financial history, credit score, unpaid loans, monthly average bank balance, bounced cheques, employment stability, etc. The lender will decide on lending only after considering all these factors.

9. 'Bias' between existing and new borrowers

The most frequent issues that an existing borrower faces is that of a difference in interest rate charged from them vis-à-vis a new borrower. Base Rate is linked by the Home loan interest rate (now known as marginal cost of funds-based lending rate, or MCLR). An existing borrower would have been charged an interest rate at the base rate prevailing at the time he had applied for his loan.

10. Voluminous paperwork

The documentation concerned in a home loan procedure can be monotonous for numerous applicants. Home loan is a versatile process that requires a careful review of a huge bunch of documents. The process itself can frequently be cumbersome, if not you have a clear understanding of why a certain document is important. Paperwork is necessary, irrespective of your credit score and income level.

RESULTS AND DISCUSSION

TABLE- I: SOCIO DEMOGRAPHIC PROFILE OF RESPONDENTS

S.No.	Socio-Demographic Traits	No. of Respondents	Frequency (%)
1.	**Age (Years)**		
	18-30	24	11.54
	31-43	122	58.65
	44-56	56	26.92
	57-69	06	2.89
2.	**Gender**		
	Male	142	68.26
	Female	66	31.73
3.	**Marital Status**		
	Married	171	82.21
	Unmarried	37	17.79

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4.	**Qualification**		
	High School / Intermediate	29	13.94
	Graduate	67	32.21
	Post- Graduate	78	37.5
	Others	34	16.35
5.	**Occupation**		
	Service	96	46.15
	Businessman	25	12.01
	Self-Employed	46	22.11
	Farmer	41	19.71
6.	**Monthly Income (Rs.)**		
	Rs. 20000-50000	96	46.15
	Rs. 50001-80000	67	32.21
	Rs. 80001-110000	42	20.19
	Rs. 110001-140000	3	0.014

STUDY ON PREFERENCE AND RANKING FOR PROBLEMS OF HOME LOAN BORROWERS:

The preference and Ranking of respondents with regards to Problems of Home Loan Borrowers are shown in table II.

TABLE – II : PREFERENCE & RANKING FOR PROBLEMS OF HOME LOAN BORROWERS

S.No.	Problems of Home Loan Borrowers	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
1	VERIFICATION PROCESS	116	45	29	0	2	13	0	1	2	0
2	NON REFUNDABLE PROCESSING FEE	17	12	0	1	69	17	45	31	1	15
3	LACK OF PROMISE	2	33	0	18	12	9	0	38	64	32
4	INTEREST RATE OPTIONS	59	73	36	0	3	0	5	0	13	19
5	RIGIDITY OFL OAN PARAMETERS	1	13	32	37	0	48	12	17	0	48
6	FINE PRINTS & CLAUSES	0	0	19	0	37	31	0	17	50	54
7	EARLY APPLICATION REJECTION	0	2	11	15	0	18	76	29	37	20
8	SANCTIONED AMOUNT LESS THAN EXPECTED	0	22	53	41	19	32	0	19	22	0
9	BIAS BETWEEN EXISTING & NEW	1	2	0	19	24	0	30	59	33	40

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	BORROWERS										
10	VOLUMINOUS OF PAPER WORK	21	0	13	75	31	27	24	0	9	8

THE PERCENT POSITION AND GARRET VALUE

The Garret Ranking Formula is used to Calculate Garret Ranks. The Garret tables and scores of each Problem of Home Loan Borrowers in above table, and multiplied to records scores in table 3, finally by adding each row, the total Garret score were obtained.

$$\text{Percent position} = \frac{100\,(Rij-0.5)}{Nj}$$

Rij = Rank given for the ith variable by the jth respondent

Nj = number of variables ranked by the jth respondent.

The result is provided in the following table.

Table-III: PERCENT POSITION AND GARRETT VALUE

S.No.	100 (Rij – 0.5)/ Nj	Calculated Value	Garrett Score
1	100 (1-0.5)/10	5	82
2	100 (2-0.5)/10	15	70
3	100 (3-0.5)/10	25	63
4	100 (4-0.5)/10	35	58
5	100 (5-0.5)/10	45	52
6	100 (6-0.5)/10	55	48
7	100 (7-0.5)/10	65	42
8	100 (8-0.5)/10	75	37
9	100 (9-0.5)/10	85	29
10	100 (10-0.5)/10	95	18

CALCULATION OF GARRETT VALUE AND RANKING

The Calculation of Garrett Value and ranking of the Problems of Home Loan Borrowers by the respondents in Vijayawada are shown in the table 4.

TABLE-IV : CALCULATION OF GARRETT VALUE AND RANKING

S.No.	Problems of Home Loan Borrowers	Rank given by the Respondents											
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	Total	Rank
1	VERIFICATION PROCESS	9512	3150	1827	0	104	624	0	37	58	0	15312	**1**

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2	NON REFUNDABLE PROCESSING FEE	1394	840	63	58	3588	816	1890	1147	29	270	10095	**5**
3	LACK OF PROMISE	164	2310	0	1044	624	432	0	1406	1856	576	8412	**7**
4	INTEREST RATE OPTIONS	4838	5110	2268	0	156	0	210	0	377	342	13301	**2**
5	RIGIDITY OF LOAN PARAMETERS	82	910	2016	2146	0	2304	504	629	0	864	9455	**6**
6	FINE PRINTS & CLAUSES	0	0	1197	0	1924	1488	0	629	1450	972	7660	**10**
7	EARLY APPLICATION REJECTION	0	140	693	870	0	864	3192	1073	1073	360	8265	**8**
8	SANCTIONED AMOUNT LESS THAN EXPECTED	0	1540	3339	2378	988	1536	0	703	638	0	11122	**4**
9	BIAS BETWEEN EXISTING & NEW BORROWERS	82	140	0	1102	1248	0	1260	2183	957	720	7692	**9**
10	VOLUMINOUS OF PAPER WORK	1722	0	819	4350	1612	1296	1008	0	261	144	11212	**3**

The table-IV shows that Verification Process ranked one by the Home Loan Borrowers in Vijayawada, Andhra Pradesh. The ranks have obtained with the aid of Garret ranking method. Verification Process got the 1st rank, followed by Interest Rate Options, Voluminous of Paper work, Sanctioned Amount less than expected, Non-Refundable Processing fee, Rigidity of Loan Parameters, Lack of Promise, Early application rejection, Bias between Existing and New Borrowers and Fine Prints & Clauses stood at 2nd , 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 10th ranks respectively.

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TABLE -V : PROCESSING TIME OF HOME LOAN

Days	Respondents	Percentage
Less than 7	29	13.94
7-15	34	16.34
15-21	38	18.26
Above 21	107	51.44
Total	208	100

It can be concluded from the above table that, 51.44 per cent of respondents claimed that the Time taking for processing of loan was above 21 days. The chi-square test was applied to test the hypothesis that the processing time varies according the institutions.

H_0: There is no significant difference between the institutions with regard to time taken for processing the loan, as against.

H_1: There is significant difference between the institutions with regard to time taken for processing the loan.

From the data, the calculated Chi-square test statistic value 73.85 and the critical value at 5% level of significance for 3 degrees of freedom is 7.81. Hence, the calculated value is greater than the critical value. H_0 is rejected. It can be concluded that there is significant difference between the institutions with regard to time taken for processing/sanctioning the loan.

TABLE-VI : SECURITY FOR OBTAINING HOME LOAN

All the customers have to mortgage the property purchase/constructed as security, in addition to various other securities.

Type of Security	Respondents	Percentage
Mortgage	50	24.03
Mortgage & Guarantee	75	36.06
LIC Policy	74	35.57
Collateral	9	4.32
Total	208	100

It can be seen from the Table-VI that, there is equal response for various types of securities provided for getting loan. To assess the hypothesis that the institutions vary in terms of security to be provided for getting loan the chi-square test was applied.

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H_0: There is no significant difference between the institutions with regard to the kind of security advanced to the institution, as against

H_1: There is significant difference between the institutions with regard to the kind of security advanced to the institution.

From the data, the calculated Chi-square test statistic value 1.12 and the critical value at 5% level of significance for 3 degrees of freedom is 7.815. Because of calculated value is less than the table value therefore Null Hypothesis H_0 is accepted. It can be finished that there is no significant difference between the institutions with respect to the kind of security advanced to the institutions.

TABLE-VII: SHOWS AWARENESS ABOUT DEFAULT LOANS

PARTICULARS	RESPONDENTS	PERCENTAGE
YES	169	81.25
NO	39	18.75
TOTAL	208	100

It can be revealed from the Table-VII that, awareness level was high with regard to the default loans. 8.25 per cent of the respondents were aware of the concerned procedure. The Chi-square test was applied to test the hypothesis that the awareness about recovery procedure followed by the concerned banks & HFI with reference to the default loans.

H_0: There is no significant difference between the institutions with regard to the awareness about Recovery procedure followed by the concerned financial institutions with reference to the default loans,

as against

H_1: There is no significant difference between the institutions with regard to the awareness about Recovery procedure followed by the concerned financial institutions with reference to the default loans.

From the data, the calculated Chi-square test statistic value is 2.57 and the critical value at 5% level of significance for 1 degree of freedom is 3.84. As the calculated value is less than the table value therefore Null Hypothesis H_0 is accepted. It can be concluded that there is no significant difference between the institutions with regard to the awareness about recovery procedure followed by the concerned banks & HFI's with reference to the default loans.

TABLE-VIII : **AVAILING PMAY BENEFITS ON HOME LOANS**

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Particulars	Respondents	Percentage
Yes	188	90.38
No	20	9.62
Total	208	100

Table-VIII, shows that 90.38 per cent of the respondents' belonging are availing PMAY (Pradhan Mantri Awas Yojana) benefits.

H0: Income level and availing PMAY benefits availed by the Home Loan borrowers are independents as against.

H1: Income level and availing PAMY benefits availed by the Home Loan borrowers are dependent.

From the data, the calculated Chi-square test statistic value is 27.64 and the critical value at 5% level of significance for 1 degree of freedom is 3.84. Since, calculated value is greater than the critical value therefore H0 is rejected. It can be concluded that there is an association; all the borrowers are availing PMAY benefits irrespective of their income levels.

PROBLEMS OF THE HOME LOAN BORROWERS:

- The Application / Sanction procedure of Home loan is too lengthy.
- HFIs are collecting high amount of processing, administration, conversion fee and other charges like prepayment penalty.
- If at all any changes in the terms and conditions especially with regard to interest rate changes are not being communicated to the borrowers.
- The reasons for rejecting the loan application are not being informed.
- There is no transparency in lending practices.

SUGGESTIONS:

- The loan application formalities should be simplified.
- Most of the customers opined that institutions should not charge any processing, administration, conversion fee and other charges like prepayment penalty.
- The borrowers of Home loans suggested that banks & home finance institutions should provide online approval of applications.

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- The change in the terms and conditions especially with regard to interest rate, the concerned customers should be informed.
- It is better to inform the reason for the rejection of the loan application by the HFIs. This will help the applicants in rectifying their mistakes.
- The customers suggested that the loan processing/sanctioning time should be reduced further.
- All employees, especially the front officers should be familiar with the details of Housing Loan schemes of their banks.
- All information concerning Housing Loans should be accessible on the websites of the HFIs in an interactive mode.

CONCLUSION

Thus, the Housing Finance in India faced a number of set-backs in decades, such as an unorganized market, development disparities and compartmentalized development approach. There was not even a concerted attempt to understand the housing problem let alone promote it. Reforms initiated in the banking sector during the 1990s, however, have overturned the situation to a great extent. The deigning of a shelter policy, the organization of the housing finance market, the introduction of fiscal incentives, increased public investment, legal reforms and others initiatives have brought about a number of changes in the housing finance. Home Loan providers should carry on dealing with the huge potential in the industry and would uphold their focus on the individual loan segment. A tendency that has emerged more than the years in the housing finance is that the lessening role of interest rates as a competitive tool. Service and product innovations are the key tools for success at present.

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E-commerce: An Indian Perspective

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Abstract

Internet and its associated information technologies significantly transformed the way we live our life. It touches every aspect of our life and one of the aspects is our purchasing habit. Introduction of E-commerce changed the way in which we purchase products and services. This report mainly focuses on retail E-commerce or B2C (Business to Consumer). Since inception earlier in 1995, E-commerce is enjoying the era of explosive growth. This paper deals with the introduction of E-commerce, its definitions, the difference between E-commerce and E-business, E-commerce organizations and its classification based on types of transactions and involved parties and benefits of E-commerce to organization and consumer. Further, it gives an overview of the evolution of E-commerce at global as well as India level. E-commerce current scenario with major statistics, leading E-commerce models discussed in chapter three. Apart from this, the paper discussed key drives of E-commerce in India. It gives an idea about key challenges faced by the E-commerce industry in India and highlights of future trends of E-commerce in India. Finally, the Conclusion and recommendations are discussed.

Key Words: E-commerce, Present, Future, Opportunities, Challenges, India.

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Introduction

Electronic commerce is a revolutionary era which growing and continuously changing the way business has been managed. Moreover, it becomes the base for a new form of business around the world. E-commerce is built on the foundation of Electronic Data Interface (EDI) and other supported technology like the Internet, the World Wide Web, and Networks. Use of this technology decreases the domination of paper. People started relying on electronic signal based communication both within and outside the organization. On the other hand, due to higher computers literacy rate customers are using the internet to search and buy their products and services. Organizations can capitalize this opportunity wisely to provide better, faster, cheaper offerings to their customers. Further, the Industry value chain is redefined by E-commerce and blow the bugle for the new complex competitive environment. E-commerce is emerged as the strong distribution channel for transaction and information by replacing intermediaries who had demolished the gap between organization and customers in the past. As a result of it, companies came close to the customer and their sensitivity towards customer increases due to direct and more instantaneous interactions.

Another aspect which needs to be considered by organizations is that E-commerce prompts global competition. Looking into these scenario organizations is going to face immense pressures and challenges due to economic reforms towards new digital/virtual markets. Organizations need to keep up with these groundbreaking changes which have the capacity to transform the whole economic infrastructure. If the organization want to endure then they have to develop awareness and understanding about the constantly progressing and growing complex environment of E-commerce to compete globally. Along with this tremendous growth in Smartphone, tablet, lightweight laptop prompted a new E-commerce platform called Mobile commerce (M-commerce) and Social commerce (S-commerce). Availability of digital social networking on the internet made socializing and shopping as the most popular activities that people do. Social networking sites allow their user to create and distribute their own opinions and thinking. Businesses are wrestling with how best to approach this audience from an advertising and marketing perspective. The organization can use social networking sites to promote their offerings by customizing it.

E-commerce in India

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India's GDP is expected to increase by 7.6% in 2017 and it is expected to increase to 8.1% in 2018 [12]. This will lead to more domestic as well as foreign investment in growing sectors of India. The retail sector is growing at 11% CAGR and estimated to US$600 billion in 2016 to US$1 trillion in 2020. Even though total E-commerce in India accounts for only 2% of total spending on retail, E-commerce is becoming the key factor to create a new market which previously unreachable. There are significant infrastructural changes happening in the Indian economy with respect to the rapid adoption of advanced technology that supports the growth of E-commerce. Technological adoption in India is high especially in the Smartphone segment due to affordable and easy to use features. India became the second largest country after China for Smartphone penetration with 220 million users in 2016. Moreover, during the same time, internet penetration is also significantly rising with the number of internet users at 354 Million as of September 2015. In addition to this, there is a shift in mobile usage from voice to data. Mobile internet spend has risen from 54% to 64% from 2014 to 2015. This is due to the availability of high-speed 3G & 4G internet connectivity at affordable prices which have led to an increase in transactions done via mobile [13]. Further, India's rank for ease of doing business went up by 4, from 134 to 130 in just one year [14]. India rank 39th among 138 countries on global competitiveness index has jumped by 16 ranks from 55th rank in 2015 which indeed a significant improvement for India [15] and that is because of the improved regulatory framework that creating a conducive business-friendly environment. These factors are going to have a positive impact on foreign investment in India.

This above positive indicator leads to foreign and domestic investments in India mainly in the E-commerce industry which is expected to be a value of US$101.9 billion in 2020. Further due to other infrastructural development in terms of Digital advertisements, Logistics, Digital payment, Finance support, Technology and training to MSMEs for E-commerce platform enable faster growth rate of E-commerce in India.

Table 3. E-commerce in India and its future predictions

India - E-commerce (Only B2C)		2020*
Total E-commerce size		US$101.9 billion
Online shopper as a % of internet user		36%
Number of the online shopper in India		220 million
Average spend per online shopper in India		US$464

Source: CII report: e-Commerce in India - a Game Changer for the Economy [13]

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Table 4. An indicative list of current leading E-Commerce models in India

E-commerce Models	Leading companies
B2C E-commerce marketplace	Snapdeal.com, Amazon.com, Flipkart.com
B2C E-commerce inventory led	BigBasket.com, FirstCry.com, Zovi.com
B2C E-commerce Aggregator	Uber.com, olacabs.com
C2C E-commerce	Cloudacar.com, quickr.com, Olx.in
B2B E-commerce	Mjunction services limited (metaljunction, coaljunction, buyjunction, etc.), cloudBuy.com, tolexo.com, industrybuying.com, power2sme.com, Amazonbusiness.com
Omni-channel retailer	Shoppers Stop Ltd., Infiniti Retail Limited Croma, Raymond Limited
Source: CII report: e-Commerce in India - a Game Changer for the Economy [13]	

Table 5. An indicative list of emerging Vertical Specific E-Commerce companies in India

E-commerce Models	Leading companies
Online Travel	Makemytrip.com, yatra.com, cleatrip.com, goibibo.com
Online Real Estate	Magicbricks.com, 99acres.com, commonfloor.com, Housing.com
Online Fashion	Jabong.com, Myntra.com, Zovi.com, yepme.com, limeroad.com
Online Furniture	Fabfurnish.com, Pepperfry.com, urbanladder.com
Online Education	Purple Squirrel Eduventures ,Plancess.com
Online Food and grocery	Zomato.com, Foodpanda.in, TinyOwl.com, BigBasket.com,Grofers.com

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Table 6. An indicative list of emerging Online Aggregator Models in India

E-commerce Models	Leading companies
Online Health	Portea.com, Healthkart.com,
Online Laundry	Wassupondemand.com, DoorMint.in, LaundryWala.co.in
Online Entertainment	Netflix.com, ErosNow.com Hooq.com
Online Truck Booking	TruckSuvidha.com, TruckMandi.in, The Karrier.com, Fortigo.com
Source: CII report: e-Commerce in India - a Game Changer for the Economy [15]	

Based on Gross Merchandise Value most of the global E-commerce companies shows the low profit in spite of having the presence for 5 to 20 years. This scenario continues in India i.e. Indian E-commerce companies showing growth in terms of GMV but overall incurring losses. On the other hand, the trend is different in the B2B segment in India. B2B market Valued at $300 billion in 2014 and expected to reach $700 billion by 2020 in India. The profit margin, volume of purchase, importance of quality rather than price and lack of heavy discount are the few reasons attributed to B2B segment profitability. The Government has allowed 100% FDI through automatic route in B2B E-commerce and 100% FDI under automatic route is permitted in Marketplace model of E-commerce. FDI is not permitted in inventory led based model of E-commerce. FDI in B2C is permitted in the following conditions. 1) Manufacture is permitted to sell its product manufactured in India through E-commerce retail. 2) A single brand retail trading entity operating through brick and mortar store is permitted to undertake retail trading through E-commerce. 3) An Indian manufacturer is permitted to sell its own single-brand products through E-commerce retail. Indian manufacture would be the investee company, which is the owner of the Indian brand and which manufactures in India, in terms of value, at least 70% of its product in-house, and source, at most 30% from Indian manufacturers [15].

B2B, B2C, C2C, and Omni-channel retailer models currently exist and emerging E-commerce models (Table 4 & 5) in India. Basically, B2C further can be classified as Marketplace Model; Investor led Model and Aggregator Model. Vertical specific E-commerce (Table 5) companies are also emerging in Travelling, Fashion, Real Estate, Furniture, Educational, and Food-Grocery segments. E-commerce Aggregators (Table 6) digitizing several offline services and creating a convenient ecosystem and online platform in the area of Health, Laundry, Entertainment and Truck booking. Online Aggregators besides providing the comparison of price and features

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across service providers are also connecting buyers directly with sellers, thus reducing costs to consumers by obviating middle-men.

Another trend which has been seen in the Indian E-commerce industry is that online retailers are going offline and offline retailer and going online. Naming a few examples companies such as FirstCry, Pepperfry, Flipkart, etc. created Experience Centres that offer the touch-and-feel experience to their online buyers to complement the online sales and experience. Amazon India is providing the physical location for the customer to pick up products at the time of their convenience. While Tata Group-owned Croma, partnered with Snapdeal to sell private brands online.

Mergers & Acquisitions (M&A) is another major trend in the E-commerce industry in India. Large E-commerce companies acquiring smaller companies mainly to expand their business scope. Most of the M&A is happening in Logistic, Payment and Digital advertising space. The growing importance of investors and their demand for profitability and break-even push E-commerce companies to reduce their burn rate and rely less on a discount model for future growth. This is important because investor willing to invest in E-commerce Company which have sound fundamentals and strong business models and have the ability to deal with any worst scenario.

Key e-commerce drivers in India

Following a section of the paper discuss the key drives that support the growth of E-commerce in India.

Government Initiative: Major contribution is coming from The Government of India. The GOI has been proactive in implementation and leveraging E-commerce digital platforms to transform and organize traditionally offline markets such as those of agricultural produce. The Government has started this initiative by launching e- platform to connect farmers with *mandis* of various states. Along with this recently GOI is promoting its initiative such as Digital India, Start-up India, Innovation Fund, Skill India, Make in India, etc.

Internet Penetration: Another booster for the growth of E-commerce industry in India is internet penetration. In India, spending on internet data is growing significantly with 3G and 4G connectivity at decline rates. For data rates, India is two times cheaper than China and three times cheaper than the US. Government schemes National Optical Fiber Network can significantly increase internet penetration in the rural communities as well as provide a means to

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E-commerce companies to tap the huge market potential there. India is the rank least in Asia with respect to internet speed.

Smartphone Penetration: Smartphone market is expected to face mammoth growth in the coming years. India is having the third rank in terms of Smartphone penetration. High competition leads to lower cost, availability of cheaper internet connection are the major factor leading to Smartphone penetration. According to a report by venture capital firm KPCB, India has the highest share of mobile-based E-commerce sales globally at 41%. The leading E-commerce companies state that almost 70-75% of their online traffic comes from mobile phones and thus higher revenues are coming from mobile applications. For e.g. 50% for Flipkart while 70% for Quikr.

Digital Payment Solutions: New digital payment solution are emerging in India. The e-commerce industry is facing huge administration cost due to Cash on Delivery (CoD) as a mode of payment. CoD is still the most popular mode of payment for Indians. Further Indian government initiated "Jan Dhan Yojna" scheme that added a significant number of the customer having debit cards (over 110 million) through which they can have access to e- payments. Many banks already launched e-wallets and digital payment product for faster compilation of e-payment transaction. Reserve Bank of India launched Unified Payments Interface (UPI) to support mobile banking is expected to benefit E-commerce.

Logistic Solutions: Controlling the last mile delivery has been the major challenge for the E-commerce industry. The rise of several third-party logistics service provider (3PLs) in India to handle huge volumes of delivery, return orders and higher standards of customer service. E-commerce companies are making the partnership with 3PLs to cover delivery areas which belong to tier II and tier III cities. Leading E-commerce companies have set up their own logistics arms for greater control on deliveries and for enhanced customer experience. India Post with its extensive reach of 19,000 pin-codes and 1, 54,725 post offices across the country has set-up dedicated processing centres to handle last-mile deliveries of the E-commerce companies.

GST Impact: GST expected to enhance the growth of E-commerce GST will enforce a single comprehensive indirect tax regime that will be applicable to all states on the supply of goods and services. The implementation of GST is expected to subsume the central excise duty, service tax

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and additional customs duty at the central level and VAT, CST, entry tax, etc. at the state level. GST will enhance the operational efficiency of the E-commerce industry in enumerated ways.

Key challenges of E-commerce industry in India

The e-commerce industry is enjoying above mentioned drivers that boosting the growth and acceptance of E-commerce in India. However, there are many challenges encountered by E-commerce companies. These challenges (Table 7) are mainly related to Infrastructural support, Customer acquisition, satisfaction and loyalty, Government policies and legal framework and scaling and profitability of the organization, etc.

Table 7. List of Key Challenges faced by B2C E-commerce industry in India

Key Challenges	
Cash on Delivery (CoD) as a mode of payment	Customer's preference for CoD increases chances of return and results in locking up of working capital for both the platform and the sellers.
Network and bandwidth dependency	Access to E-commerce platforms, through desktops, mobiles, and other devices are dependent on the network bandwidth.
Merchant's lack of online experience	Small merchants are uncomfortable and unfamiliar with technology and need to be trained on the use of E-commerce technology.
Digital payment transaction failure	Due to lack of high-speed bandwidth and inefficacies in payment gateway technology, the E-commerce industry is facing high transactions failure rates leading to customers dissonance
Dependence on Telecom Operators for rural penetration Navigating Procurement Process of companies	E-commerce companies, who want to expand into tier II & III cities, are dependent on the Telecom Operators to roll out 3G/4G into such areas for connectivity.
Logistic and Reverse logistics	Poor supply chain infrastructure in tire I and II cities are creating the problem for last mile delivery. Currently, reverse logistics is highly inefficient, which results in high inventory and increased costs. Apart from this what about customer delivery experience is still the question mark.
Lack of customer loyalty	Currently, customers are mainly attracted by discounts and have very little brand loyalty. Customers easily and frequently switch among platforms based on the best discount offered by them.

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The high cost of customer acquisition	Intense competition and heavy discounting have resulted from customer acquisition and retention costly for E-commerce companies.
Scaling and profitability of organizations	B2C E-commerce companies have raised and infused capital from investors to scale operations. However, from a profitability perspective, the losses have grown faster than sales. Majority of the companies rely on discounting for customer acquisition leading to an absence of long-term sustainable business models.
Tax framework	Due to the absence of a uniform tax structure, States have adopted different tax frameworks and Inter-State goods movement is a challenge. It not only increases operational and compliance costs but also delays the timely delivery of goods.
Security and Counterfeit products and services	There is an increasing incidence of cyber thefts and payment thefts in the industry today. Additionally, the supply of fake, counterfeit products by the merchants on the platform is on a rise.
Source: CII report: e-Commerce in India - a Game Changer for the Economy & PWC report [13]	

Future of E-commerce in India

E-commerce predictions

Future of E-commerce is bright and fascinating globally as well as in Asia. Same case is with India, where total B2C sales projected to reach US$68.47 Billion by 2019 which will be still only 4.8% of total retail sales. India is the 3rd largest country in terms of having the number of digital buyers which likely to reach 239.7 Million by 2019 which will be still only 24.3% of the total population in 2019.

E-commerce Future Trends Specific to India

There is a significant increase in the number of digital buyer in India and majority of it coming through mobile apps. Further, government has supportive policies creating the conducive environment for the growth of E-commerce industry. According to E-commerce experts and players, Following are the major futuristic trends that Indian B2C E-commerce industry is going to face.

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Innovation in Payment

Cash on Delivery (CoD) is the most preferred mode of payment in India. CoD had created major issues regarding high direct and indirect cost, security, and delayed logistics settlement at the time of CoD defaults. The solutions for CoD are coming in various forms in India. Now many people have banking access due to "Jan Dhan Yojana" of the government of India. Digital companies providing cashless payment solutions to their customer by providing mobile wallet services and this will boost the E-commerce industry. Apart from this National Payment Corporation of India launched Unified Payment Interface (UPI) platform in April 2016 which provides single window cleared for all types of online payments. This would lead to the smooth payment system and hopefully reduce the use of CoDs and it defaults rates. Introduction of the mobile wallet such as Paytm, MobiKwik, Oxigen Wallet, Citrus Pay, and Freecharge, etc. in India further promoting online payment by providing a user-friendly and secure online platform. E-commerce players continue to tie up with the bank to provide attractive offers like easy EMI, cashback offers, secured transactions, loyalty points to promote online payments.

New Delivery Models

Supply chains are the lifeline for the E-commerce industry. It requires robust logistic and supply chain support in coming future. India is a big country and currently, logistic business is handled by courier companies which have limited reach. Some of the major E-commerce players such as Flipkart and Amazon started their own logistic unit to deal with last mile delivery. Indian Post is taking care of CoDs based payment and delivery. Click and Collect delivery models are emerging where small distribution centers across cities and towns act as a collection center for customers. Advance Artificial Intelligence System based on Global Positioning System (GPS) can further upgrade the logistics by providing innovative delivery solutions. For example, Amazon (Amazon Prime Air) is working on the drone-based system to deliver its products.

Technology and Wearable

Technological advancement in wearable's such as Smart watches and Smart glasses created a new scope for reaching out to customers. E-commerce player needs to keep tracking development in this area which is going to be a new trend in the urban area.

S-commerce, Social Media Analytics

Social Media such as Face book, LinkedIn, Twitter, Google Plus, Pinterest, etc., become the easy medium for log-in and purchase on E-commerce websites. Moreover, E-commerce Company can track the posts and updates which are uploaded by users on social media and according to create

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advertising and promotional strategies to generate the additional sale. This emerging new E-commerce platform through social media is known as S-commerce. Another aspect in case of social media is that E-commerce companies can create their own social media pages and track how people are reviewing their products and services in terms of the number of likes and tweets etc. E-commerce companies can use social media analytics to understand and identify customer's test and preferences, habit, their demands and feedback on pre-advertisement, buying behavior and even opinion about competitor's products and services. This prior knowledge can help companies to provide customized service to the customer and enhance customer's purchase experience.

Mobile first: App only Approach

Mobile phones are going to dominate the E-commerce industry's sales. It is projected that 580 million people are going to have internet access by 2018 and out of which, 70 to 80 % will access the internet through mobile phones. There are about 936.46 million wireless subscribers in India. The wireless teledensity in urban areas is in excess of 148.73 while there is still huge potential in rural areas with the teledensity of 50.88 (TRAI 2016). Flipkart's two-thirds of its online traffic comes from tier II and tier III cities where people don't have computers and don't have sufficient access to broadband. This will create the opportunity for E-commerce players to shift from the Web-based model to the App base model. Retaining loyal customer, it is necessary to E-commerce companies to provide the transparent, trustful and secure system that protects the privacy of customer's information.

Local commerce

The small store will capitalize on the opportunities offered by E-commerce and will try to create local E-commerce based on focusing on a limited geographic area. These small stores will use Search Engine Optimization (SEO) and be combine it with social media to create customized offerings to their local customers.

Experience matters

The customer is the king in all formats of commerce. Today, customers are appreciating online shopping experience and their expectations are increasing day by day. It is time for E-commerce player to not only focus on attracting the customer but also on trust and loyalty building. The seamless experience is expected by customers at all touch points during online transactions. In this regard, for e-retailer, it is time to analyze the life cycle of customer relationship and enhance

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the experience at all stages. Modification in internal as well as external operations of E-commerce Company is expected to match the customer's expectations.

Omni-channel service

According to the study of comScore (American global media measurement and analytics company), the consumers are more likely to purchase from a retailer who is using multiple channels i.e. having present on both online and offline, to offer their products and services. Brick-and-mortar stores viewed as the direct personal connection with the customer as well as it provides the touch and feels the experience, on the other hand, E-commerce stores viewed as the store that provides a wide variety of the products with reviews, comments and price comparison tools and high discounts. There is no disagreement on the advantages offered by both the model. To supplement sales, it is necessary for the retailer to expand their wings with E-commerce store as well as e-retailer also need to have an offline presence to give multiple options to the customer or enhance customer's purchase experience by providing technology-based innovation, e.g. virtual rooms.

Conclusion and recommendations

The Indian E-commerce industry is growth stage and showing tremendous potential. E-commerce begins its journey in 1999 and today, it becomes the fastest growing industry of India. The Higher rate of Internet and Smartphone penetration, availability of 3G and 4G connectivity and improvement of doing business rank of India further promotes investment in the E-commerce industry in India. Presently, in India Inventory led and Marketplace are two models of B2C E-commerce exist. Apart from this B2B, C2C and Omni-channel retailers are also growing. Vertical specific E-commerce model and Online Aggregators model of E-commerce is also emerging. The growth that has been seen by the E-commerce industry is accountable to significant changes happening in the Indian economy which support the growth of E-commerce in India. These changes include Governmental policy development and initiative like Digital India, Start-up India, Innovation Fund, Skill India, Make in India, Goods, and Service Tax, etc., Internet and smart penetration, New Digital Payment Solutions, logistic support are acting as a key driver for the growth of E-commerce industry.

E-commerce is the buzzword and growing at a blazing pace. E-commerce experts and players are optimistic about the future growth of E-commerce but at the same time, based on the current scenario, they think, there are many challenges faced E-commerce industry which need to

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manage. Naming a few of the first is the high customer acquisition cost and very little or no customer switching cost creating the problem of loyalty and stable sales. Price sensitivity of Indian customer promotes the rise of discount based E-commerce model which further shrinking the profit margin of e-retailer. Further, high customer's preference for CoD increases chances of return and results in locking up of working capital for both the platform and the sellers. Second, poor infrastructural support especially in logistic management the delivering products in Tier II and Tier III cities, (which are now emerging as a major contributor in the Indian E-commerce industry) of India. Third, Ambiguity is about the legal framework, issues related to scaling the organizational and profitability, etc. are acting as the roadblock in the growth journey of E-commerce in India.

The Indian government is working on infrastructural and legal issues whereas for profitability and scaling of the organization largely depend on how E-commerce company managing their customers. This is true same for the high customer acquisition cost and high preference for CoDs. Using services of new startups in the logistics sector, acquiring logistic companies and backward integration by E-commerce can be the solution for last mile delivery problem in India. Further, combined efforts of government and industry can bring the boost to the adoption of new payment methods which might migrate payment from cash to card payment and from card to digital and mobile payment. Wallet space is emerging to support online payment by creating a secure option for payment to gain the trust of customers. Effective acquisition and retention of the customer by finding faster and innovative solutions to the challenges faced by the E-commerce industry will be the key to success. E-commerce Company needs to understand customer online shopping adoption and issues related to it and enhance customer purchase experience to generate the higher rate of loyalty and satisfaction for the emerging market in Tier II & III cities of India. Taking futuristic approach E-commerce companies now need to focus more on service aspect by shifting from discount model to a business model and should think in the direction for creating and sustaining a strong brand of itself.

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Emerging Trends in Trade Unions: Legal Framework

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This paper looks at emerging trends in trade unions through understanding its powers, duties and roles in Industrial Relations with the help of judicial interpretations, statutory provisions and approach of government towards trade union registration and recognition. Paper also focuses on amendments in Trade Unions Act, 1926 including reduction in outside interference in trade unions for ensuring smooth functioning of the industrial relations machinery. Paper looks at the collective bargaining provisions existing in India and role of trade unions in collective bargaining. It takes into account the proposals of Union Labour Ministry for the mandatory recognition of trade unions. Finally, it examines the industrial relations bill which attempts to integrate Trade Unions Act (TUA) with Industrial Disputes Act (IDA) and Industrial Employment (Standing Orders) Act (SOA).

Introduction

Right from independence, state has been involved in a complex balancing of interests of capital and labour. The key objective of the government, as custodian of industrial relations, has been to protect the interest of the workers and employers and to maintain industrial harmony and peace.

The legal perspective of industrial relations system has been determined by institutions of the state such as adjudication & conciliation authorities, statutory provisions and amendments and interpretation of the labour laws and legal terms such as 'dispute', 'industry' and 'workmen' through judgments of High Courts and Supreme Court.

Government had been blessed & empowered with statutory strength to play a bigger role in ensuring harmonious employer-employee relationship. Before recent amendments Government even had powers to refuse to send a dispute for adjudication. Most critical element that has been witnessed in industrial relations law has been the lack of provision on recognition of a trade union as a collective bargaining agent.

Three most important pieces of legislation have played a key role in providing a framework to Indian Industrial Relations system. These are TUA, IDA and IESOA. These Acts have also interacted upon one another to produce a flavor of Indian industrial relations system (Ramaswamy and Ramaswamy, 1981).

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Since independence, the government never framed policies in a way that trade unions as an entity may contribute to the growth of organization or community or society at large. Unions had to take a developmental role, an educative role for their own well-being as well as welfare of larger workforce, their families and organization which they failed to undertake. Gradually this mindset and approach started to change. Unions and management are involving much more in settlements that have impact of productivity of the enterprise.

Registration of trade unions and recognition of trade unions have been two different issues. Recognition of trade unions has been largely voluntary expect in states where they have statutes mandating recognition such as states of Gujarat, Maharashtra and Rajasthan to name a few.

Trade unions, due to problems in recognition from employer, face problems in settlement of disputes as well as collective bargaining often leading to aggravation of disputes and even bloodshed. Union Cabinet has proposed to amend TUA to facilitate recognition of Trade Unions at central and state level. Amendment aims to ensure true representation of workmen in tripartite bodies and to check on the arbitrary nomination of workmen's representatives by the Government.

Last decade witnessed few emerging key features of trade unions. Trade Unions have responded to their roles according to their own nature of existence. For example, unions having a federation at national level have not welcomed the hire and fire model of retrenchment. While enterprise level unions have emerged independent of affiliation with federations and managed to enter into collective bargaining with settlements involving working towards increasing productivity of organizations.

Review of the Literature

Banerjee (1963) reported that adjudication in India is prevalent because workers are poor and uneducated and trade unions are incoherently organized.

Mahapathra (1977) and Srivastava and De (1967) found the multiplicity of trade unions, inter union and intra-union rivalries, indiscipline among union members, frustration of workers with the pattern of Industrial relations are the causes of disputes.

Ratna Sen (1988) observed that the effects of the political bias in union verification, in conciliation or adjudication or other political interventions, is apparent from the increasing recourse to court decisions. Both management and trade unions or workers have more faith in the judiciary than the Government

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machinery for dispute settlement. He found that both short–term and long-term strikes are increasing. It indicates less patience and greater obduracy on the part of both labour and management.

Ramaswamy (1994) found paternalistic IR model was being practiced by organizations such as Tata Steel. It has also been witnessed that unions were assuming more cooperative role of partnership with the employers in both private as well as public sector organizations.

Industrial relations law has also not been able to take due care of the interest of trade union leaders who came ahead to fight for their co-workers. Acts of collusion between employers, bureaucracy, labour law consultants and even union leaders have resulted in non-enforcement of labour laws from workers' point of view (Saini, 1995).

A study of the actual working of the adjudication system found that especially in the context of medium and small organizations, labour tribunals, in effect do the work of providing legitimacy to the union-smashing exercises of the employers (Saini, 1997).

Sodhi (1999) examined the role of the actors of the IR system in the changed economic scenario, highlighted some specific challenges and pressures for bringing about change in IR and HRM. He found out that the managements have responded positively to the changes while the unions at the macro level have been opposed to the reform process. He asserted that the new economic scenario was also making various unions join hands.

Jose (2000) study showed that private sector witnessed more collective bargaining (with enterprise level unions). In public sector organizations collective bargaining takes place with centralized trade union federations and trade unions affiliated with political parties at regional or national level.
Workmen also have reported disappointment with Unions' inability to control anti-labour policies of management (Shyam Sundar, 2008).

Saini & Budhwar (2013) found that multinational corporations have been taking Industrial Relations to a new dimension by chalking out union-substitution strategies through provision of better employee welfare, care, empowerment, employee involvement, and communication.

Saini (2014) examined the way the IDA, the TUA, and the IESOA have been working and to what effect. He also discussed a broad framework of changes that need to be affected in them so as to be aligned with the contemporary global and Indian economic realities.

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Sodhi (2013) in a study of changing role of trade unions found that in view of globalization challenges there was a gradual change in the role of trade unions and management and unions are entering into collective bargaining agreements with clauses of improvement in productivity of the enterprise. He concluded that way forward for unions was to adopt a common minimum agenda acceptable to all the unions on the lines of National Trade Union Congress (NTUC) of Singapore which was engaged in training for gainful employment and Swedish Trade Union Confederation (LO) forming an umbrella organization for all unions.

Objectives of the Study

- To assess the judicial framework of trade unions
- To evaluate the existing statutory provisions related to trade unions
- To understand the legal issues in collective bargaining in current scenario and its impact on trade unions and Industrial Relations
- To assess the trade unions activities with a new legal framework for future

Legal perspective of Trade Unions

Legal perspective of industrial relations has been analyzed in the paper using four different dimensions that include—

A. Statutory Provisions and Amendments

B. Judicial Approach to Trade Unions

C. Collective bargaining and role of Trade Unions

D. Proposed Amendments in Trade Unions Act

A. Statutory Provisions and Amendments

India's Industrial Relations Law can be seen as enshrined in three pieces of legislation: The Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

The Trade Unions Act, 1926

Trade Unions Act, 1926 provides for conditions and requirements to register a trade union. Trade Unions Act has been allowing for multiplicity of trade unions. 1947 amendment to TUA, 1926 and TU Bill,1950

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provided for recognition of more than one union by an employer, though neither was passed by parliament. At present there does not exist any central law on grant of recognition of trade unions. As stated, trade union amendment act 1947 was never notified. The amendment sought to introduce Chapter III-A into TUA enumerating conditions for obligatory recognition of trade unions. Collective bargaining is not recognized by common or general law, but what is recognized is only individual relation as master and servant. In 1956 Second 5 Year Plan stressed importance of one union in one industry. In 1958 Indian Labour Conference evolved a code of discipline which doesn't have statutory force which contained criteria for recognition of unions. First National Commission on Labour (1969) left the matter of union recognition to be decided on basis of local circumstances. In 1995 SC directed a government corporation, Food Corporation of India to resolve TU recognition dispute through secret ballot and the judgment also mandated procedure for secret ballot. In 1982 Bombay HC struck down order of industrial court for secret ballot in case of *Maharashtra General Kamgar Union v. Bayer India Ltd*[3]. where Division Bench upheld the order of single judge.

Further amendments allow the formation of at least ten unions in an establishment with a size of seventy workers. What has been witnessed that the presence of multiple trade unions in an establishment which was done to reduce conflict in fact led to increased conflict and disharmony and rivalry amongst them. Also, union members have been enjoying immunity from civil and criminal proceedings when doing something in furtherance of interests of trade union. The immunity facilitates calling strikes hindering peaceful functioning of firms. On the other hand, many disputes have arisen out of the Act due to employers preventing formation of trade unions. There are practices that have been reported at office of the registrar of trade unions which have raised questions about the impartiality and neutrality of this office, and it has also been noticed that often workers are denied trade union registration on trivial issues leading to lot of industrial disputes and unrest. Trade Union amendments were introduced of which 2001 amendment is considered vital as it tried to introduce certain conditions to restrict outsiders as office bearers of trade unions as well as conditions about minimum requirements about membership of a Trade Union. TU 2001 Amendment modified sections 4, 5, 6, 9, 10, 11 and 22. Section 9A[4] was introduced which provided for conditions for minimum requirement about membership of a Trade Union. Another amendment was made in Section 22 of the TUA. Before amendment, section 22 provided that not less than one half of the office bearers of a Trade Union, shall have to be persons actually engaged or employed in the industry with which the Trade Union is connected. This provision was retained for the unorganized sector unions as per amended sec 22(1). A new Sub section 2 of section 22, which was introduced after the amendment, which provided for that in other than unorganized sector unions, all

[3] 1983 (1) BomCR 381

[4] 9A. Minimum requirement about membership of a Trade Union. —A registered Trade Union of workmen shall at all times continue to have not less than ten per cent. or one hundred of the workmen, whichever is less, subject to a minimum of seven, engaged or employed in an establishment or industry with which it is connected, as its members.

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office bearers except not more than one third or five whichever is less, should be from the industry i.e. outsiders can be office bearers only up to one third of total office bearers of the Trade Union.

Figure 2: Key Amendments in The Trade Unions Act 1926

Amendment Year	Amendments			
1960	Appropriate Government could appoint as many additional and deputy Registrar of TU as it thinks fit under direction of Registrar.	Application to register a TU will not be considered invalid even if some people ceased to be a part of TU but not more than half	Registrar can inspect anytime of the certification, books, registers and documents related to trade union	
1964	Declaration of assets and liabilities to be made by december as against of March			
2001	For registration of TU atleast 10% or 100 of workmen, whichever is less has to be part of TU	For TU registration of Workmen the required details included name, occupation and addresses of the place of work	The minimum subscription to be paid by members of TU exceeded from 25 paise to 1,3 and 12 rupee per annum for rural, unorganized sectors and in other case respectively	Substitution of word "appointed" to "elected" for office bearers of TU
	Registrar could cancel the registration if he is satisfied with TU not complying with requisite number of workers at any time.	Appeal could be made to the tribunal and court where the head office of TU is located	1/2 of the total number of office bearer in unorganized sector should be employees of the organization	1/3 of office bearer or 5 whichever is less can be outsiders in organized sectors

B. Judicial Approach to Trade Unions

Judiciary from time to time has interpreted the roles and responsibilities of trade unions and its role in Industrial Relations system. According to judicial framework the relationship between employer and employee is based on mutual respect towards each other and trade unions have a major role to play. Supreme Court has discussed object of Industrial Disputes Act as well role of Trade Unions in *Workmen of Dimakuchi Tea Estate v Management of Dimakuchi Tea Estate*[5] in these words:

"*Promotion of measures for securing and preserving good relations between employer and workmen and investigation and settlement of industrial disputes, between employers and employers, employers and workmen, or workmen and workmen with right of representation by a registered trade union, or federation of trade unions or association of employers*."

[5] (1958) SCR 1156

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Andhra Pradesh High Court in *Chairman and Managing Director Indian Airlines Ltd., New Delhi v. Indian Air lines Technical Assistants and Union*[6] held that objective of registered trade union is to discuss the grievances of its own members and observed as follows:

"The Trade Union Act confers certain rights on the registered union to ventilate the grievance of the members of its union. The management is obliged to hear them and resolve its disputes as far as possible without resorting to the conciliation and adjudicatory process. Though the management is not obliged to recognise the (2nd) respondent union, but at the same time it cannot refuse to hear the grievances voiced by it in respect of service conditions of its members." The aforesaid views of the High Court in the above mentioned case finds concurrence in Supreme Court Judgment in *Chairman, State Bank Of India vs All Orissa State Bank Officers*[7] wherein the apex court has observed that "*there is no common law right of a trade union to represent its members, whether for purposes of collective bargaining or individual grievances of members. This is an inroad made into the common law by special statutes*". In this judgment the apex court was reviewing the right of a minority and/or non-recognized union to represent its employees in grievances of individual members and representing them in domestic or departmental enquiries. The Court was of the opinion that on general principles of equity, justice and fair play the minority trade union should also be afforded an opportunity of ventilating individual grievances of its members.

In *Balmer Lawrie Workers' Union vs. Balmer Lawrie and Co. Ltd*[8] it was held that "*Conferring the status of recognised union on the union satisfying certain pre-requisites which the other union is not in a position to satisfy does not deny the right to form association. in fact the appellant union has been registered under the Trade Unions Act and the members have formed their association without let or hindrance by anyone. Not only that the appellant union can communicate with the employer, it is not correct to say that the disinclination of the workmen to join the recognised union violates the fundamental freedom to form association. It is equally not correct to say that recognition by an employer is implicit in the fundamental freedom to form an association. Forming an association is entirely independent and different from its recognition. Recognition of a union confers rights, duties and obligations. Nonconferring of such rights, duties and obligations on a union other than the recognised union does not put it on an inferior position nor the charge of discrimination can be entertained."*

Further, the right of the management to recognize a union cannot be unrestricted. In this connection the observation of the division bench of the Madras High Court in *MRF United Workers Union vs Government of Tamil Nadu*[9] may be appropriate to refer. In this instant case the Court observed that the *"the question as to who should be the representative of the workmen is an aspect which has to be decided by the workmen themselves. It cannot be left to the management that it will recognize a particular union which it considers to be representative of the workmen. The Trade Unions Act, 1926, which is an Act to*

[6] 1997 (75) FLR 489 = 1996 (2) LLN 986
[7] AIR 2003 SC 4201;2003 III LLJ 751 SC; 2003 LLR 1016; 2003 III LLN 784 (SC)
[8] 1985 AIR 311, 1985 SCR (2) 492
[9] 2009 (4) LLN 967

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provide for the registration of trade union, is there on the statute book for the last over 80 years. It is no longer permissible nor possible for any management to disregard a trade union registered under the Act, and having a large following. If it does so, it would be at its own peril."

In *Management of M/s. TE Connectivity India Private Ltd. vs. The General Secretary, TE Connectivity Staff Association (TECASA) And Another*[10] High Court held that unrecognized or minority union had a right of meeting and discussion with labour officials and management regarding the problems and grievances of individual workman relating to his conditions of service. High Court also gave clarity regarding the distinction between unrecognized minority Union and recognized union. It held that the Recognized union had right of participation in negotiations with the management regarding general demands of the workmen and settlement would be binding upon the workman and management whereas unrecognized union may not claim such a right but it had a right to meet and discuss with the management and Labour Authorities about the grievances of individual workman relating to conditions of service.

Few industries and establishments are also following the criteria evolved for recognition of unions in the Code of Discipline in the 16th Labour Conference in the year 1958. Though this Code of Discipline has no statutory force but Courts have recognized their importance in securing industrial peace. In *The Hind Mazdoor Kisan Panchayatt Vasavadatta Cement Workers Union v. The Commissioner of Labour & Registrar of Trade Union*[11] it was contended that the code of discipline has no statutory force. The case related to deadlock arising related to holding election for union recognition as sole bargaining agent. When counsel for respondents argued the code of discipline (implemented at the 16th Session of the Indian Labour Conference in 1958*)* had no statutory force the Court expressed that though the code has no statutory force but this needs to be followed by both the employer and employees to secure industrial peace. The Court observed in Para 11 of the judgement: "*The code of discipline was accepted by all employers' and workers' organisations at the 16th Session of the Indian Labour Conference held at Nainital in May 1958. No doubt, the code of discipline has no statutory force. But, this code of discipline has to be observed, applied and followed both by the employer and the employees in order to have industrial peace."*

The Kerala High Court in *T.C.C. Thozhilali Union vs T.C.C. Ltd.*[12] expressed critical views regarding disputes of trade union with employer in following words, *"A trade union, in claiming locus standi to represent its members in the employment of a management, does so on behalf the workers who are its members, and therefore, where such claim is not accepted by the employer, and the employer refuses to recognize the union as those workers' representative and bargaining agent, a difference or dispute arises between the employer, and such of his employees who are members of the union which claims the status of a bargaining agent. When such difference is "connected with the employment, non-employment, the*

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[10] 2019 LLR 498 (Kar. H.C.)

[11] 2001 LIC 3260 (Karn)

[12] 1982 (1) LLJ 425

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terms of employment, or with the conditions of labour, of any person" it is an industrial or trade dispute." It further asserted, "*Though Trade Unions Act, 1926 confers corporate personality on registered trade unions, the Act does not make it obligatory on the part of the employers to recognise even registered trade unions despite they are truly representative.. The position, therefore, is -(i) "recognition dispute" is an industrial dispute; (ii) recognition is a matter of volition on the part of the employer; (iii) a trade union has neither common law right nor statutory right which enables and entitles it to compel an employer to give recognition to it as the bargaining agent of its members; and (iv) since it has no such common law right, a "recognition dispute", cannot be said to be one emanating from, and emerging out of, any right under the general common law*." In *Board Of Trustees, Port Of Calcutta vs Haldia- Calcutta Port And Dock Shramik Union*[13] the Division bench of Calcutta High Court held that (Para 23), "*From the principles of law as discussed earlier above it is found that a registered Trade Union does not automatically get a right for recognition from the authorities. There is no statutory right vested in any Union to compel the Management to recognize it. As a matter of fact the writ petitioners have come before the Court to compel the authorities to give them recognition. Before they can vindicate their claim they have to establish that by reasonable standard they can be said to represent a substantial section of the work force. That may be 15 per cent or more or less but by no reasonable standard it can be said that a Trade Union which represents less than 2 per cent of the work force can be said to have that representative character which will impel the Court to direct the Management to give recognition to the Union."*

Providing clarity regarding powers of Registrar of Trade Unions, Guwahati High Court in *PUB Mangal Dai, BE-Sarkari Paribahan Shramik Sangthan Darrang vs. State of Assam*[14] held that when there was a dispute between two rival factions for managing the affairs of trade union, such dispute may be resolved by filing a suit before civil court. High Court asserted that Registrar of trade union had no authority to direct the holding of election of union.

In *Crescent Dyes And Chemicals Ltd. v. Ram Naresh Tripathi*[15]question which fell for determination in appeal before Division Bench of Supreme Court was whether a delinquent was entitled to be represented by an office bearer of another Trade Union, who was not a member of either a recognised union or a non-recognised union functioning within the undertaking in which the delinquent is employed, notwithstanding the statutory limitation contained in the certified Standing Orders and Clause (ii) of Section 22 of the Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1971. The High Court had answered this question in the affirmative on the following line of reasoning:

"...for the purpose of the domestic enquiry to be fair and impartial it is very much necessary that the delinquent workman be allowed to be represented by a person of his choice and if an employee is refused,

[13] (1994) IILLJ 575 Cal
[14] 2019 (161) FLR 30
[15] (1993) ILLJ 907 SC, 1992 (3) SCALE 518, (1993) 2 SCC 115, 1992 Supp 3 SCR 559

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such a fair opportunity of putting forward his case by a representative of his choice, even if the representative is an outsider, it could be well said that the principles of natural justice were violated. There is nothing in Section 22 ... to deny such a basic and fundamental right to a workman. Section 22 only provides for the rights of an unrecognised union. The enquiry officer in our case, therefore, violated the principles of natural justice in not allowing the petitioner to be defended by Talraja. If he was allowed to be defended by Talraja, no prejudice would have been caused to the third respondent." On this line of reasoning the High Court quashed the order of dismissal as violating of the principles of natural justice and remitted the matter to the Labour Court with a direction to permit both parties to adduce whatever evidence they may desire to place on record and decide on merits whether or not the misconduct alleged against the delinquent was proved. On this the Supreme Court held that the right to be represented through counsel or agent can be restricted, controlled or regulated by statute, rules, regulations or Standing Orders.

Karnataka High Court held in the case of *Krishnappa M. v. Bharat Electronics Ltd., rep. by its General Manager (ES) & Anr.*[16] that "*President of the trade union is considered to be role model for the workers. As the role model, he is duty bound to be a symbol of integrity, honesty, hard work, and a person who respects the law…..The foremost concern of the Labour Law is to maintain, protect, and promote industrial peace and industrial harmony. Anyone who is likely to disturb the peace and tranquillity, likely to adversely affect the efficiency and output of an industrial establishment, such a person should be removed immediately.* "

Karnataka High Court held in the case of *Krishnappa M. vs. Bharat Electronics Ltd., rep. by its General Manager (ES) & Anr.*[17] that Office bearer of a Union was duty bound to be a symbol of integrity, honesty, hard work and a person who respects the law since he has to be the role model for other workers.

Recent judicial approach to Trade Unions

Recently the division bench of the Supreme Court of India in *J.K. Jute Mill Mazdoor Morcha v Juggilal Kamlapat Jute Mills Company Ltd & Ors*[18] has held that a trade union may be considered as an operational creditor for the purpose of initiating the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). Holding that the trade union represents its members who are workmen, to whom dues may be owed by the employer, which are certainly debts

[16] 2018 LLR 957

[17] 2018 LLR 957

[18] 2019 SCC OnLine SC 619

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owed for services rendered by each individual workman, who are collectively represented by the trade union, the bench of held:

"*to state that for each workman there will be a separate cause of action, a separate claim, and a separate date of default would ignore the fact that a joint petition could be filed under Rule 6 read with Form 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, with authority from several workmen to one of them to file such petition on behalf of all.*"

The Court held that a trade union was certainly an entity established under Trade Unions Act, 1926 and would therefore fall within the definition of "person" under Sections 3(23) of the Insolvency and Bankruptcy Code, 2016. It was further noticed that a registered trade union recognised by Section 8[19] of the Trade Unions Act, makes it clear that it can sue and be sued as a body corporate under Section 13[20] of that Act. Equally, the general fund of the trade union, the collection of which comes from workmen who are its members, may certainly be spent on the conduct of disputes involving member(s) or for the prosecution of a legal proceeding to which the trade union is a party, and which may be undertaken for the purpose of protecting the rights arising out of the relation of its members with their employer (Section 15 clause (c) and (d) refer to such spending).[21]

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[19] Section 8. Registration.—The Registrar, on being satisfied that the Trade Union has complied with all the requirements of this Act in regard to registration, shall register the Trade Union by entering in a register, to be maintained in such form as may be prescribed, the particulars relating to the Trade Union contained in the statement accompanying the application for registration.

[20] Section 13. Incorporation of Registered Trade Unions. —Every registered Trade Union shall be a body corporate by the name under which it is registered, and shall have perpetual succession and a common seal with power to acquire and hold both movable and immovable property and to contract, and shall by the said name sue and be sued.

[21] Section 15. Objects on which general funds may be spent. —The general funds of a registered Trade Union shall not be spent on any other objects than the following, namely:—
(a) the payment of salaries, allowances and expenses to [22] [office-bearers] of the Trade Union;
(b) the payment of expenses for the administration of the Trade Union, including audit of the accounts of the general funds of the Trade Union;
(c) the prosecution or defence of any legal proceeding to which the Trade Union or any member thereof is a party, when such prosecution or defence is undertaken for the purpose of securing or protecting any rights of the Trade Union as such or any rights arising out of the relations of any member with his employer or with a person whom the member employs;
(d) the conduct of trade disputes on behalf of the Trade Union or any member thereof;
(e) the compensation of members for loss arising out of trade disputes;
(f) allowances to members or their dependants on account of death, old age, sickness, accidents or unemployment of such members;
(g) the issue of, or the undertaking of liability under, policies of assurance on the lives of members, or under policies insuring members against sickness, accident or unemployment;
(h) the provision of educational, social or religious benefits for members (including the payment of the expenses of funeral or religious ceremonies for deceased members) or for the dependants of members;
(i) the upkeep of a periodical published mainly for the purpose of discussing questions affecting employers or workmen as such;

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The Court held "*Looked at from* any angle, there is no doubt that a registered trade union which is formed for the purpose of regulating the relations between workmen and their employer can maintain a petition as an operational creditor on behalf of its members. We must never forget that procedure is the handmaid of justice and is meant to serve justice."

C. Legal Approach to Collective Bargaining

In *T.C.C. Thozhilali Union vs T.C.C. Ltd.*[22] Kerala High Court expressed views as to how collective bargaining emerged in the following words, "Common or general law did not recognize collective bargaining or anybody that is entitled to represent the body of workmen in negotiations relating to employment, non-employment, the terms of employment or with the conditions of labour, of any person. That law had in view only an individualistic society recognizing relations between individuals as master and servant. Collective bargaining became a norm only when large scale industries developed and it became necessary to regulate the capital - labour relations with a view to better the working conditions of labour and sustain industrial peace in the country. When individual bargaining gave way to collective bargaining, who would speak for the collective body of workmen? Legislature stepped in and enacted the Trade Unions Act, 1926."

In "It has to be kept in View that under the scheme of labour legislations like the Act in the present case, collective bargaining and the principle of industrial democracy permeate the relations between the man management on the one hand and the Union which resorts to collective bargaining on behalf of its members workmen with the management on the other. Such a collective bargaining which may result in just and fair settlement would always be beneficial to the management as well as to the body of workmen and society at large

In Food Corporation Of India Staff Union v. Food Corporation Of India[23], Supreme Court held that, "Collective bargaining is the principal raison d'etre of the trade unions. However, to see that the trade union, which takes up the matter concerning service conditions of the workmen truly represents the workmen employed in the establishment, the trade union is first required to get itself registered under the provisions of Trade Unions Act, 1926. This gives a stamp of due formation of the trade union and assures

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(j) the payment, in furtherance of any of the objects on which the general funds of the Trade Union may be spent, of contributions to any cause intended to benefit workmen in general, provided that the expenditure in respect of such contributions in any financial year shall not at any time during that year be in excess of one-fourth of the combined total of the gross income which has up to that time accrued to the general funds of the Trade Union during that year and of the balance at the credit of those funds at the commencement of that year; and
(k) subject to any conditions contained in the notification, any other object notified by the [appropriate Government] in the Official Gazette

[22] (1982) ILLJ 425 Ker
[23] 1995 (1) SCR 96

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the mind of the employer that the trade union is an authenticated body, the names and occupation of whose office bearers also become known."

Refusing to recognize trade unions has led to many industrial disputes in the past. The year 2009 saw a long stand-off between workers and management in Tiruvallur plant of MRF in Tamil Nadu over trade union recognition. In Manesar Plant of Maruti Suzuki, the stand-off continued for 13 days with the demand from workers being regarding the recognition of a trade union. Complaint was made by workers that trade union recognized by the company was not truly representing them.

Collective bargaining and Settlement

Supreme Court in Herbertsons Ltd. v. Workmen of Herbertsons Limited [24] held that when a recognised Union negotiates with an employer the workers as individuals do not come into the picture. It is not necessary that each individual worker should know the implications of the settlement since a recognised Union, which is expected to protect the legitimate interests of labour enters into a settlement in the best interests of labour. This may be considered as a normal rule. There may be exceptional cases where there may be allegations of mala fides, fraud or even corruption or other inducements, but in the absence of such allegations settlement in the course of collective bargaining has full entitlement to due weight and consideration. This Court then observed as under:

"It has to be kept in View that under the scheme of labour legislations like the Act in the present case, collective bargaining and the principle of industrial democracy permeate the relations between the man management on the one hand and the Union which resorts to collective bargaining on behalf of its members workmen with the management on the other. Such a collective bargaining which may result in just and fair settlement would always be beneficial to the management as well as to the body of workmen and society at large as mere would be industrial peace and tranquillity pursuant to such settlement."

In Hindustan Lever Ltd. v. Hindustan Lever Ltd.[25], Supreme Court stressed as follows, "Sub-sections (1) and (3) of section 18 divide settlements into two categories, namely, (1) those arrived at outside the conciliation proceedings and (2) those arrived at in the course of conciliation proceedings. A settlement which belongs to the first category has limited application in that it merely binds the parties to the agreement but the settlement belonging to the second category has extended application since it is binding on all the parties to the industrial disputes, to all others who were summoned to appear in the conciliation proceedings and to all persons employed in the establishment or part of the establishment, as the case may be, to which the dispute related on the date of the dispute and to all others who joined the establishment thereafter, A settlement arrived at in the course of conciliation proceedings with a

[24] [1976] 4 SCC 736; 1977 AIR 322, 1977 SCR (2) 15
[25] [1984] 4 SCC 392

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recognized majority union will be binding on all workmen of the establishment, even those who belong to the minority union which had objected to the same. Recognized union having majority of members is expected to protect the legitimate interest of labour and enter into a settlement in the best interest of labour. This is with the object to uphold the sanctity of settlement reached with the active assistance of the Conciliation Officer and to discourage an individual employee or minority union from scuttling the settlement. When a settlement is arrived at during the conciliation proceedings is binding on the members of the workers' union as laid down by section 18(3) (d) of the Act . It would ipso facto bind all the existing workmen who are all parties to the industrial dispute and who may not be members of Unions that are signatories to such settlement under section 12(3) of the Act is based on the principle of collective bargaining for resolving Industrial disputes and for maintaining industrial peace. "This principle of industrial democracy is the bedrock of the Act", as pointed out in the case of P. Virudhanchalam & Ors. v. Management of Lotus Mills & Anr.[26] In all these negotiations based on collective bargaining individual workman necessarily records to the background Settlements will encompass all the disputes existing at the time of the settlement except those specifically left out."

In Ram Pukar Singh v. Heavy Engineering Corporation[27] Supreme Court held that a settlement arrived at between the management and the sole recognised union of workmen under section 12(3) read with section 18 of the Act would be binding on all the workmen whether members of the union or not.

In Britannia Biscuit Co. Ltd. Employees Union v. Asstt. Commissioner of Labour[28] the main question was whether the introduction of Section 2-A[29] of IDA interferes with the binding force of Section 18(3)[30] of the IDA and it was held that Section 2-A was introduced for protection of individual workmen and that Section 2-A is an exception to Section 18 IDA which contemplates collective bargaining, but that does not mean that the binding force contemplated under 18(3) IDA is destroyed because of introduction of

[26] [1998] 1 SCC650
[27] [1994] 6 SCC 145
[28] (1984) I LLJ 349 (Mad).

[29] Section 2A Industrial Disputes Act, 1947: Dismissal, etc., of an individual workman to be deemed to be an industrial dispute Where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is a party to the dispute.

[30] Section 18 (3) Industrial Disputes Act, 1947: Persons on whom settlements and awards are binding A settlement arrived at in the course of conciliation proceedings under this Act [or an arbitration award in a case where a notification has been issued under sub-section (3A) of section IOA] or [an award [of a Labour Court, Tribunal or National Tribunal] which has become enforceable] shall be binding on-(a) All parties to the industrial dispute;(b) All other parties summoned to appear in the proceedings as parties to the dispute, unless the Board, [arbitrator] [Labour Court, Tribunal or National Tribunal], as the case may be, records the opinion that they were so summoned without proper cause;(c) Where a party referred to in clause (a) or clause (b) is an employer, his heirs, successors or assigns in respect of the establishment to which the dispute relates;(d) Where a party referred to in clause (a) or clause (b) is composed of workmen, all persons who were employed in the establishment or part of the establishment, as the case may be, to which the dispute relates on the date of the dispute and all persons who subsequently become employed in that establishment or part.

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Section 2-A IDA. This judgement goes a long way in strengthening the spirit of individual workman but further restricts the relevance of trade unions as a stakeholder in industrial relations. Though in 1982, IDA was amended to include following as unfair labour practices:

(a) Refusal by employer to bargain collectively in good faith with recognized TUs;

(b) Refusal by a recognized union to bargain collectively in good faith with employer; and
(c) Workers and TUs of workers indulging in coercive activities against certification of a collective bargaining representative.

In *Barauni Refinery Pragatisheel Shramik Parishad v. Indian Oil Corporation Ltd.*[31] Supreme Court observed on difference between the settlements arrived at during conciliation proceedings by parties and the settlement arrived at otherwise than during conciliation proceedings:

"*Settlements are divided into two categories, namely, (i) those arrived at outside the conciliation proceedings [Section 18(i)] and (ii) those arrived at in the course of conciliation proceedings [Section 18(3)]. A settlement which belongs to the first category has limited application in that it merely binds the parties to the agreement. But a settlement arrived at in the course of conciliation proceedings with a recognized majority union has extended application as it will be binding on all workmen of the establishment, even those who belong to the minority union which had objected to the same. To that extent it departs from the ordinary law of contract. The object obviously is to uphold the sanctity of settlements reached with the active assistance of the Conciliation Officer and to discourage an individual employee or a minority union from scuttling the settlement. There is an underlying assumption that a settlement reached with the help of the Conciliation Officer must be fair and reasonable and can, therefore, safely be made binding not only on the workmen belonging to the union signing the settlement but also on the others. That is why a settlement arrived at in the course of conciliation proceedings is put on par with an award made by an adjudicatory authority.*"

[31] (1991) 1 SCC 4

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D. Proposed Amendments in Trade Unions Act

As recently as 2019, Union cabinet has proposed to amend TUA to make provisions regarding recognition of Trade Unions at central and state level. It would ensure true representation of workmen in tripartite bodies and help to check on the arbitrary nomination of workers' representatives by the government and reduce unnecessary adjudications and disputes. The amendment provides for insertion of Section 10A in the TUA, which empowers centre and state government to recognise trade unions and federation of trade union at central government level. The bill also provides for insertion of clause (ba) in Section 29(2) of the Act, which empowers the centre and states to make changes for manner of recognition of trade unions and deciding disputes in this regard. After the amendment Act is passed, the manner of recognition would be prescribed in the regulations. As was held in *Balmer Lawrie Workers Union, Bombay v. Balmer Lawrie & Co. Ltd*[32]., "a recognised union does not impinge upon the freedom of association – it only reiterates the larger national interest of industrial peace and harmony".

New Labour Code on Industrial Relations has been drafted by the labour ministry of the Central Government merging three central labour laws into one, namely, Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946 and Trade Unions Act, 1926, as a stepping stone towards ease of doing business and in an attempt to encourage easier compliances of the labour laws. The decision was taken at an inter-ministerial meeting chaired by Home Minister in June 2019. The bill, as it exists, consists of 107 sections in 13 chapters to deal with all industrial relations issues. It has proposed changes in Trade Union formation in the form that a minimum of 10% of workers or 100 workers employed in an establishment or industry would be needed - from seven as existing in the present TUA to register a trade union. New IR Code also aims to restrain outsiders to an establishment/industry from becoming a member to two and aims at prohibiting a minister or a person holding an office of profit (outside of establishment) from becoming a member or office bearer.

[32] 1985 AIR 311, 1985 SCR (2) 492

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Concluding Remarks

Aimed at helping investors and accelerating growth, the Union Government has planned a new labour legislation that would merge 44 labour laws under four categories-- wages, social security, industrial safety & welfare, and industrial relations.

The Central Government has initiated such reforms in the central labour laws, by considering the recommendations from various institutional bodies and labour conferences, such as amendment in TUA to incorporate provisions for recognition of Trade Unions and has been working towards amendment of labour laws for increased flexibility and has also drafted an Industrial Relations Bill which tries to achieve the "balance" between the workers and employers. The transformation in the industrial relations with changing times should be understood carefully by facilitating state, unions and workmen. Holistic 'IR system' is the need of the hour.

There is a need to understand the interdependence of Union and Management for working together. India's growth strategy to thrive in a competitive environment has to rely on collaborative approach of state, employers & unions. Judiciary has time and again tried to balance the interests of employer and employee acting as a facilitator and interpreter of the statute and guardian of the Constitution.

As far as India is concerned trade unions are still as useful as they were twenty to thirty years back. Only challenges that trade unions face in their search for identity is due to their own differences on political lines.

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"Derivative exclusion and its impact on share price and volume."

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Abstract:

Every six month, that is on 1st January and on 1st July National Stock Exchanges reviews different stocks to be included and excluded to be traded in derivative segment. The mechanism of intention of the stock exchange may be control of falling, control the wealth, liquidity, surveillance and other reasons. In this study, I will try to the effect of delisting of a stock from derivative segment and how delisting affect the wealth of investors by studying the share price moment and its volume. This study will also reveal the volatility of stock before the event and after the event. On 27 June 2019, National Stock Exchange decided to delisting 34 stock from trading in derivative segment. When the stock is trading in derivative segment, it has a good volume but when the stock removed then its affect so many parameters. The event my give either the opportunity to buy of may give chance to exit from the stock. Contrary to the expectations of the regulators, volatility largely remains unchanged. We rule out regulatory targeting by employing several placebo and other robustness tests. In the end, I would like to conclude that derivatives indeed add value by improving price efficiency and liquidity of a stock.

Keywords: Derivative, delisting from derivative, Volume of stock, price of stock.

JEL Classification: G12, G14

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Introduction

Stock trading in India has a history of more than 140 years. Bombay Stock Exchange (BSE), which is the oldest stock exchange in Asia, was established in the year 1875. In 1956, the Government of India, after passing the Securities Contract Regulation Act, recognized BSE as a stock exchange. India's first broad-based market index the "Sensex"[8] was introduced in 1986. Another large stock exchange, the National Stock Exchange, was established in 1992 by domestic as well as foreign financial institutions. The NSE soon became the largest stock exchange in India and is currently the 12th largest in the world in terms of market capitalization of listed firms and fourth largest in the world in terms of the annual number of trades in equities.[9] More than 99% of the stock trading in India is effected through these two exchanges.

Derivatives in India

The derivatives market is the financial market for derivatives, financial instruments like futures contracts or options, which are derived from other forms of assets. Derivative markets are investment markets that are geared toward the buying and selling of derivatives. Derivatives are securities, or financial instruments, that get their value, or at least part of then- value, from the value of another security, which is called the underlier. The underlier can come in many forms including, commodities, mortgages, stocks, bonds, or currency. The reason investors may invest in a derivative security is to hedge their bet. By investing in something based on a more stable underlier, the investor is assuming less risk than if she invested in a risky security without an underlier.

Derivatives are usually broadly categorized by the:

i. Relationship between the underlying and the derivative (e.g. forward, option, swap)

ii. Type of underlying (e.g. equity derivatives, foreign exchange derivatives, interest rate derivatives, commodity derivatives or credit derivatives)

iii. Market in which they trade (e.g., exchange traded or over-the-counter)

iv. Pay-off profile (Some derivatives have non-linear payoff diagrams due to embedded optionality)

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Regulation of stock market.

The Securities and Exchange Board of India (SEBI), was formed on April 12, 1992 15 with the objective of protecting the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto. All kinds of stock derivative products fall under the regulatory purview of SEBI. SEBI, over the years, has earned a reputation as a responsive and vigilant regulator. The fact that institutional failures in India such as broker failures, have been few and far between after 2001 shows the efficacy of SEBI's regulations.

Empirical evidence for exclusion of stock from derivative market.

In the largest such exclusion drive in the recent past, the National Stock Exchange, late on Monday, said derivatives trading will not be allowed in 34 stocks after their existing monthly contracts expire on Jun 28.

"Out of a universe of 1900 stocks only 159 will trade in derivatives. This will reduce liquidity and volumes. What will be left to trade if this continues," said a mid-sized proprietary trader.

NSE's move came as the stocks have failed to meet the Securities and Exchange Board of India has enhanced eligibility criteria for stock derivatives.

In a bid to dissuade retail investors from the derivatives market, SEBI has brought about a slew of regulatory changes, including physical delivery of futures contracts of a stock and tighter norms on net worth. SEBI has been trying hard to regulate the Indian derivatives market, which accounts for most if not all the trading volume on Indian exchanges.

As part of the regulation, SEBI last April issued revised guidelines to determine whether a stock was eligible for trading in the derivatives segment. Under the new, stringent guidelines, F&O securities will need to have a market-wide position limit of ₹500 crore, up from ₹300 crore earlier, and a median quarter sigma order size of ₹25 lakh.

The new guidelines will ensure that F&O stocks with very low liquidity, and in some cases no liquidity, are driven out of the futures & options segment to keep speculators and price manipulators at bay.

Brokers through Association of National Exchange Members of India (ANMI) will send representation to SEBI saying the new guidelines will have an adverse impact on liquidity and volumes, said an ANMI member.

"Instead of fostering growth in the markets and integrating cash and F&O segments, SEBI has enhanced the eligibility criteria. This under the new physical settlement regime is becoming a

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self-fulfilling prophecy of lower volumes and higher spreads, thereby making stocks ineligible for derivatives," said an ANMI member who did not wish to be named as they are yet to send their representations to the regulator.

SEBI had also mandated physical delivery of stocks in a phased manner. The first 50 stocks with smaller market capitalization were to move towards physical settlement by April this year, the next 50 in July, and the next 50 by October. It is not just ANMI and brokers who believe that the enhanced criteria for F&O are hampering the segment.
NSE in the past one year has made several representations to the regulator on relaxing the criteria and permitting higher number of stocks to trade in derivatives. According to NSE's representations, a copy of which has been reviewed by Mint, single stock derivatives should be introduced on top 500 securities.

"A liquid and robust derivatives market induces liquidity in the underlying cash market," said a person familiar with the exchange's thinking.

"Globally most markets allow derivatives contracts on single stocks without any restrictions. Both in the US and Europe more than 2000 securities have derivatives contracts. Now that Indian markets are moving towards physically settled derivatives contracts for individual stocks it may be prudent to introduce derivatives contract on more single stocks," said NSE in one of their representations. Rajesh Baheti, Managing Director of Crosseas Capital Ltd mirrors NSE's views. "When SEBI proposed compulsory physical delivery of stocks we welcomed it. We believed that with this, more and more stocks would be admitted to trade in the F&O segment. SEBI, rather than relaxing criteria for stocks, made it stricter, thus creating a situation where stocks are becoming illiquid and eventually going out of F&O segment," said Baheti.

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Literature review:

Equity derivatives were introduced in India in the year 2000. Unlike the U.S (Mayhew and Mihov (2004)), India started with index futures and options and then introduced stock futures and options in the following year.13 Very soon, the derivative segment became bigger than the underlying equity segment. As at the beginning of the year 2015, derivative transactions accounted for nearly 91% of all transaction volume in the stock exchanges.14 One important reason for the relative popularity of derivatives is the lower taxes in that segment. As prominently noted in the literature (Diamond and Verrecchia (1987), Danielsen and Sorescu (2001)), derivatives ease short-sale constraints. Given the short sale, constraints are severe in Indian spot markets (Berkman, Eleswarapu, et al. (1998)), derivatives are relatively more attractive compared to other markets. Roll, Schwartz, and Subrahmanyam (2009) note that in order for the derivatives to have any impact, volume of trading is more important than mere listing of derivatives. Given the high proportion of trading in derivatives, India offers an excellent setting to study the impact of derivative securities. Another important feature of Indian markets is that both options and futures are actively traded in India. Approximately 30% of derivative trading in India is in options and remaining in futures. This allows us to study the impact of both options as well as futures rather than options alone as is the case with the extant literature.

Dentine (1978), however, on the other hand argued that the futures market improves market depth and reduce volatility. Proponents of ' market completion' hypothesis argue that derivatives trading helps in price discovery, improve the overall market depth, enhance market efficiency, augment market liquidity, reduce asymmetric information and thereby reduce volatility of the cash market (Kumar et al, 1995; Antoniou et al, 1998). Besides this, speculative activity may be transferred from the cash market to a more regulated futures market, dampening spot market volatility by reducing amount of noise trading. This also suggests that with the introduction of derivatives trading would be accompanied by a decline in trading volume of the underlying market. The empirical evidence, mainly with reference to the U.S economy, suggests that the introduction of derivatives does not destabilize the underlying market. Bolonga and Cavallo (2002) in a recent paper examined the stock market volatility in the post derivative period in the context of Italian stock exchange. They employed Generalized Autoregressive Conditional Heteroscedasticity (GARCH) class of models and to account for the effect of factors other than derivatives trading determining the volatility in the post derivative period, the GARCH model was computed after adjusting the stock return equation for market factors proxied by an index on

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which derivatives products are not available. In the Indian context, early study by Thenmozhi (2002) reported decline in volatility due to increased flow of information while Shenbagaraman (2003) did not find significant impact on market volatility in India. Raju and Karnade (2003) also studied the behaviour of volatility of the S&P CNX Nifty index after the introduction of derivatives trading. All the above studies relating to S&P Nifty reported a decline in the volatility. Bandivadekar and Ghosh (2003) studied volatility behaviour of both NSE Nifty and BSE Sensex after the introduction of futures trading and documented 'futures effects' in the volatility behavior of NSE Nifty.

The present study not only provides additional empirical evidence in this regard but also contributes to the literature in some aspects. First, all the previous studies except Bandivadekar and Ghosh (2003) mainly concentrated on the volatility behaviour of S&P CNX Nifty on the presumption that turnover on BSE Futures and Options segment is negligible. This paper seeks to examine the behaviour of BSE Sensex after the introduction of derivatives trading in June 2000 since the important point is the volatility of the cash market affected or unaffected by the futures trading.

Secondly, this paper makes an attempt to examine the behaviour of not only those index on which derivatives products are available like S&P CNX Nifty and BSE Sensex but also the behaviour of those indices such as BSE-100, BSE-200, S&P CNX Nifty Junior, NSE 200 and S&P CNX Nifty 500 to see whether market wide volatility has declined due to other improvements like screen-based electronic trading, rolling settlement of ' T+2' and other institutional developments introduced in the Indian market in recent years.

Thirdly, this paper tries to see the impact of introduction of futures trading and option trading simultaneously on the behavior of volatility of the indices. Finally, this paper also makes an attempt to find whether the reported decline in the volatility as claimed by certain previous studies is due to introduction of derivatives trading alone.

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Research methodology:

Problem statement.

National stock exchange is the most promising stock market in India with very high volume in cash and derivative segment. More than 1900 stock currently listed on it. However, currently only 159 stock and 5 index are available for derivative segment. In addition, every after 6 month NSE is reviewing derivative list. Therefore, inclusion and exclusion of stock is part of this exercise. However, both activity may change the wealth of investors. Therefore, this study will have main objective to check the wealth of investors if any exclusion or inclusion happens.

Objective:

1. To check the wealth of investors when inclusion or exclusion occurs in derivative segment
2. To check the volume in cash segment if any inclusion or exclusion occurs.

Data collection:

Data were secondary in nature and were collected from National stock exchange.

Population study: (all the 34 stock were taken for study- circular of SEBI also mentioned here)

This is in reference with SEBI Circular Ref. No: SEBI/HO/MRD/DP/CIR/P/2018/67 dated April 11,

2018 regarding Review of Framework for Stocks in Derivatives Segment which states that after a period of one year from the date of the circular, only those stocks which meet the enhanced eligibility criteria shall remain in derivatives segment. Accordingly, members are requested to note that the contracts for new expiry months in the following securities will not be issued on expiry of existing contract months.

scrip name	scrip name	scrip name
AJANTA PHARMA	IDFC	OBC
ALLAHABAD BANK	IFCI	PCJ
BEML	INDIA CEMENTS	REPCO
CANHOMEFINANCE	INDIAN BANK	RPOWER
CEAT LTD	INFIBEAM	SOUTHBANK
CG POWER	IRB	SUZLON
CHENNAI PETROL	JETAIRWAYS	SYNDICATEBANK
DCB BANK	JAIN	TATACOMM
GODFREY PHILIPS	KSCL	TV18
GODREJ IND	KTK	VGUARD
GSFC	MRPL	WOCKHARD
	NHPC	

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Data collection and data analysis:

34 stocks were removed on 27/06/2019. So average of one month before the event took place. Mean average from 27/05/2019 to 27/06/2019 were taken as before month. Event rates were recorded as 27/06/2019. Average of after month that is 27/06/2019 to 27/07/2019 were taken.

Sr. no	Script name	Average of before month	rate on 27/06/19	average of after month	average return of before month	average return of after month
1	Ajanta pharma	992.1	956.1	924.75	-3.628666465	-3.27895
2	Allahabad bank	43.34	49.55	45.7	-14.32856484	-7.76993
3	Beml	921	905	901.5	-1.737242128	-0.38674
4	Canhomefinane	351	347	371.7	-1.13960114	7.118156
5	Ceat ltd	957	932	899	-2.612330199	-3.54077
6	Cg power	32.33	29.55	23	-8.598824621	-22.1658
7	Chennai petrol	215	208	196	-3.255813953	-5.76923
8	Dcb bank	234	239.4	222	2.307692308	-7.26817
9	Godfrey philips	906	841	782	-7.174392936	-7.01546
10	Godrej ind	478	490.3	482	2.573221757	-1.69284
11	Gsfc	100	90	88	-10	-2.22222
12	Idfc	36.5	34.6	35.6	-5.205479452	2.890173
13	Ifci	9.25	9.6	8.6	3.783783784	-10.4167
14	India cements	101.5	106	98.3	4.433497537	-7.26415
15	Indian bank	266.65	260	239	-2.493905869	-8.07692
16	Infibeam	46.5	44	42.6	-5.376344086	-3.18182
17	Irb	113.3	97	92.5	-14.38658429	-4.63918
18	Jetairways	97.4	71.4	53.7	-26.69404517	-24.7899
19	Jain	39	27.7	24.4	-28.97435897	-11.9134
20	Kscl	502.5	468	455	-6.865671642	-2.77778
21	Ktk	108	103.55	100.15	-4.12037037	-3.28344
22	Mrpl	61.15	60.4	58.6	-1.226492232	-2.98013
23	Nhpc	24.85	24.8	23.9	-0.201207243	-3.62903
24	Obc	95.15	94	86.25	-1.208617972	-8.24468
25	Pcj	68	47.5	39.4	-30.14705882	-17.0526
26	Repco	382.5	382	362.2	-0.130718954	-5.18325
27	Rpower	5.8	4.15	4	-28.44827586	-3.61446
28	Southbank	13.6	13	12.9	-4.411764706	-0.76923

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29	Suzlon	4.92	5.7	4.65	15.85365854	-18.4211
30	Syndicatebank	36.5	42	39	15.06849315	-7.14286
31	Tatacomm	512	481.4	478	-5.9765625	-0.70627
32	Tv18	26.6	24.25	23	-8.834586466	-5.15464
33	Vguard	238	244	238	2.521008403	-2.45902
34	Wockhard pharma	383.65	375	352	-2.254659195	-6.13333

Average volume of one month before the event took place. Mean average from 27/05/2019 to 27/06/2019 were taken as before month. Event rates were recorded as 27/06/2019. Average of after month that is 27/06/2019 to 27/07/2019 were taken.

scrip name	Average volume before event month	Volume on 27/06/19	average volume of after month	effect on volume before event	effect on volume after event
AJANTA PHARMA	318438	221439	147700	-30.4609	-33.2999
ALLAHABAD BANK	5427386	4735420	4175300	-12.7495	-11.8283
BEML	2163947	3270867	1132564	51.15282	-65.3742
CANHOMEFINANCE	1059509	583212	597142	-44.9545	2.388497
CEAT LTD	685569	496700	196040	-27.5492	-60.5315
CG POWER	7751847	6220253	3943150	-19.7578	-36.6079
CHENNAI PETROL	422704	586912	236563	38.84704	-59.6936
DCB BANK	1510000	862846	2481400	-42.8579	187.5832
GODFREY PHILIPS	215540	164357	47025	-23.7464	-71.3885
GODREJ IND	388025	334198	163400	-13.872	-51.1068
GSFC	1413777	1690067	554815	19.54269	-67.172
IDFC	6362102	10820297	2076156	70.07425	-80.8124
IFCI	8582300	8839987	1806300	3.00254	-79.5667
INDIA CEMENTS	9240370	15815956	2652509	71.1615	-83.2289
INDIAN BANK	1940000	1607907	615000	-17.1182	-61.7515
INFIBEAM	8960000	7917575	2582100	-11.6342	-67.3877
IRB	6181000	2994565	1224400	-51.5521	-59.1126
JETAIRWAYS	23800000	94567	213800	-99.6027	126.0831
JAIN	38143850	4871538	4790800	-87.2285	-1.65734
KSCL	431330	381560	119200	-11.5387	-68.7598
KTK	2616000	2301310	1163923	-12.0294	-49.4235
MRPL	1109000	2314721	331000	108.7215	-85.7002
NHPC	4624220	28908637	1210000	525.157	-95.8144
OBC	4716000	3645665	1884000	-22.6958	-48.3222
PCJ	41025000	14348166	12537000	-65.0258	-12.623
REPCO	312800	185619	91200	-40.6589	-50.8671
RPOWER	83100000	142329479	16830000	71.27494	-88.1753
SOUTHBANK	12083000	12915624	6491000	6.890871	-49.743
SUZLON	64640000	50684110	13500000	-21.5902	-73.3644
SYNDICATEBANK	8003000	6044186	2020000	-24.476	-66.5795
TATACOMM	377415	180343	260000	-52.2163	44.16972
TV18	6500000	3839500	2063300	-40.9308	-46.2612

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VGUARD	1507000	2707111	566610	79.63577	-79.0696
WOCKHARD	1717000	867202	478000	-49.4932	-44.8802

Volume of the stock and rates of the stock has been tested via Paired T test. Rates of the stock were taken from 27/05/2019 to 27/07/2019. Where the before month was 27/05/2019 to 27/06/2019 and after month was 27/06/2019 to 27/07/2019. The result of the test is as follows.

Data testing:

The dependent t-test was performed to analyse the before-after effect of the stock price of selected companies. Dependent t-test is used to compare mean of two dataset have before after effect. In this case, the data were collected before and after stock excluded from derivative segments. . Thus, data were eligible to use dependent t-test.

H_o: there is no significance difference between the stock price of the selected company after and before stock excluded from derivative trading.

H_1: there is significance difference between the stock prices of the selected company after and before excluded from derivative trading.

The test is assumed the 95 % of confidence level.

Rate analysis:

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Before month average rate	247.1497	34	299.67431	51.39372
	After month average rate	229.6294	34	281.65255	48.30301

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Before month average rate & After month average rate	34	.998	.000

Paired Samples Test

		Paired Differences			
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference
					Lower
Pair 1	Before month average rate - After month average rate	17.52029	26.72400	4.58313	8.19585

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Paired Samples Test

		Paired Differences 95% Confidence Interval of the Difference Upper	t	df	Sig. (2-tailed)
Pair 1	Before month average rate - After month average rate	26.84474	3.823	33	.001

Interpretation : p values were less than 0.05, it means null hypothesis is rejected. Thus, it can be concluded that there is significance difference between stock price before and after the stock excluded from derivative. It is found that exclusion of a stock from derivative has significance impact on stock price of the company.

Volume analysis:

H_o: there is no significance difference between the stock price volume of the selected company after and before stock excluded from derivative trading.

H_1: there is significance difference between the stock prices volume of the selected company after and before excluded from derivative trading.

The test is assumed the 95 % of confidence level.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Before month average rate	10509650.8529	34	18881588.65645	3238165.73982
	After month average rate	2622982.2647	34	4021624.86228	689702.97385

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Before month average rate - After month average rate	34	.922	.000

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Paired Samples Test

		Paired Differences			
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference
					Lower
Pair 1	Before month average rate - After month average rate	7886668.5	15253763.04	2615998.779	2564379.05

Paired Samples Test

		Paired Differences	t	df	Sig. (2-tailed)
		95% Confidence Interval of the Difference			
		Upper			
Pair 1	Before month average rate - After month average rate	13208958.12327	3.015	33	.005

Interpretation : p values were less than 0.05, it means null hypothesis is rejected. Thus, it can be concluded that there is significance difference between stock volume before and after the stock excluded from derivative. It is found that exclusion of a stock from derivative has significance impact on stock price volume of the company.

CONCLUSION

1. It was found from the study that when the news came from NSE of stock exclusion from derivative segment. Investors had started selling shares. As only two companies out of 34 gave positive return. While other all-32 stocks had gave negative return. These two companies were IDFC ltd. and CAN HOME FINANCE.
2. It was found from the study that after the announcement of exclusion in 34 stocks. Only 4 stocks were able to increase in the volume. While other 30 stocks were seen decline in the average volume. These 4 stocks were - Jet Airways, CAN Home finance – DCB bank and Tata communication.
3. It was found that significant activities were found in some stocks like jet airways were shifted from A category to T category stock. In addition, it fall down lower that those levels.

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