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ROLE OF BONUS RATIO IN ADJUSTMENT OF STOCK PRICES: STUDY OF LARGE CAP COMPANIES LISTED ON BOMBAY STOCK EXCHANGE

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ABSTRACT

Corporate actions are events that affect each and every shareholder whether individual or institutional. Bonus issue is, a corporate event, very popular across the globe. The present study is an attempt to examine the role of bonus ratio in adjustment of stock prices during the bonus issue announcement. The sample consists the 55 bonus issue announcements made by Indian large cap companies listed on S&P BSESENSEX100 index. Event study methodology has used to find out the impact of bonus announcement on stock return. It is found that large bonus ratio is related to higher stock returns. The study has documented highly positive returns for 1:1 bonus ratio. Moreover, bonus ratio contains the significant information about the earnings of the company. It is a measure of information content of bonus announcements. Hence, bonus ratio plays a significant role in adjustment of stock prices in Indian stock market.

KEYWORDS

(BSE) Bombay Stock Exchange, stock prices, bonus ratio, bonus issue.

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INTRODUCTION

Bonus issue is the distribution of additional stocks to the existing shareholders in proportion of their current investment. A bonus issue increases the number of outstanding shares but has no effect on shareholders proportional ownership of shares. A company can distribute bonus shares by using retained earnings or accumulated capital reserves. If a company distribute a bonus issue by using retained earnings, it makes a book entry to allocate retained earnings into paid-up capital in the stockholder's equity section of the company's balance sheet. On the other hand, if a company distribute bonus shares by utilizing accumulated capital reserves, it adjusts the reserves into paid-up capital. In both cases there is no inflow of cash. It results increase in number of shares in the hands of each shareholder, but their relative claim on assets of the company will reduces to that portion (Mishra, 2005). Sometime, bonus issue can be seen as an alternative of cash dividend but in India a company cannot issue bonus shares in lieu with cash dividend. There is no value addition of investment due to issue of bonus shares. The reserves of the company contracts and the share capital expands post a bonus issue. The absolute book value of the company remains same, but due to increase in number of outstanding shares, the book value per share falls. Also, there is a decrease in earnings per share to the adjustment of bonus ratio.

The bonus issue entails all the existing shareholders to get additional shares in proportion to the shares held by them, without changing the basic capital structure of the company. Analysts at times overvalue the advantages of more liquidity provided by the bonus shares and higher dividends in long term this is because the bonus issue increases the confidence and expectations about the company. The management that issue bonus shares implies an insight that revenues and profits are likely to increase in near future and the extended capital base will be benefited through higher dividend. It is generally perceived that the manner in which the investors interpret the bonus issue information can be understood by knowing the share prices around the information release. Market value of a share after the bonus issue depends on the dividend decisions, if a company increase dividend in near future as a result stock value will improve and if company do not increase the dividends then stock prices may fall rather than increase.

Modigliani and Miller (1961) explained theoretically that bonus issue along with other types of dividends does not alter shareholders wealth. There is no effect on stockholder's ownership of stocks, financial position and capital structure of the company. Hence, there should be no effect on stock price of a company but empirical studies (Grinblatt et al., (1984), McNichols & Dravid (1989), Obaidullah (1992), Dhar & Chhaochharia (2008) and Joshipura (2009) with others) have observed a significant positive abnormal return around the bonus issue announcements across the globe. There have been various hypotheses have developed to explain the effect of bonus issue on stock return and liquidity. But so far, few studies have been reported impact of bonus ratio on stock return.

Bonus shares are issued in a particular ratio (e.g. 1:1, 1:2 etc.) and it means that the company will issue one bonus share for every one share held by the existing shareholders and one bonus share for every two-share held by the existing stockholders respectively. Lukose & Rao (2002) defined the bonus ratio as the number of outstanding stocks after the bonus issue divided by the number of stocks before the issue. On the basis of the bonus ratio, re-adjustment takes place in capital and reserves position of the company. A few studies (McNichols & Dravid (1990), Obaidullah (1992), Tanner & Balachandran (2002), Lukose & Rao (2002), Dhar & Chhaochharia (2008) with others) have reported the significant relationship between the announcement period abnormal returns and size of the bonus issue or bonus ratio.

In a classical study Grinblatt et al., (1984) have explained that in case of stock dividends (bonus shares) 'the reduction in retained earnings will restrict the firm's ability to pay cash dividends if the firm does not anticipate increased earnings.' Furthermore, they have documented that firms signal information about their future earnings or equity values through their split decisions. Brennan & Copeland (1988) also argued that size of the split factor signals information to the market and a 'firms do not split by a factor larger than is warranted by their stock prices and private information'. McNichols and Dravid (1989) have extended the study of Grinblatt et al., (1984) and have analyzed whether the split factor itself has the signal. They explained that 'managers use their private information about the firm to set the split factor (bonus ratio), and this allows investors to make inferences about managers' private information from the observed split factor (bonus ratio).' Furthermore, they have documented that more favorable the managers' information about the value of the firm, the greater the split factor. They provided further evidence in the relationship between the size of a stock dividend and the degree of abnormal return around the announcement dates. Their findings suggested a positive relationship between stock dividend size and abnormal return. The study found difference of 6.6% of t-value, of three-day return prediction error, between the small stock dividend subsample (less than 10% split factor) and the large stock subsample.

Does the market reaction differ according to bonus size? The question was raised by Obaidullah (1992) in his study. The study has included the sample of 75 bonus announcements for Indian stock market. Based on different bonus ratios the study evident no any role of bonus ratios in adjustment of stock return. They documented that market reaction is not necessarily higher for higher bonus ratios or vice versa. The study also found that very small ratios (less than 1:2) have failed to any significant impact on the stock prices.

For Australian stock market, Balachandran & Tanner (2002) hypothesized that announcement period abnormal return will be positively related to bonus size. For the hypothesis they gave an explanation that large size bonus issues have more information content than small size issue and expects more abnormal returns. Moreover, the study found the magnitude of price reactions to bonus issues announcement to be significantly related to the size of the bonus issue. Moreover, Lukose and Rao (2002) considered bonus ratio as a variable to analyses the announcement effect of bonus issue.

In a study based on Sri Lankan stock market Fernando and Gunaratne (2009) have analyzed the 139 bonus issue announcements over the period of 1991 to 2007. To analyses the effect of bonus ratio they have studied 59 large bonus issue announcements (ratio more than 30%) from the selected sample. Study has clearly documented that high abnormal returns have earned for high ratio samples. The positive drift resulted with the sample of high bonus issue ratio confirms the positive correlation between the size of the bonus issue and the performance on and around the bonus issue announcement. Furthermore, they found 6 to 8% more CAAR for high bonus ratio samples. They have suggested to investors that if they hold the high bonus ratio stocks during the event window, they can earn around 20% abnormal return. Moreover, they have described this phenomenon 'may be due to the signaling impact associated with bonus issue announcements.' They documented that investors expect higher cash flow from bonus issue companies as future dividends because the number of shares in hands goes up with bonus issue.

Moreover, Malhotra et al., (2012) expressed that the change in abnormal returns due to bonus issue announcement is significantly influenced by size of bonus issue and the pre-cumulative abnormal return.

OBJECTIVES OF THE STUDY

Most of the previous studies have reported that announcement period abnormal return is significantly correlated with the size of bonus issue. But we have lack of studies based on large cap companies whether bonus ratio play any role in the price adjustment, over-reaction/ under-reaction of the stock prices of these companies.

Hence, the present study is an attempt to investigate the role of bonus ratio in adjustment of stock prices during the bonus issue announcement. The main objective of the study is to investigate whether bonus ratio has any impact on stock valuations of large cap companies during the selected study period.

DATA AND METHODOLOGY

The nature of the study is quantitative. The study is purely based on secondary data. Event study methodology has used for the research work. The approach is established by Fama et al. (1969). It has been used in a variety of researches for examining the effect of new information on the stock valuation. We have used seven days event window for the present study.

The study has included the sample of 55 bonus issue announcements announced by large cap Indian companies listed on S&P BSESENSEX 100 index for the period of 1st April 2011 to 31st December 2018. Stock price and market index related data has collected from Bombay Stock Exchange website. For analysis purpose, we have retrieved daily closing stock price and market index value for eight days i.e., 4 days before the announcement, 0th day (event day) and 3 days after the announcement in post event window. Furthermore, announcements related data has been retrieved from different sources like newspapers, companies own websites and other related websites.

TOOLS FOR ANALYSIS

Daily return: The daily return on security and market index is calculated by using the following formulas;

$$Rit = (P1 - P0 / P0) * 100$$

Where,

P1 stands for closing stock prices on successive day.

P0 stands for closing stock price on previous day.

$$Rmt = (M1 - M0 / M0) * 100$$

Where,

M1 stands for index closing price on successive day.

M0 stands for index closing price on previous day.

Abnormal return: The abnormal return is calculated by simply deducting the return on selected market index from the raw return. Symbolically,

$$ARit = Rit - Rmt$$

Where,

ARit represents the abnormal return for the security i in time period t.

Rit represents the realised return of security i for period t.

Rmt represents the realised return for market index in time t.

Cumulative Average Abnormal Return (CAAR): It is simply adding the AAR on each successive day. When there is no impact of an event it should be zero (Obaidullah, 1992). Symbolically;

$$CAARit = \sum_{t} AARit$$

where,

AARt stands for average abnormal return for stock i for period t.

AAR is simply calculated by adding all sample's abnormal return and divided by the total number of samples.

The study has used the cross-sectional t-test to examine the statistical significance of CAARs at the 5% significance level for the event window.

FINDINGS

Table 1 is representing the total number of bonus announcements selected for the study. As it is clear from the table 1 the highest number of announcements have come under the 1:1 bonus ratio. This bonus ratio is very common in Indian stock market (Mehta et. al., 2014). Lukose and Rao (2002) also found nearly 50% of the sample of their study having bonus ratio 1:1. For the present study almost 51% of bonus issue announcements are included in the ratio 1:1. According to selected samples, another popular ratio is 1:2 which has included 29.09% bonus issue announcements. While other ratios (say, 1:3, 1:4, 1:10, 2:1 and 3:2) are included in rest 30% selected sample announcements.

Table 2 is representing the CAARs of selected sample companies for the study period. Sample companies starting from serial number 1 to 28 belongs to 1:1 bonus ratio. Next, announcements from serial number 29 to 44 are representing 1:2 bonus ratio and remaining 10 samples (from 45 to 55) belongs to ratios 2:1, 3:2, 1:10 and 1:4 respectively as due to a smaller number of announcements we have collectively taken together these ratios and classified them fourth category named as other ratios. The CAAR has experienced an overall increase around the announcement period. Analysis based on bonus ratios, collectively for all bonus ratios (all announcements), 67.27% bonus announcements have recorded positive abnormal return on announcement day (T0). While at the end of window period, on day 3, 61.81% announcements are found to be positive. For bonus ratio 1:1, study has found 67.85% announcements are positive on event day and 71.42% announcements have documented positive abnormal return at the end of event window (day 3). Furthermore, Bajaj finance has earned highest abnormal return around 17% followed by HCL and Divis Laboratories respectively. For category of bonus ratio 1:2, we have found 68.75% announcements have recorded positive return for both announcement day as well as at the end of window period. HPCL2 has recorded highest return for the particular bonus ratio. For category other ratios, we have observed that 60% announcements have documented positive return on event day and only 50% announcements found to be positive at the end of window period. In this category, ICICI has earned highest abnormal return during the event window.

Table 3 and figure 1 are representing CAARs for different bonus ratios during the study period. In graph, horizontal line is representing window days starting from day -3 to day -1 in pre-announcement window and from day 1 to day 3 in post announcement window and zeroth day is the event day. Moreover, vertical line is presenting the cumulative average abnormal return earned during the study period. For analysis purpose we have divided bonus announcements in four categories blue line is representing CAARs for all sample announcements based on all bonus ratios, red line is representing 1:1 bonus ratio, grey line is showing 1:2 bonus ratio and yellow line is representing other ratios. As we can observe a positive drift in stock prices during the announcement window. Furthermore, we have recorded a significant positive CAAR on announcement day for ratio 1:1, 1:2 and whole sample but negative return for other ratios category. The positive CAARs have evidenced in post announcement window for first three categories. The CAAR has experienced an overall increase around the announcement period. This implies that market reacts in a positive direction.

Furthermore, the pattern of CAAR is found to be highly positive for the sample of 1:1 bonus ratio as compare to other ratios. On announcement day, highest CAAR has recorded as 2.24% in category of 1:1 ratio followed by whole sample CAAR near to 1.5% and 0.984% by sample of 1:2 bonus ratio respectively. But we have observed negative return for samples included in category of other ratios. Moreover, study has documented highest CAARs in case of 1:1 ratio for whole event window as comparison to other ratios. This positive drift of high bonus ratio confirms the positive correlation between the bonus ratio and abnormal return on and around the bonus issue announcements. CAAR trend of other ratios category is volatile and giving nearly 1% return at the end of window. For whole event window, sample included in bonus ratio 1:1 is giving highest returns followed by all ratios (whole sample) and 1:2 bonus ratio while for fourth category, we have recorded lowest returns.

Table 4 is representing t-values based on different bonus ratios. As we can see t-value for 1:1 ratio is found to be extremely significant at 5% significance level. Moreover, 1:2 and all ratios (whole sample) are also found to be very significant. On the other hand, sample of other ratios category is not significant at 5% level of significance i.e., stock prices of these sample companies have not changed significantly after the bonus issue announcements. These findings clearly showing that the stock prices of sample companies including in 1:1 ratio have significantly positively changed after the bonus issue announcements followed by companies of bonus ratio 1:2 and all ratios (whole sample). Our findings are in line with McNichols and Dravid (1989) and Fernando and Gunaratne (2009) and in contrast with results of Obaidullah (1992) who evident that market reaction is not based on bonus ratios.

CONCLUSION

Bonus shares are free shares issue by a company to its existing shareholders without any extra cost. Bonus issues increases the number of outstanding shares in the stock market without having effect on shareholders proportional ownership of stocks. The present paper has examined the impact of bonus ratio in adjustment of stock prices of selected 55 large cap companies listed on BSE for the period of 1st April 2011 to 31st December 2018. We have found a positive relationship between bonus ratio and abnormal return for the selected sample and period. The study has documented highest returns for ratio 1:1 and lowest for lower ratios. The bonus ratio is a measure of information content of bonus announcements. Generally, investors perceive high bonus ratio as the indicator of higher future earnings of the company. We have observed significant correlation between abnormal returns and bonus size for the announcement period. Large size bonus issues have more information content than small size issues. The findings of our study suggest that higher bonus ratio gives higher abnormal return. Hence, bonus ratio plays a major role in price adjustment of stocks in Indian stock market.

The result of the study is useful for policy makers, management, students and especially investors to make their investment decisions. The study is limited to large cap companies only. The results can be different for mid cap and small cap companies. Also, large sample can make more generalize results.

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TABLE AND FIGURE

TABLE 1: CLASSIFICATION OF BONUS ANNOUNCEMENTS ACCORDING TO THEIR BONUS RATIO

S. No.	Bonus ratio	No. of announcements	% of announcements
1.	1:1	28	50.90
2.	1:2	16	29.09
3.	1:3	3	5.45
4.	1:4	2	3.63
5.	1:10	2	3.63
6.	2:1	3	5.45
7.	3:2	1	1.81
T. A		55	100.00

Source: Calculated by authors

TABLE 2: CUMULATIVE AVERAGE ABNORMAL RETURN (CAAR) FOR SAMPLE COMPANIES

S. No.	Company Name	CAAR	
		On event day	At the end of window
1.	Ashok Leyland Ltd.	-0.936	-4.758
2.	Aurobindo Pharmaceuticals Ltd.	2.314	1.911
3.	Bajaj finance Ltd.	12.95	17.41
4.	Bharat Forge Ltd.	1.733	4.518
5.	Bharat Petroleum Corporation Ltd.2	-3.128	1.754
6.	Bharat Petroleum Corporation Ltd.3	1.219	-1.056
7.	Britannia Industries Ltd.	-3.495	-7.177
8.	Colgate-Palmolive India Ltd.	1.582	-3.689
9.	Divis Laboratories Ltd.	5.106	12.96
10.	Engineers India Ltd.	4.797	6.197
11.	Federal Bank Ltd.	1.556	5.218
12.	Godrej Consumer Products Ltd.2	-4.991	-3.625
13.	HCL	9.125	16.05
14.	Infosys Ltd.1	2.389	3.278
15.	Infosys Ltd.2	-7.066	-7.827
16.	Infosys Ltd.3	0.293	1.291
17.	Indian Oil Corporation Ltd.1	5.715	4.416
18.	Indian Oil Corporation Ltd.2	7.404	8.962
19.	Kotak Bank Ltd.	4.698	-0.186
20.	Marico Industries Ltd.	2.31	5.394
21.	Mahindra & Mahindra Ltd.	3.533	7.033
22.	Petronet Ing Ltd.	-0.677	1.063
23.	Reliance Industries Ltd.	2.287	3.496
24.	Sun pharma Ltd.	-0.716	5.588
25.	Tata Consultancy Services Ltd.	-1.422	4.237
26.	Tech Mahindra Ltd.	2.79	3.206
27.	Titan Company Ltd.	3.754	4.119
28.	Wipro Ltd.	-3.032	-3.113
29.	Bharat petroleum corporation Ltd.1	0.568	-5.368
30.	Bharat Heavy Electricals Ltd.	-5.456	-3.939
31.	Container corporation of India 3	0.675	0.863
32.	Emami Ltd.	4.16	4.978
33.	Godrej Consumer Products Ltd.1	6.926	6.038
34.	Hindustan Petroleum Corporation Ltd.1	4.831	12.27
35.	ITC Ltd.	2.262	7.969
36.	Larson & Toubro Ltd.1	-3.567	-6.617
37.	Larson & Toubro Ltd.2	0.748	0.63
38.	Motherson sumi Ltd.1	5.552	4.41
39.	Motherson sumi Ltd.2	-0.403	9.615
40.	Motherson sumi Ltd.3	4.178	4.357
41.	Motherson sumi Ltd.4	2.019	2.64
42.	Motherson sumi Ltd.5	0.116	-2.035
43.	Oil India Ltd.1	-0.692	-3.836
44.	Oil & Natural Gas Corporation Ltd.	4.871	5.819
45.	Bharat Electronics Ltd.1	1.553	9.91
46.	ICICI Ltd.	-1.258	12.46
47.	Bharat Electronics Ltd.2	-1.541	-0.255
48.	Biocon Ltd.	0.552	-7.291
49.	Hindustan Petroleum Corporation Ltd	-4.272	-3.156
50.	GAIL1	0.918	-0.348
51.	GAIL2	1.657	3.043
52.	Oil India Ltd.2	-1.888	-2.324
53.	Container Corporation of India1	-2.31	-6.455
54.	Container Corporation of India 2	3.135	-2.042
55.	Oil India Ltd.3	-0.692	-3.836
	Positive/ Negative return	36/19	34/21

Source: calculated by authors

TABLE 3: CAARS FOR SELECTED WINDOW DAYS FOR DIFFERENT BONUS RATIOS

Window days	All ratios	1:1	1:2	Others
T-3	0.265	0.358	0.318	-0.051
T-2	0.787	0.545	0.476	1.854
T-1	0.784	0.342	0.879	1.769
T0	1.53	2.249	0.984	-0.508
T+1	2.339	3.253	1.507	0.219
T+2	2.521	3.523	1.509	0.438
T+3	2.731	3.40	2.021	1.059

Source: calculated by authors

FIGURE 1: GRAPHICAL REPRESENTATION OF CAAR BASED ON DIFFERENT RATIOS

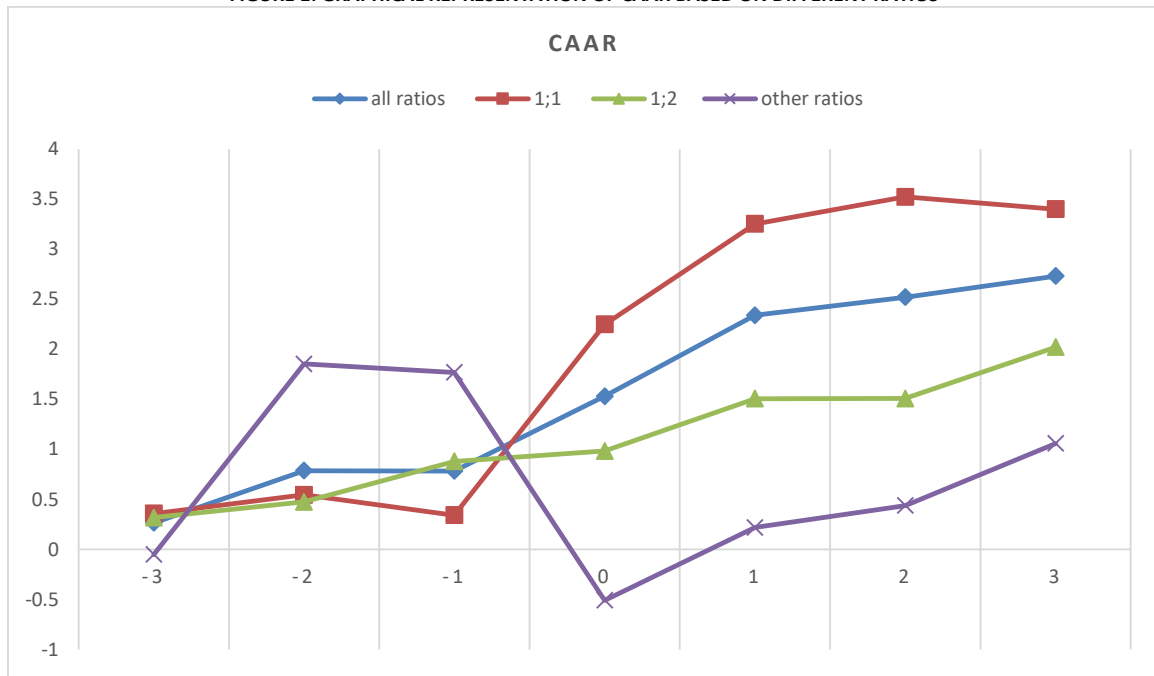


TABLE 4: T-TEST RESULT

Particulars	Bonus ratios			
	All ratios	1:1	1:2	Other ratios
t-value*	19.3399	63.264	24.2694	1.2656
p-value	0.0027	0.0002	0.0017	0.3331
SED**	0.099	0.047	0.046	0.489
Degree of freedom	2	2	2	2
Significance (95%)	Very sig.	Extremely sig.	Very sig.	Not sig.

* significant level at 5%, **standard error of difference

MICRO FINANCE: A STUDY ON SELF HELP GROUPS OF SABBAVARAM MANDALAM WITH REFERENCE TO VISAKHAPATNAM

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ABSTRACT

Microfinance programs have received considerable worldwide attention for their income-generating and employment-generating ability to alleviate poverty. Microfinance has a high degree of outreach to women. Microfinance is supported by self-help groups. The SHG-Bank linkage program funded in India's National Bank for Agriculture and Rural Development (NABARD) is the world's massively growing micro-finance system covering 97 million poor households as of 31 March 2011. Microfinance has a high degree of outreach to women. Microfinance is supported by self-help groups. In India, the SHG-Bank linkage program funded by the National Bank for Agriculture and Rural Development (NABARD) is a vastly expanding microfinance system covering 97 million poor households worldwide as of 31 March 2011. Microfinance has a high degree of outreach to women. Microfinance is supported by self-help groups. Self-help groups are the groups micro-finance has evolved as a need-based programme for empowerment and alleviation of poverty to the so far neglected groups. This is a study focused on the awareness of SHG, Having membership in these types of groups, obtaining finance in the range, maximum range of availability of finance, interest rate payments their range, sufficiency of obtaining funds to their need and fund utilisation fields, Process to obtain fund from SHG compared with other institutes and Financial position of individual as a member in self-help groups compared prior to without having member ship.


KEYWORDS

Sabbavaram Mandalam, SHG, micro finance.

JEL CODE

G 21

INTRODUCTION

 Self-help communities are informal groups of disadvantaged people who come from the same economic groups. The aim of solving their common problems emerges through self-help and mutual assistance. The SHGs is composed of very poor people who have no access to structured financial institutions, providing space and serving as a forum for mutual support, allowing participants to learn and collaborate in a community environment. Self-help organizations offer support strategies to meet members' needs and also provide their members with cost-effective delivery mechanisms for small credit that contribute significantly to empowering poor women.

A self-help group is a village-based financial committee that usually consists of 10 to 20 members making small regular savings that can then be returned to members or others in the village, connected to banks for micro-credit distribution. SHG is an organization with basic principles such as democratic approach and mutual decision-making, accountability, self-help, loan repayment and community growth. Self-help is a form of psychological therapy that focuses on personal development without professional help with an enormous focus on self-improvement as the method is self-centered. Contribute to building trust and confidence in problem solving. This kind of counseling gives room for internal growth and self-discovery.

Aid employees, school employees, village-level workers, etc., are non-governmental organizations (NGOs). Informal Associations of local people Development oriented government departments, Banks, Bank personnel, Mahila Mandalas, Yuvak Mandals, Facilitators, other individuals (in their personal capacities) Farmers' Clubs under the (Vikas volunteer vahini) Programme of NABARD and Other development institutions.

Self-help group or in-short SHG is now a popular concept. It is now almost two decades old. The SHGs are stated to have a role in hurrying the economic development of the country. Today, SHGs developed as a trend. Members of the SHGs are mainly women. Consequently, women's participation in economic growth in the country is increasing. These also play a significant part in elevating the economy.

HISTORY

Bangladesh is regarded as a leader in the micro-finance sector. Dr. Mehmud Yunus, Professor of Economics at the University of Chitgaon in Bangladesh, initiated the Grameen Bank Action Research project. The project began in 1976 and was formally recognized by an order issued by the government in 1983 as a bank. Even then, the country's central bank, the Bangladesh Bank, does not have a scheduled status. To promote self-employment, the Grameen Bank is providing loans to the landless poor, especially women.

Such institutions' micro-finance activities revolve around five fundamental characteristics.

Firstly, these organizations have women predominantly as their target group. Secondly, to meet their goals, they follow community approach. The aim of the community approach is to organize the people into small groups and then bring them to the microfinance facility. Bangladesh's MFIs put much focus on community unity and cohesiveness.

Second, these organizations primarily have women as their focus group. In fact, they adopt a group plan to achieve their goals. The purpose of the community approach is to organize people into small groups and then bring them to the facility for microfinance. The MFIs in Bangladesh concentrated a great deal on group cohesion and cohesiveness. Fourth, savings are critical preconditions

Thirdly, savings are a necessary precondition for making use of credit from any of these MFIs. Fourthly, the officials of the MFIs in Bangladesh remain present at the group's weekly meetings and collect the deposits, update the passbooks and even disburse the loans, and finally, the MFIs' structures and procedures are quite basic and in line with their client requirements and capabilities

India adopted a modified form of the Bangladesh model. Micro-finance has emerged as a strong instrument in the new economy to alleviate poverty and empower women. Self-help groups (SHGs) and credit management groups have also started in India with the availability of micro-finance. And so, in India, the SHG movement

has spread. Banks are the main agency in India in Tamilnadu and various groups funded by the National Banks for Agriculture and Rural Development (NABARD) followed the course set out by 'SEWA.' 'SEWA' is an indigent trade union

Credit Management Groups (CMGs) have been sponsored since 1987 by the 'Mysore Resettlement and Development Department' (MYRADA). CMGs are similar to Classes of self-help. The key features of this definition that MYRADA advocates are: 1] Affinity, 2] Voluntarism, 3] Homogeneity and 4] Membership should be limited to 15-20 people.

In 1991-92 NABARD started promoting self-help groups on a large scale. And it was the real take-off point for the 'SHG movement'. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement.

SHG's movement has been nourished in the Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala states. Now nearly 560 banks such as NABARD, Maharashtra Bank, Indian State Bank, Cooperative Banks, Provincial Rural Banks, government institutions such as Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development

INDIAN SHG MODEL

In India there have emerged three different models of linking SHGs to the financial institutions. They are:

- upper banks form and fund the SHGs themselves.
- SHGs are made up of non-governmental organizations and other organisations but funded by banks.
- Banks fund SHGs as financial intermediaries with NGOs and other agencies.

The second model is the model which is most common. Under this configuration fall nearly three-fourths of all the SHGs. Just 20 per cent of the SHGs are protected respectively under the first model and 8 per cent under the third model.

IMPACT OF SHG ON WOMEN EMPOWERMENT PROCESS

The year 1975 has been proclaimed a 'women's year.' The decade from 1975 to 1985 has also been declared a 'women's decade.' The women's empowerment movement received a fillip during this time. During this time, the importance of women's role, which consists of 50% of society, was highlighted. It was pointed out that women should have the same resources for men as that. The year 2001 has been proclaimed a 'year of empowerment of women.' Efforts were made towards women having a role in all walks of life; and special provisions should be made in the budget for activities related to women's growth. Many initiatives have been developed and begun to be implemented at government level with regard to women's education, laws on prevention of violence against women, their inclusion in economic and political spheres, etc. SHG movement also started at this juncture and in a way began the journey towards women empowerment.

Purposes behind promoting SHGs: The basic goal of promoting SHGs is poverty alleviation and women's empowerment. The recent trends show significant improvements to the SHG's advertising strategies. The reasons behind some of the SHGs are financial needs such as banking, investing, insurance etc., getting subsidies, building organizations also to gain political influence.

SHG concept: The Self-Help group generally consists of 10 to 20 members. The women are saving some money they might afford. It is low, from Rs. 10 to 200 per month. There is a monthly conference, where, apart from the disbursement and repayment of loans, there are formal and informal discussions on many social issues. In these communities women share their experiences. Those meetings minutes are documented and the accounts are written. The Institute which promotes the SHG also provides loan facilities itself. It is called as Micro-Finance Institute.

REVIEW OF THE LITERATURE

Murlidhar A. Lokhande on April 23 reported in the International Business Research Center addressing women's empowerment microfinance, microfinance has made a significant contribution to socio-economic empowerment and SHG bank linkage programs.

Sharma (2007) shows that in some northeastern states the SHG movement has not been successful due to some peculiarities that prevailed in the region. The study looks at the banking constraints as a factor that hinders SHG's efficiency in northeast India.

In another study carried by the Haryana Community Forestry Project (Govt. of Haryana, 2007), the quality of SHGs was evaluated in a selfstyle manner consisting of nine specific indicators including organizational ability, savings and credit, financial management, micro-enterprises, skill development, awareness & attitudes, empowerment & influence, networks & linkages and plans & visions on May 12th published in far east journal of psychology and business.

Dr. K. Rajendran on Dec-12-2012 published in the International journal of marketing, financial services and management research emphasized a robust potential of Microfinance to integrate with the development issues thereby significantly impacting the lives of poor.

Dipul Bourah on 20 August 2011 from Lakhimpur Commerce College on the issue of socio-economic development of rural Assam, published in the Indian trade and management journal.

N. Choudhary on Jan 2011 published in Banaras Hindu University emphasized women entrepreneurs, who were confined to traditional areas like food, fruits, pickle, tailoring etc., have shifted to non-traditional areas like engineering, Jewellery, Handicraft, electronic manufacturing for poverty alleviation and micro-entrepreneurship.

RESEARCH METHODOLOGY

Need: Self-help groups are one of the sources of income generation for the unemployed people. Knowing about self-help groups, their financial contribution to members of the Self-help group, the participation of individuals in these types of groups, the continuity of their contribution between groups and participants and their limitations to lending and contributing.

OBJECTIVES

1. To learn how many people are involved and how long they are active in self-help groups.
2. Understanding the members' satisfaction rate from the assistance they received from Self-help groups.
3. To gain an insight into the financial environment the participants receive from self-help communities and at what interest rates.
4. To learn how leaders of the Self-help community use the funds.

SCOPE

This paper provides the overall view of the members of different SHGs and the amount of funding available from the SHGs. The pace at which the funds are made available is also known. Considering this research paper, the lending rate and the amount of funds being given to SHG members can therefore be reinforced. This paper gives members a general view of the financial benefits they reap with SHG funds

Mostly surveys were conducted in the specific regions of the Visakhapatnam sabbavaram area would provide a generic view of the members of different self-help groups in the areas of the fund availability range and the rate at which funds are provided. This survey would help organizations looking particularly in the surveyed area for this type of micro-finance plan business.

RESEARCH DESIGN

Research design is the conditioning system for data collection and data analysis in a way that seeks to combine relevance to research intent with economy in procedure. It is a proposal to conduct structured enquiry. It is blue print that is followed when the analysis is complete.

The research that I conduct is a descriptive research, since the analysis focuses on fact research in a well-structured form and is focused on primary and secondary data. (Questionnaire and Conversation)

Sampling Plan: Sampling Frame: Among those who are members of self-help groups, there are 12,200 participants at this venue.

Sampling Size: There are 100 individuals mapped to us in the sabbavaram region that served as our sample size Sampling Procedure: It was a random area sampling system that attempts to obtain the convenient sample.

Data collection is a term used to describe, for example as part of a process improvement-or related project, a process of planning and collection-data. The aim of collecting data is to obtain information that will keep records, make decisions about important issues, or pass on information to others. Data are collected primarily to give information on a specific topic.

Techniques for collecting data: Data collection is an important feature of any kind of research study. Inaccurate collection of data will impact a study's results and ultimately lead to invalid results. Methods of data gathering for impact assessment differ along a continuum. Quantitative approaches are at one end of this spectrum and Qualitative methods for data collection are at the other end of the continuum

For data collection, there are many approaches, such as quantitative, qualitative, questionnaire, interviews, there are two main ways to get the data they are: primary data and secondary data.

Primary data The data were collected by meeting people and by asking them questions. That kind of information / data is called primary data.

Secondary-data That is data that someone other than the consumer collect. Popular sources of secondary data for-social science-including-censuses, organizational records and data collected by qualitative or qualitative research methodologies. The investigator conducting the study, on the other hand, collects the primary data.

Secondary data analysis saves time that would otherwise be spent collecting data, and provides larger and higher-quality datasets, particularly in the case of quantitative data, which would be difficult for any individual researcher to collect on their own. In addition, social and economic change analysts find secondary data important, since a new survey cannot be conducted that can accurately capture past changes and/or developments

Sample Frame is rural Visakhapatnam (sabbavaram) and Sample Size: 100 members of the SHG. Sample size is the number of observations used by a given population to measure estimates. Sample sizes decrease cost and time by allowing researchers to infer information about an entire population without having to interview each participant. Data Source: SURVEY, Tool: Questionnaire, Method used: Convenience sampling.

STUDY LIMITATIONS

- Analysis is restricted to rural Visakhapatnam.
- The data was obtained from people who are members of self-help groups.
- The research time frame is tight.
- Only Sabbavaram Mandal is chosen in Visakhapatnam to examine SHGS knowledge and to study the financial planning of the members of the self-help community and to study the role of the SHGS.

ANALYSIS

TABLE 1: INDIVIDUALS HAVING MEMBER SHIP IN SELF- HELPED GROUPS

Responses	No of people	Percentage
Yes	80	80%
No	20	20%
Total	100	100%

The table (1) shows pattern among two responses. This table is tabulated with no of people and their responses. Respondent’s opinion on the source of information clearly showing that 90% of the people having membership in self-helped groups and the remaining doesn’t have membership. This happened due to awareness has been created from long back on savings and self-empowerment by the organisers of self-helped groups from the above table, we can understand that most of the people having membership means planning for savings and the remaining less no of People does not having membership because of good economic conditions and some are not interested in this mode of investment according to responses on survey done.

TABLE 2: HAVING MEMBERSHIP IN SELF-HELP GROUPS IN YEARS

Responses	No. of Respondents	Percentage
0-5 Y	15	15%
5-10 Y	60	60%
>10 Y	25	25%
Total	100	100%

The above table (2) is about “Having membership in self-helped groups in years”. It analyse the respondents through limits of years i.e. <0-5Y, 5-10Y, >10Y.From the above table, the expected price of premium per annum for 0- 5Y for 22% of people, 5Y-10Y for 60% of people and more than 10Y for 25% people based on the income levels. Mostly in 5-10Y scale large number is there having membership showing consistency of individuals in the self –helped groups may be because of the awareness created by self-helped groups.

TABLE 3: OBTAINING FINANCE IN THE RANGE

Range	No. of Respondents	Percentage
<5K	20	20%
5-15 K	70	70%
>15 K	10	10%
Total	100	100%

The above table (3) is about “Obtaining finance in the range”. It analyse the respondents through limits of years i.e. 0-5K, 5-15K, >15K.From the above table, the expected obtaining finance less than 15K for 90% of people, 5K-15K for 70% of people and more than 15K for 10% people based on the income levels. Mostly range between5k to 15k are more in obtaining finance may be obtained finance is sufficient or else not obtaining more from the group and >15K for 10% based on their eligibilities.

TABLE 4: MAXIMUM RANGE OF AVAILABILITY OF FINANCE

Range of Availability	No. of Respondents	Percentage
,50K	70	70%
50 K	25	25%
>50 K	5	5%

The above table (4) is about “Maximum range of availability of finance”. It analyse the respondents through limits of thousands (K) i.e. <50K, 50K, >50K.From the above table range of availability of finance<50K is of 70%, 50K is of 25% and >50K is of 5%. Obtaining range of availability of finance >50K is less when compared with availability of finance <50K. This is due to insecure position of the self-help group and the payment capabilities of individuals.

TABLE 5: PAYMENT OF INTEREST RATE SIMILAR TO BANK RATES

Responses	No. of Respondents	Percentage
similar	5	5%
Somewhat similar	15	15%
Not similar	80	80%
Total	100	100%

The above table (5) is about "Payment of interest rates similar to bank rates". It tries to analyse the responses through 3 variables i.e. similar, somewhat similar, not similar option responses. From the above table payment of interest rate by individuals whom having membership is evaluated compared to bank rates. Most of the people prefer not similar option because of the rates charging by groups (80%). The next preference is given to somewhat similar rate (15%). The minimum importance is given to similar payment option i.e. (5%).

TABLE 6: RANGE OF PAYMENT OF INTEREST RATE TO SHG FROM MEMBERS

Range	No. of Respondents	Percentage
0-10%	0	8%
10-15 %	33	33%
15-20%	59	59%
Total	100	100%

The above table (6) is about "range of payment of interest rate". It analyse the respondents through limits of rate per-cent i.e. 0-10%, 10-15%, 15-20%. From the above table range of payment of interest rate (15-20%) to SHG from members is more compared with other rate per-cent, as the members lend the money for general purpose (own purpose) will be charged in the range of 15-20% and for the remaining like for agriculture, cattle will be charged below 15%. For education interest rate charge will be less than 10%.

TABLE 7: OBTAINED FUND UTILISING

Utilizing in the fields	No. of Respondents	Percentage
Agriculture cattle	33	33%
Personal purpose	62	62%
Both	5	5%
Total	100	100%

The above table (7) is about "Obtained fund utilised in the fields by the members of SHG". It tries to analyse the responses through 3 variables i.e. Agriculture & cattle, personal purpose, both option responses. From the above table 62% of the respondents believe that best option is for personal purpose may be because of financial position is not stable, 33% of the respondents believe that utilising in agriculture and cattle which will generate income to their lively hood, 5% of the respondents utilising in both of the options i.e. agriculture & cattle and personal purpose of which some will be utilised as expenses and the remaining be utilised for income generating to their lively hood.

TABLE 8: OBTAINED FUND IS SUFFICIENT TO THEIR REQUIRED NEED

Responses	No. of Respondents	Percentage
Sufficient	12	12%
Not sufficient	48	48%
Partially sufficient	40	40%
Total	100	100%

The above table (8) is about "Obtained fund is sufficient to their required need". It tries to analyse the responses through 3 variables i.e. Sufficient, Not sufficient, partially sufficient option responses. From the above table 48% of the responses gave that obtained fund is not sufficient for their need, 40% of the respondents gave obtained fund is partially sufficient and the remaining 12% of the respondents gave obtained fund is sufficient for their need may be because of the needs and priorities of the individuals their response will depend.

TABLE 9: PROCESS TO OBTAIN FUND FROM SHGS COMPARED WITH OTHER FINANCIAL INSTITUTES

Responses	No. of Respondents	Percentage
Easy	79	79%
Liberal	18	18%
Not easy	3	3%
Total	100	100%

The above table (9) is about "Process to obtain fund from self-helped groups compared with other financial institutes". It tries to analyse the responses through 3 variables i.e. Easy, Liberal, Not easy option responses. From the above table 79% of the responses opted easy because of the easy sanctions without any hassles. 18% of the respondents gave liberal as their response as the process is liberal compared with other institutes and the remaining 3% gave not easy as their option.

TABLE 10: FINANCIAL POSITION OF INDIVIDUAL AS A MEMBER IN SHGS COMPARED PRIOR TO WITHOUT HAVING MEMBER SHIP

Responses	No. of Respondents	Percentage
Better	32	32%
Good (well)	62	62%
No change	6	6%
Total	100	100%

The above table (10) is about "Financial position of individual as a member in self-helped groups compared prior to without having member ship". It tries to analyse the responses through 3 variables i.e. Better, Well, No change option responses. From the above table 62% of the respondents gave well (good) as their option, 32% of the respondents gave better as their option and the remaining 6% opted no change as their response may be this category is not utilising for efficient cause or purpose.

FINDINGS

- Most of the people in the surveyed area are having member ship in SHGs tells us that awareness on SHG among the individuals is there.
- People having membership in SHGs between 5-10 years are more and more than 10 years some less people are there and very less no their below 5 years showing the success of SHGs.
- Availability of finance to the member between 5-15k is more than this above 15K availability of finance is somewhat difficult.
- Maximum range of availability of finance is 50K more than that it is difficult.
- Payment of Interest rate is not similar to bank rates and the payment rate between 15-20% is more.
- Most of the obtained fund is utilising for personal purposes and the remaining for agriculture and cattle in which one type of investment will give return other will remain as expense.

- Obtained fund is not sufficient to their needs to most of the extent and sufficient to some extent.
- Process to obtain funds from self-help groups is easy and liberal compared with other institutes.
- Compared with having membership prior to without having membership the financial position of individual is better and good.

SUGGESTIONS

Maximum range of availability of finance has to increase more than 50K so as to increase the chances of investing in better options based on the availability and also that obtained fund may sufficient to the need of the members.

Interest rates can be decreased to some extent to enhance the financial position of members and also charge of interest rates is to be designed based on the purpose.

Proper awareness has to create for proper utilisation of funds and on the returns. Basically this concept is using by NGOs it would be better to the society if the existing banks come up with this type of new proposals will benefit both individuals

Easy access of availability of finance has to increase from 5-15K to 15-30K this will increase the frequency of investment and taking loan will increase leads to expect better economic conditions of its members.

Self-help groups can also provide employment by introducing cottage industry concept to the members of self-help groups. This concept encourages these groups financially and economically both to the members and society.

CONCLUSION

Villages face problems of poverty-related illiteracy, lack of health care skills etc. These are problems that cannot be dealt with separately, but can be solved better by community efforts. Such organizations recognized today as self-help groups have become a tool for the vulnerable and disadvantaged to change. Self-help groups are the organizations that find the foundation for financial and economic. Self-help groups are those groups who find the foundation for the disadvantaged communities to grow financially and economically. Most people will come under this category in most countries, particularly countries like Asian and African. SHG is a new innovation designed to turn psychologically and financially unstable groups into stable, healthy groups.

SHG concept is developed by keeping in view of poor who are unemployed and not confident. SHG are not only innovated or developed for financial activities but also in the areas of health, addiction, alcoholism, anger, anxiety, depression, divorce, marriage and relationships. Basically self-help is the concept developed to empower an individual according to the standards in society. SHG is well known two-decade old concept developed exclusively for women and their empowerment. This concept was first developed in Bangladesh and later implemented by different countries according to their structures, situations and conditions. Most of the NGOs are implementing this SHG concept to develop society by taking support from banks but banks independently don't develop this type a concept even though there are major benefits.

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A STUDY TO ACCESS LEVEL OF SATISFACTION AMONGST THE PATIENTS VISITING OUTPATIENT DEPARTMENT IN A MULTISPECIALITY HOSPITAL

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ABSTRACT

Hospitals have been changed from being isolated infirmary to a facility with five star amenities. The patients and their relatives who are coming to the hospital not only expect world-class treatment, but also other facilities to make their visit comfortable and worth visiting again in the hospital. This change in attitude, perception and expectation has evolved because of tremendous growth of media and its exposure, as well as commercialization and improvement in the facilities and upcoming health models and technology emerging at the fast pace. Determinants of patient satisfaction have been reported extensively. The objectives of the study were to access the satisfaction of patients, to identify the areas with low satisfaction levels and to provide the recommendations for enhancing patient satisfaction. A descriptive cross sectional study was conducted, using survey on 100 patients of Outpatient department (OPD) based on their experience by appointment, registration, fee, consultation, laboratory, radiology, pharmacy and subsequent waiting time in respective areas of the hospital. A structured questionnaire comprised 42 questions on a five point likert scale was used in the study. One-to-one interviews were conducted for patients/ attendants across registration areas, OPD's of eminent consultants, Laboratory, Radiology waiting area and pharmacy queues. Data collected was analyzed using Microsoft Excel and Informed consent of the patients and attendants was taken. Informed consent of the patients and attendants were taken. Data security, confidentiality and privacy was ensured. Results: The Five Major Dissatisfies identified were in Radiology Report Dispatch, Laboratory Report Dispatching, Unavailability of Certain Medicines in OPD Pharmacy, Waiting time prior to doctor consultation, Long standing queues at registration counter. The recommendations included that turnaround time (TAT) should be followed, Proper analysis of feedback form and continuous monitoring and auditing of feedback results should be done, Departments in which there have been low scores continuously should form a committee of relevant team members and do root cause analysis, there should be proper formation of Standard Operating Procedures (SOPs) and hospital policies pertaining to patient satisfaction, Regular follow up with patients, for their feedback towards continuous quality improvement and Telephonic calls/ mails should be done to patients who had given low scores for improving the goodwill of the hospital.

KEYWORDS

outpatient department (OPD), hospital, expectation, patient satisfaction.

JEL CODES

M30, M31, M39.

INTRODUCTION

patient satisfaction can be summarized as accomplishment or congregation of expectation of a person from a service or product. When a patient comes to hospital, he has a pre-set notion of various aspects of hospital according to the market trend, image of the hospital, cost he has paid for a particular visit. Although the main motto of visiting hospital is to get relevant medical services and thereby getting cured but there are other aspects which consists of clinical and non-clinical services which if taken care off can enhance the patient satisfaction and likewise if these go wrong can do patient satisfaction would reduce enormously, at times patient/ attendants might rate a hospital very low based on the information which they have received from others but this can be enhanced by they themselves receiving good services.

Likewise, if the patient/attendant has high set of expectation they would not be satisfied easily resultantly decreasing the patient satisfaction.

Thus patient satisfaction is an important and commonly used indicator for measuring the quality in health care. Patient satisfaction affects clinical outcomes, patient retention, and medical malpractice claims. It affects the timely, efficient, and patient-centered delivery of quality health care. Patient satisfaction is thus a proxy but a very effective indicator to measure the success of doctors and hospitals.

With above backdrop a study was conducted on measuring patient satisfaction in outpatient department (OPD) in a leading Multispeciality hospital.

REVIEW OF LITERATURE

Worldwide, patients' experiences and their perspectives on service quality have increasingly become one of the main priorities for assessing health system performance and the quality of health-care providers, especially among healthcare organizations (HCOs) moving toward patient-centered healthcare. Currently accessible national and international literature was reviewed to understand the concept of patient satisfaction.

INTERNATIONAL STUDIES

A study on measurement of patient satisfaction by the provided health services in outpatient clinic of the General Hospital of Athens by Georgoudi Ekaterina et al. (2012). To measure the satisfaction of health service users was chosen a sample of 400 people using the method of stratified random sampling. The data were collected using a weighted structured questionnaire in those who had an appointment with the hospital doctors (period from 1st to June 30th 2012). In assessing the overall satisfaction was found that in the ten-point scale, the Hospital was evaluated positively. Important parameters of satisfaction for the majority of patients were courtesy, specialized knowledge and the professionalism of the staff of outpatient clinic.

A study on Patient Satisfaction Survey as a Tool Towards Quality Improvement was conducted by Rashid Al-Abri and Amina Al-Balushi, as an important quality outcome indicator to measure success of the services delivery system.

Indian Studies: Khosla et al found in their study, emphasis by the patients of two Delhi hospitals on varying needs according to their income groups: A Low Income Group- improved physical facilities, improved diet and relaxation of visiting hours, better service by Class IV staff, human and sympathetic behavior and transport facilities after discharge. A Middle and High Income group- personal and prompt attention of doctors, better behavior by Class IV staff, improved physical facilities, relaxation of visiting hours.

A study on patient satisfaction was conducted at Cardio Thoracic and Neurosciences Centre at AIIMS, New Delhi, India, by P. H. Mishra, S. Gupta, by distributing 50 structured questionnaires amongst patients and their relatives to find out the factors which satisfy patients and their relatives in a tertiary care teaching hospital. Five major satisfiers that were identified were Behaviour of doctors, Explanation about disease and treatment, Courtesy of staff at admission counter, Behaviour of nurses, Cooperation of nurses.

After referring all these studies, it has been observed that very few studies on patient satisfaction were carried out in Rajasthan. Hence the study on measuring OPD patient satisfaction was carried in multi-speciality hospital in Jaipur, Rajasthan.

NEED/IMPORTANCE OF THE STUDY

"They may forget your name, but they will never forget how you made them feel."

Maya Angelou

Importance of Patient Satisfaction

- Satisfied patients will distribute their positive experience with five others, on average, and dissatisfied patients complain to nine (or more) other people. The Internet promotes rapid and wide propagation of these opinions. This word-of-mouth marketing is powerful, especially as consumers grow better informed about their health care choices
- The cost of obtaining a patient is high; losing a patient is a substantial loss of investment. Hospital might have attracted a patient through advertising or an empanelment contract. Every interaction with the patient represents a portion of your investment in that patient

There is evidence of a reciprocal relationship between patient satisfaction and continuity of care (which is associated with better patient outcomes). Conversely, dissatisfaction and complaints can mean not only loss of business/investment, but also increased risk of malpractice lawsuits conducting patient satisfaction.

STATEMENT OF THE PROBLEM

What is the satisfaction level of patients in OPD and what are the areas in OPD which are having low satisfaction levels?

OBJECTIVES

The study was carried keeping in mind following objectives:

- To assess the satisfaction of patients.
- To identify the areas with low satisfaction levels.
- To provide the recommendations for enhancing patient satisfaction.

HYPOTHESIS (ES)

H1: That there is difference in satisfaction level of Cash and Credit patients.

RESEARCH METHODOLOGY

Research Design: Descriptive (cross sectional) research in Phase I and analytical in Phase II.

Study Setting: Out Patient Department (OPD) of Multispeciality Hospital in Jaipur, Rajasthan.

Research Duration: Feb - May, 2018.

Sampling Size: 100 patients (Cash Patients: 54; Credit patients: 46)

(The satisfaction level was based on their experience by appointment, registration, fee, consultation, laboratory, radiology, pharmacy and subsequent waiting time in respective areas).

Sampling Technique: Convenience sampling (non-probability sampling)

Data Collection: Data was collected from patient feedback forms, interview and observation.

Tools: Structured questionnaires, one to one interviews were used.

Interviews of associated staff members for an instance few problem areas were identified based on low scores and then feedback from staff was taken in order to find out lacunae's

Technique: Quantitative Technique was used for the study.

Inclusion Criteria: Patient who has taken a prior appointment, first visit for the patient as well as the attendant accompanying them, Availing OPD consultation, laboratory, radiology and on leaving buying medicines from OPD pharmacy.

RESULTS & DISCUSSION

ANALYSIS OF PATIENT FEEDBACK

100 patients were interviewed for feedback using a structure questionnaire. One-to-one interviews were conducted for patients/ attendants across registration areas, OPD's of eminent consultants, Laboratory, Radiology waiting area and pharmacy queues.

PATIENT FEEDBACK INDEX

Patients were asked to rate their experience/ satisfaction on the scale of 1-5.

TABLE 1: PATIENT SATISFACTION RATING

Scale	Ratings
VERY DISSATISFIED	1
DISSATISFIED	2
NEUTRAL	3
SATISFIED	4
VERY SATISFIED	5

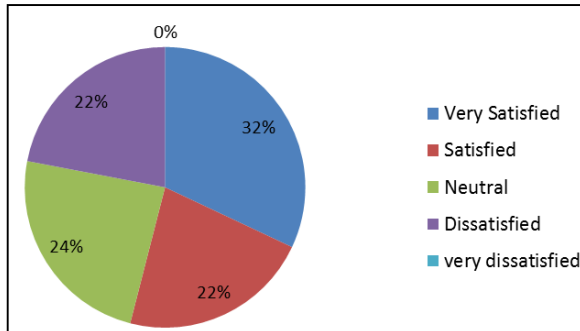
Patient satisfaction was recorded in the following OPD areas as per their experience:

- Appointment System
 - Time taken by appointment staff to give an appointment for doctor/service
 - Adequacy of the information provided by appointment staff
 - Courtesy Shown by the staff providing information
 - Overall Impression of Appointment System
- Registration/Vouchering/ Appointment (at counters)
 - Ease of filling the registration forms
 - Patient views regarding registration fees
 - Waiting time in the queue at counters for being attended
 - Time taken by counter staff for registration
 - Views regarding O.P consultation fee
 - Overall impression of registration/vouchering/appointment
- Consultation with the Doctor
 - Overall impression of consultation with doctor based on based on waiting time to see the doctor after completing registration, Information shared by the doctor about the health and treatment, Courtesy shown by the consultant and time spent by the doctor.

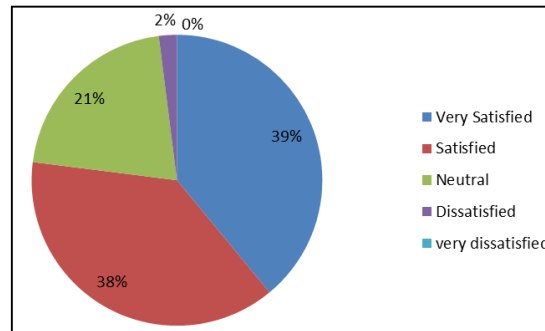
- General comfort of OPD premises
 - **Impression of General Comfort of OPD Premises based on** Cleanliness in the OPD area, Comfort at the waiting area and Cleanliness of toilets
- Lab investigations and diagnostic process
 - Views regarding the amount paid for investigations
 - Waiting time prior to the test
 - Overall impression of lab investigations and diagnostic process
- Imaging and Radiology
 - Waiting time prior to the test
 - Time taken to receive the report
- Pharmacy
 - Availability of medicine
 - Waiting time at the pharmacy
- Miscellaneous question
 - Reasons of Choosing the Hospital

THE RESULT OF THE PATIENT SATISFACTION IS MENTIONED BELOW

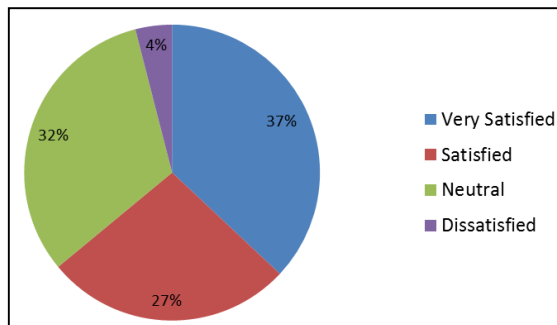
A) APPOINTMENT SYSTEM



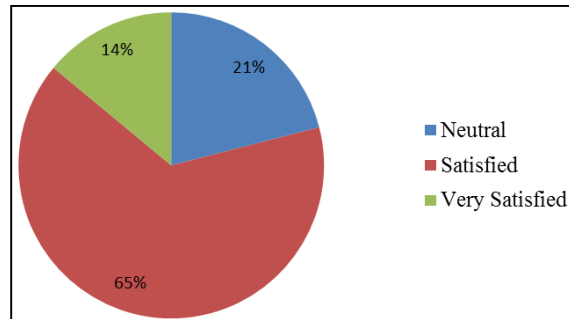
Time taken by appointment staff to give an appointment for doctor/service
Average rating: 3.64



Adequacy of the information provided by appointment staff
Average rating: 4.14

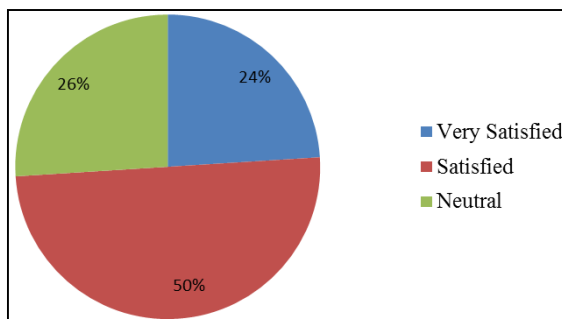


Courtesy Shown by the staff providing information
Average rating: 3.97

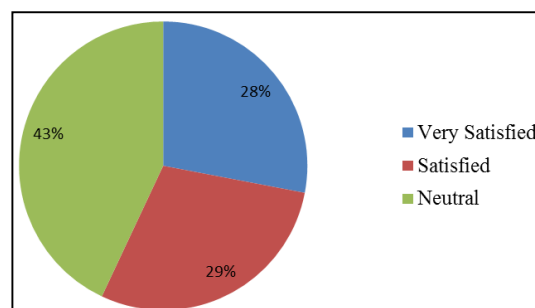


Overall Impression of Appointment System
Average rating: 3.94

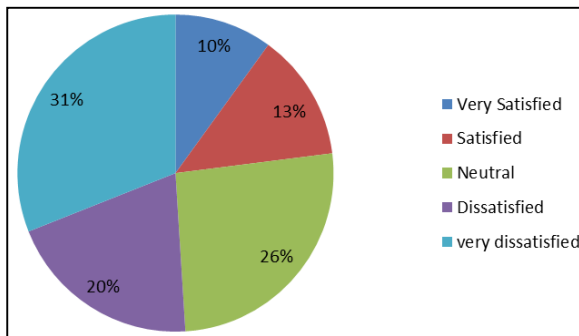
B) REGISTRATION/VOUCHERING/ APPOINTMENT (AT COUNTERS)



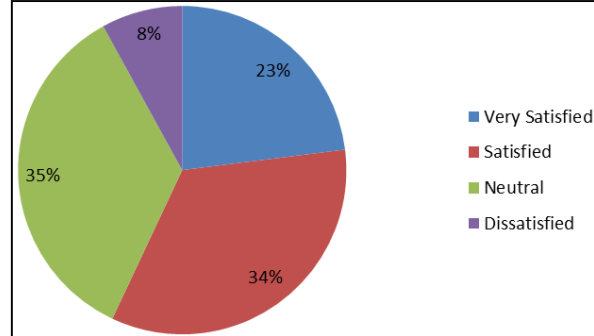
Ease of filling the registration forms
Average rating: 3.98



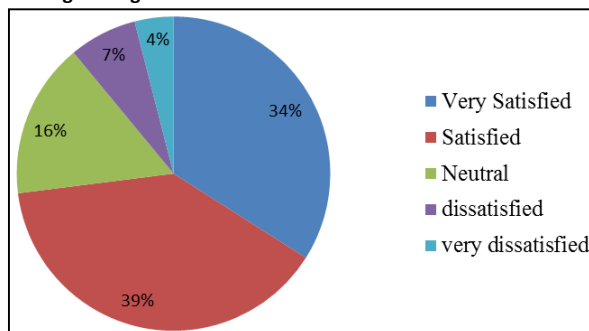
Patient views regarding registration fees
Average rating: 3.85



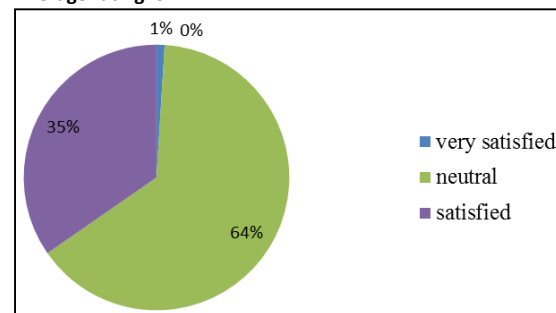
Waiting time in the queue at counters for being attended
Average rating: 2.51



Time taken by counter staff for registration
Average rating: 3.72



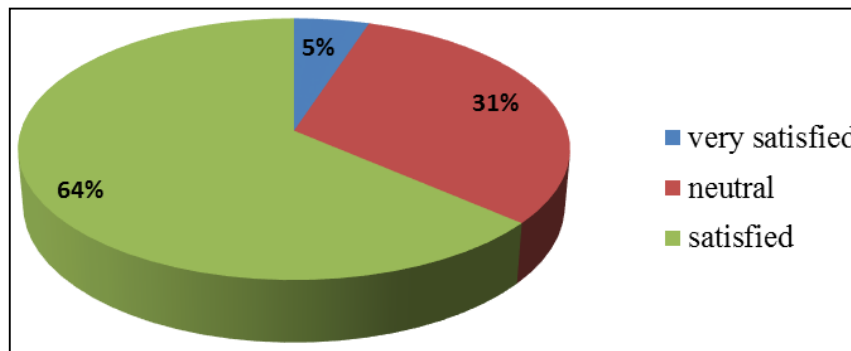
Views regarding O.P consultation fee
Average rating: 3.92



Overall impression of registration/vouchering/appointment
Average rating: 3.37

C) CONSULTATION WITH THE DOCTOR

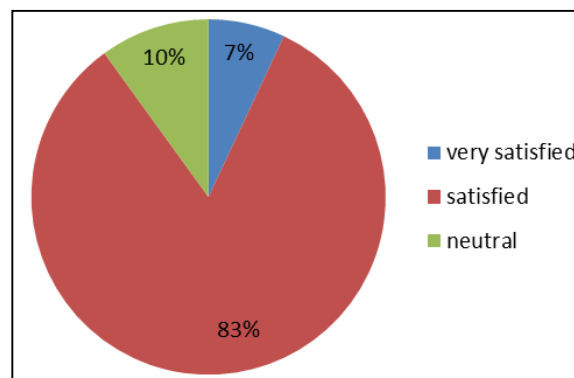
Overall impression of consultation with doctor based on based on waiting time to see the doctor after completing registration, Information shared by the doctor about the health and treatment, Courtesy shown by the consultant and time spent by the doctor.



Overall impression of consultation with doctor
Average rating: 3.74

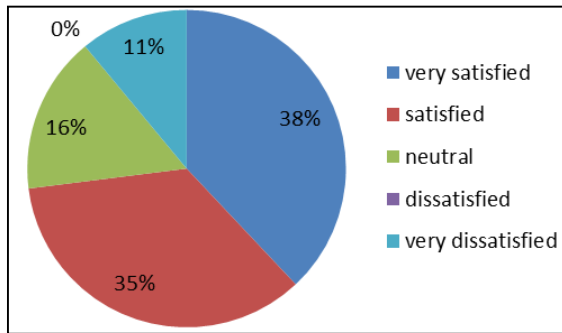
D) GENERAL COMFORT OF OPD PREMISES

based on Cleanliness in the OPD area, Comfort at the waiting area and Cleanliness of toilets.

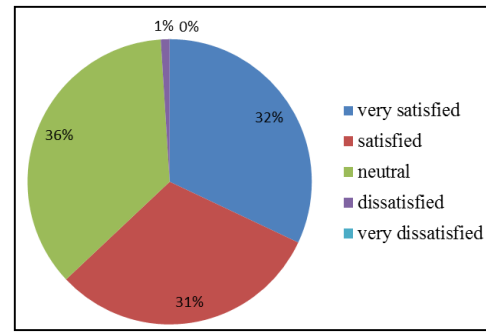


Overall Impression of General Comfort of OPD Premises
Average rating: 3.97

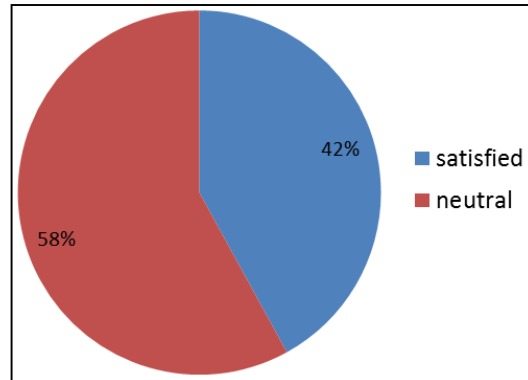
E) LAB INVESTIGATIONS AND DIAGNOSTIC PROCESS:



Views regarding the amount paid for investigations.
Average rating: 3.89

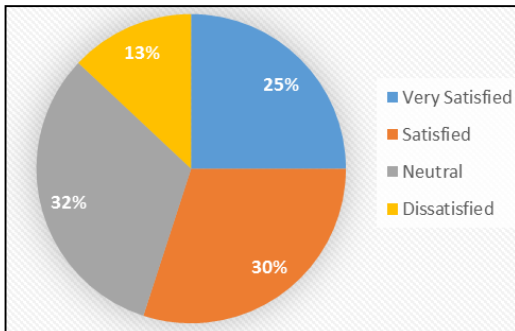


Waiting time prior to the test
Average rating: 3.94

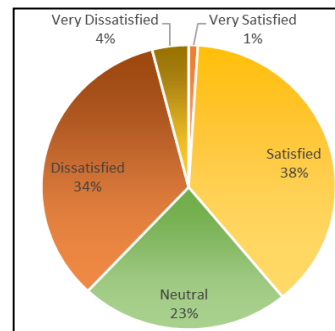


Overall impression of lab investigations and diagnostic process
Average rating: 3.42

F) IMAGING AND RADIOLOGY:

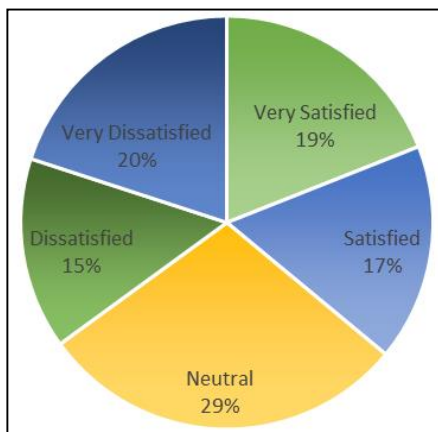


Waiting time prior to the test.
Average rating: 3.92

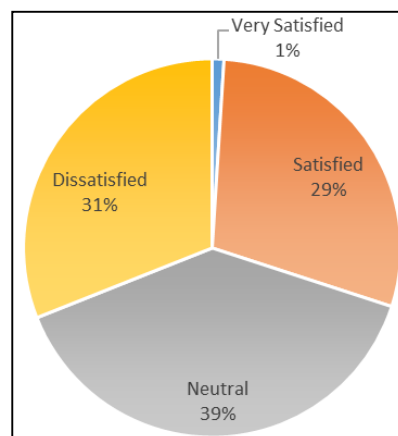


Time taken to receive the report.
Average rating: 2.98

G) PHARMACY:

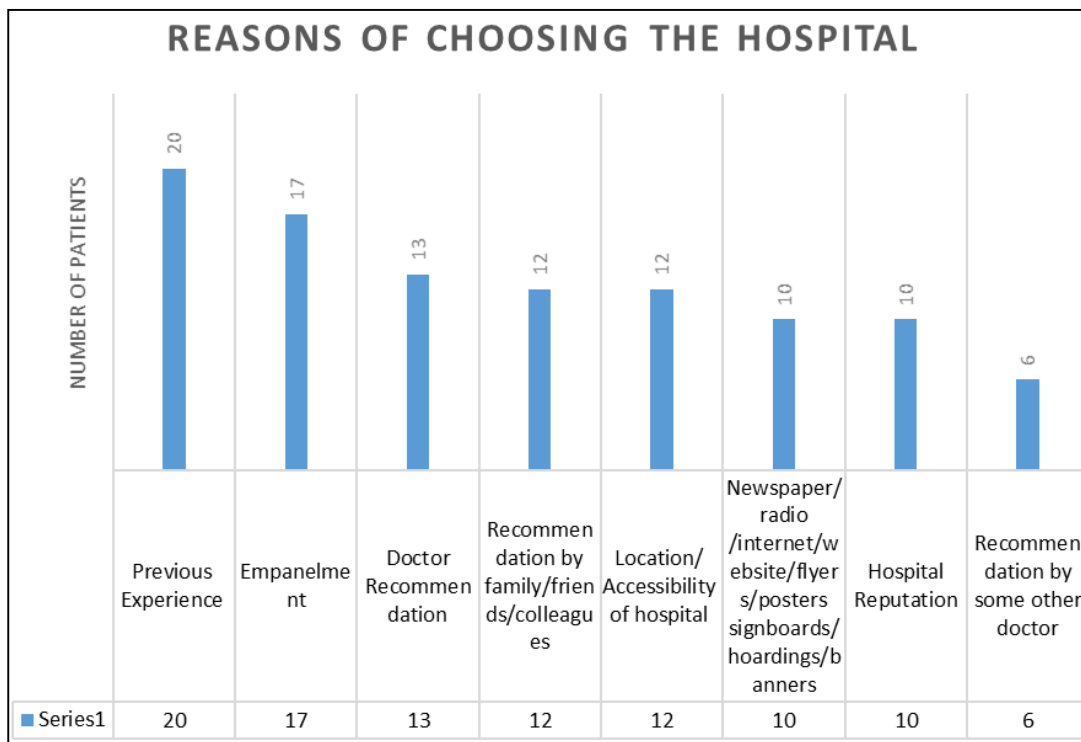


Availability of medicine
Average rating: 3.0



Waiting time at the pharmacy
Average rating: 3.0

H) REASONS OF CHOOSING THE HOSPITAL :



I) HYPOTHESIS TESTING OF SATISFACTION LEVEL OF CASH/CREDIT PATIENTS

As the hospital was empanelled with various boards, lot of credit patients were observed. The satisfaction level amongst credit patients was more as compared to cash patients. The cash patients were 54 and credit patients were 46 in the sample of 100 patients. The details of their overall satisfaction towards OPD services is mentioned below.

TABLE 2: OBSERVED FREQUENCY OF PATIENT SATISFACTION

	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied	
Cash	0	0	8	38	8	54
Credit	0	0	12	32	2	46
						100

Chi-Square test was applied to test whether there is significant difference in Satisfaction level of the two categories of patients. The hypothesis framed is mentioned below:

H_0 : There is no difference in satisfaction level among cash and credit patients.

TABLE 3: EXPECTED FREQUENCY OF PATIENT SATISFACTION

	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied	
Cash	0	0	11	38	5	54
Credit	0	0	9	32	5	46
						100

The Chi-Square value was calculated using the formula.

$$X^2 = \sum \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

The calculated value of Chi-Square is 4.30. The critical value of Chi-Square with $(2-1) \times (5-1) = 4$ degrees of freedom and with 5% level is 9.488. As the calculated value is less than the table value, the null hypothesis is accepted that there is **no difference in satisfaction level of cash and credit patients.**

FINDINGS

The findings of the OPD patient satisfaction in the hospital is mentioned below:

A) APPOINTMENT SYSTEM

- Time taken by appointment staff to give an appointment for doctor/service

FINDINGS: The common reasons stated by patients/attendants for giving low scores to appointment system was the presence of centralized number which than later connects to hospital at Jaipur, which often takes time. Also it was stated by the patients that the telephone lines often remain busy.

- Adequacy of the information provided by appointment staff

FINDINGS: Training should be provided to the staff so that 21% of neutral patients/ attendants can be converted to satisfied, inculcating the basic greeting system with a kind gesture, Confirming the information adequately before transmitting it to the inquirer. 2% Dissatisfied people gave the reason of being so was that appointment was scheduled while doctor was on leave.

- Courtesy Shown by the staff providing information

FINDINGS: 64% patients/ attendants are coming under the category of Satisfied and very satisfied, and 32% neutral can be converted further by staff training and continuous feedback.

- Overall Impression of Appointment System

FINDINGS: Appointment system is the first contact point of patient and attendant which might turn into prospective patient needs to be strengthened so as patient satisfaction score can be increased by strengthening the system continuous monitoring patient feedback and auditing.

B) REGISTRATION/VOUCHERING/ APPOINTMENT (AT COUNTERS)

- **Ease of filling the registration forms**

FINDINGS: Major portion of patients were satisfied and 26% were neutral reason stated was that registration forms were available in English and most patients are coming from rural areas becomes difficult for them to fill the form without any assistance to resolve this issue staff at registration counter helps them in filling the form so that's how their work gets done.

- **Patient views regarding registration fees**

FINDINGS: Majority here also comprises of satisfied patients but 43% here are neutral reason stated they come from rural areas and they state that as the waiting time is high here so they have to stay in same city for a day or 2 increases their cost even if those patients are credit patients they have to bear other costs also.

- **Waiting time in the queue at counters for being attended**

FINDINGS: 31% stated that they were very dissatisfied because of the high waiting time in the queue. The reasons they stated included Lack of registration counters, Registration form only available in English, hence there should be some staff has to help them fill and understand the form, Patients/ attendants if unable to find consultant in cabin would enquire at registration counter which results in crowding of registration counters.

- **Views regarding O.P consultation fee**

FINDINGS: Optimum consultation fee charged from cash patients. There was marginal presence of dissatisfied patients.

- **Overall impression of registration/vouchering/appointment**

FINDINGS: Overall satisfaction pertaining to registration system was observed as good. Patients and attendants had no major issues which needed immediate attention from the staff. Appointment staff were adequately trained. Only issue was the centralized contact number, so sometimes transferring a line might take time.

C) CONSULTATION WITH THE DOCTOR

The **overall impression of consultation with doctor** was rated based on waiting time to see the doctor after completing registration, Information shared by the doctor about the health and treatment, courtesy shown by the consultant and time spent by the doctor.

FINDINGS: Doctors are the major stakeholders in hospital from provider side and here 69% patients were either very satisfied or satisfied, whereas 31 % were neutral, and there were no patients which were dissatisfied. Some the reasons that the patients stated were:

- Waiting time for consultation was high
- At times doctor was not present in hospital but their appointment was scheduled
- Patient care unaware about doctor's OPD
- Few were unhappy with consultant asking them to get tests done prior to consultation.
- Patients coming from outside Jaipur have to stay back because of high waiting time.

D) GENERAL COMFORT OF OPD PREMISES

The **Overall Impression of General Comfort of OPD Premises was rated, based on** Cleanliness in the OPD area, Comfort at the waiting area and Cleanliness of toilets.

FINDINGS: Hospital maintains perfect clean and safe environment for everyone visiting the premise with adequate space for them to sit with comfortable ambience.

E) LAB INVESTIGATIONS AND DIAGNOSTIC PROCESS

- **Views regarding the amount paid for investigations.**

FINDINGS: Though the hospital charges optimum fee and has introduced packages for different diagnostic tests but as the market dynamics are changing and many other competitors are emerging customer should be made aware of the offerings.

Some of the other findings included:

- Patients who were neutral stated that they were not told about packages available in hospital which would have costed them slightly more with a lot more diagnostic tests,
- Though the board was placed on registration counter regarding the tests but the staff should also tell patient/ attendant regarding them thereby increasing the patient satisfaction and subsequently increasing the revenue for hospital.
- **Waiting time prior to the test**

FINDINGS: The patients were dissatisfied with the long waiting time, and also they stated that there was no staff to attend them. They said that extra staff should be appointed after identifying the peak hours to reduce the waiting time.

- **Overall impression of lab investigations and diagnostic process**

FINDINGS: Staff should work on following the strict TAT, Dispatch of the reports and validation should be done promptly, and there should be planning of rooster to combat inadequacy of the staff.

F) IMAGING AND RADIOLOGY

- **Waiting time prior to the test.**

FINDINGS: The reason for dissatisfaction was that appointments were made without conforming the presence of radiologist in the department and the number of equipments were less. Also according to hospital policy that if there is a requirement of emergency or for IPD patients for any radiology imaging procedure, those patients should be given priority which further increases the waiting time for OPD patients.

- **Time taken to receive the report.**

FINDINGS: The patients were not much satisfied with the waiting time to get report from radiology department. There was no turnaround time (TAT) for radiology department and also junior staff was deployed.

G) PHARMACY

- **Availability of medicine**

FINDINGS: The patients were dissatisfied long queues and unavailability of medicines.

- **Waiting time at the pharmacy**

FINDINGS: The patients were dissatisfied because of high waiting time, and complained of less number of counters for medicine dispatch and billing.

G) REASONS OF CHOOSING THE HOSPITAL

FINDINGS: Maximum patients gave the reason of choosing the hospital was their previous experience or through recommendation.

H) HYPOTHESIS TESTING OF SATISFACTION LEVEL OF CASH/CREDIT PATIENTS**FINDINGS**

The calculated value of Chi-Square is 4.30. The critical value of Chi-Square with $(2-1)*(5-1) = 4$ degrees of freedom and with 5% level is 9.488. As the calculated value is less than the table value, the null hypothesis is accepted that there is **no difference in satisfaction level of cash and credit patients.**

RECOMMENDATIONS/SUGGESTIONS

After conducting the research some of the recommendations are mentioned below:

- The hospital should to formulate a committee which will analyze the feedback thoroughly and regularly.
- Hospital must follow the TAT, any gap from the given TAT is a serious quality issue in the hospital.
- Proper training of the staff should be imparted.
- There should be scheduled auditing for TAT and patient satisfaction.
- SOP and manuals describing the patient satisfaction should be in place.

- Responsiveness: all the staff members should have responsiveness towards patients as well as their concerns and issues.
- Recruit the staff who have comparatively better empathy towards the one visiting health facility.
- The communication channel should be improved.
- Hospital staff should be easily approachable and accessible.

For encouraging staff towards building a better satisfaction with patients:

- Recognizing and rewarding the staff member/ group who has worked and achieved better scores from patients, recognition inspires other staff members for working same as them.
- Involving each and every staff member, giving ownership to every stakeholder that a patient should not return dissatisfied at least from hospitals side because a hospital cannot alter his perception but can definitely give him a better experience
- Coordination of both clinical and non-clinical departments must be done in achieving good patient satisfaction scores and thereby good patient footfall.

CONCLUSIONS

General Comfort of the OPD premises has maximum index score of 3.97, followed by overall Impression of Appointment System as 3.94, whereas low scores were observed for waiting time in the queue at counters, radiology, laboratory & pharmacy. The areas having low scores needs immediate attention, root cause analysis with proper closure. Also there has been no significant difference in patient satisfaction for cash and credit patients, which is a good indicator. The average rating of cash patients was 4.0, and for credit patients the average rating was 3.78.

LIMITATIONS

Some of the limitations of the study are mentioned below:

- Sample size small i.e. 100, because of the inclusion criteria so the results cannot be generalized. However, getting even this sample size was difficult because respondents had lack of interest in giving feedback.
- The responses were based on their personality, perceptions, those whose last experience of visiting any health facility was good rated their current experience based on previous exposure and similarly vice versa.
- Some of the patients have filled the Hospital's feedback form earlier, so they had relatively no interest in giving feedback.
- Many patients in this hospital come from, rural background and they don't find it relevant to share their views.
- The responses could be biased as respondents thought giving actual feedback might alter or cause hindrance to their care.
- In few areas, example pharmacy, radiology and laboratory, hospital management was not comfortable in allowing to take feedback in order to have apprehension not to disclose low scores to external body.

SCOPE FOR FURTHER RESEARCH

The study can be done in any hospital and apart from OPD, patient satisfaction survey could be done in In-patient department (IPD) for getting the overall patient satisfaction.

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APPENDIX/ANNEXURE

Questionnaire to Assess the Level of Patient Satisfaction					
Date: _____		Name of the Doctor/Consultant: _____			
Patient's Name: _____			Respondent Numt: _____		
Who is filling	Patient / Friend / Parent / Spouse / Family / Others		Telephone Number - Optional: _____		
Email ID: _____		Patient's Monthly income (if dependent mention spouse/ guardian's income)			
Patient's Address: _____		Type of Patient : Cash/Credit: _____			
INSTRUCTIONS : To rate the following services that you receive kindly circle the number that best represents your opinions?					
		Scale	Ratings		
		VERY DISSATISFIED	1		
		DISSATIFIED	2		
		NEUTRAL	3		
		SATISFIED	4		
		VERY SATISFIED	5		
			1	2	3
			4	5	
A	Appointment System				
1	Time taken by appointment staff to give an appointment for doctor/service				
2	Adequacy of the information provided				
3	Courtesy shown by the staff providing the Information				
4	Overall impression of Appointment				
			1	2	3
			4	5	
B	Registration/Vouchering/ Appointment (at counters)				
1	Ease of filling the registration forms				
2	Your views regarding registration fee				
3	Waiting time in the queue at counters for being attendant				
4	Time taken by the counter staff				
5	Your views regarding O.P consultation fee				
6	Overall impressions of registration/vouchering/appointment				
			1	2	3
			4	5	
C	Consultation with the Doctor				
1	Overall impression of consultation with doctor based on based on waiting time to see the doctor after completing registration, Information shared by the doctor about the health and treatment, courtesy shown by the consultant and time spent by the doctor.				
			1	2	3
			4	5	
D	General comfort of OPD premises				
1	Overall impression of general comfort of OPD premises based on Cleanliness in the OPD area, Comfort at the waiting area and Cleanliness of toilets				
			1	2	3
			4	5	
F	Lab investigations and diagnostic process:				
1	Your views regarding the amount paid for investigations				
2	Waiting time prior to the test				
3	Overall impression of lab investigations and diagnostic process				
			1	2	3
			4	5	
G	Imaging and Radiology				
1	Waiting time prior to the test				
2	Time taken to receive the report				
			1	2	3
			4	5	
H	Pharmacy				
1	Availability of medicine				
2	Waiting time at the pharmacy				
			1	2	3
			4	5	
I	General Question				
<i>Why did you choose Manipal Hospital, Jaipur OPD as a patient? Tick all that apply ✓</i>					
Manipal Hospital Doctor Recommendation		<input type="checkbox"/>	Previous Experience		<input type="checkbox"/>
Recommendation by some other doctor		<input type="checkbox"/>	Recommendation by family member/ friend/ colleagues		<input type="checkbox"/>
Through Newspaper/ Radio/ other form of advertisements/ Camps / Hospital Reputation		<input type="checkbox"/>			

ANALYSES OF EMPLOYEE WELFARE MEASURES IN T.S.R.T.C. - A STUDY WITH REFERENCE TO WARANGAL DEPOT

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ABSTRACT

The concept of employee welfare is vibrant. Its broad view point and contents are inclined to change, depending upon social and economic changes that occur in society. Employee welfare includes various services, benefits and facilities offered to employees by employers or by Government to employees. Every organization is responsible to provide welfare facilities to their employees to maintain healthy relation and to raise motivation and working spirit among the employees. The present study is made an attempt to identify welfare measures and employee's satisfaction level about welfare measures adopted at TSRTC Warangal depot. To achieve the aforesaid objective, the primary data is collected through 120 employees using questionnaire. It is found that most of the respondents are aware about statutory and non-statutory welfare measures provided by TSRTC. The sample design adopted was statistical techniques like ANOVA have been exercised by using MS-Excel for those 120 respondents and found that most of the employees are extremely and very satisfied with the measures provided by TSRTC anyhow some are slightly and not at all satisfied.

KEYWORDS

TSRTC, welfare measures, statutory and non-statutory welfare measures, satisfaction levels.

JEL CODES

J28, J29.

INTRODUCTION

Welfare means faring or doing well. It is a comprehensive term, and refers to the physical, mental, moral and emotional well-being of an individual. Further, the term welfare is a relative concept, relative in time and space. It, therefore, varies from time to time, from region to region and from country to country.

Employee welfare is a term including various services, benefits and facilities offered to employees by the employers. The welfare measures need not be monetary but in any kind/forms. This includes items such as allowances, housing, transportation, medical insurance and food. Employee welfare also includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment from the workers and their families.

Employee welfare has two aspects---negative and positive. On the negative side, employee welfares are concerned with counteracting the baneful effect of the large-scale industrial system of production—especially capitalistic, so far as India is concerned---on the personal/family, and social life or the worker. On its positive side, it deals with the provision of opportunities for the worker and his/her family for a good life as understood in its most comprehensive sense.

TYPES OF WELFARE MEASURES PROVIDED BY T S R T C

The meaning of employee welfare may be made more clear by listing the activities and facilities which are referred to as welfare measures, they are divided into two broad groups.

1. Statutory welfare measures that is inside the work place.
2. Non statutory welfare measures that is outside the work place.

STATUTORY WELFARE MEASURES

Those schemes that are compulsory to provide by an organization as compliance to the laws governing employee's health and safety. These includes provision provided in industrial acts like factories act 1948, dock workers act [safety, health and welfare] 1986, mines act 1962.

Employee welfare measures taken up by TSRTC in compliance with statutory provisions include washing facilities for storing and drying clothing, first aid appliances, canteen, shelters, rest rooms and lunchrooms.

Statutory welfare measures include several activities like Conditions of the Work Environment, Conveniences, Workers' Health Services, Women and Child Welfare, Employment Follow- up, Workers Education.

Non statutory welfare measures

Labor welfare works is work for improving the health, safety and general wellbeing and the industrial efficiency of the workers beyond the minimum standards lay down by labor legislation.

The non-statutory welfare measures varies from organization to organization, industry to industry. These are the benefits provided not as per the laws, these are provided to attract, motivate, and to retain employee prerequisites or perks for employees.

Non statutory welfare measures includes several activities like Transport facilities, Educational facilities, Medical facilities, Employee provisions, Retirement benefit scheme, Additional facilities.

SIGNIFICANCE OF THE STUDY

Welfare benefits are a necessity in every organization today. Employees have to kept motivated at all times through various measures and activities. This strengthen their sense of belongingness and responsibility towards organization. In this background study is selected to know the welfare measures provided by TSRTC and the level of satisfaction of employees toward welfare facilities in respect to Warangal depot.

OBJECTIVES OF THE STUDY

This Article is aimed at analyzing the following objectives:

1. To identify various welfare measures provided among the Employees.
2. To analyse the Employees satisfaction towards welfare measures.

REVIEW OF LITERATURE

A.Varadaraj, D. Charumathi (2019) Has concluded that Employee welfare is a comprehensive term including various services, facilities, and services provided to employees for their furtherance. Thus from this study, it is found that the welfare measures provided by the Construction industry directly impact the work competence of the employees. Proper welfare measures should be provided to persuade the employees and increase proficiency and effectiveness. The Company should take steps to create awareness among the employees about the welfare measures provided as it falls under the rights of the employee to know about the welfare measures provided for him/her by the company.

G.Aarthi M.Phil, P. Srinivasan (Guide) MBA, M.Phil,(2018) Identified that the welfare and safety activities, which is followed by organization is satisfied and they want some improvements in the system. This project would be helpful for the company and also to improve some welfare and safety activities inside the company. The strength of any organization depends entirely on sincere working of all the employees. The management should take special care to frame certain policies procedures to improve the welfare and safety measure of the organizations.

Manasa Vadnala, P. Buela Prasanna Kumari(2017) Concluded that the study of employee welfare measures and its impact on employee satisfaction at BHEL appears good. The management required to provide good facilities to all employees in such way that employees become satisfied about employee welfare facilities. Where it leads to improve favorable effects of profitability and products of the organization. At last it can be concluded that the employee welfare facilities provided by the company to employees are satisfied and it is commendable, but still of scope is there for further improvement.

RESEARCH METHODOLOGY

Source of data: The data required for present study has been collected through the primary source by serving questionnaire among the Employees and also in the form of conducting face to face interviews. For the purpose of analysis of data, statistical techniques like Average, Scaling Techniques, and ANOVA have been exercised by using MS Excel.

DATA ANALYSES AND INTERPRETATION

Welfare measures provided to the Employees:

Statutory welfare measures	Non statutory welfare measures
1) Condition of work environment: Safety and Cleanliness, House keeping, Sanitation, Notice Board.	Transport Assistance: free bus tickets to family members upto six including employee and 50%off on ticket for retired employees
2) Conveniences: Rest rooms, Drinking Water, Canteen Services, Clock Room.	Educational Assistance: merit scholarships and professional scholarships.
3) Workers Health Services: Ambulance, Emergency Aid, Medical Examination for Workers.	Health and Medical Services: emergency ward, inpatient and outpatient care
4) Women and Child welfare: Maternity Aid, Creches and Child care, Separate services at women workers.	Employee Provisions: staff benevolent-cum thirft fund, staff benefit fund, employee deposit linked insurance fund. Etc.
5) Employment Follow up: Progress of operative work, adjustment problems regarded to machine, work load, supervisor and colleagues.	Retirement Benefits: additional monetary benefits to employee, family pension scheme, alternative job to disabled employee.
6) Workers' Education: Social education, daily news review, monthly magazines.	Additional Facilities: maternity benefit, uniform allowances, loans on vehicles/house, etc.

TABLE 1: EMPLOYEE PERCEPTIONS REGARDING GETTING AND NOT GETTING THE STATUTORY WELFARE MEASURES

Statutory welfare measures	No. of respondents		Percentage distribution	
	Getting	Not getting	Getting	Not getting
Conditions of work environment	84	36	70	30
Conveniences	93	27	77.5	22.5
Workers'health services	108	12	90	10
Women and child wefare	102	18	85	15
Employment followup	65	55	54.16	45.83
Workers education	78	42	65	35

Source: Compiled from Primary Data.

The analyses of data in Table 1 disclose that majority of the sample employees to the extent of 90 percent of the total sample are availing the health services provided by the TSRTC which is considered as top most service and the employment follow up service has been found least preference as only 54.16 percent of the respondents are getting the service out of 120 total sample workers under the study review. Women and child welfare service stood in second ranking position as 102 respondents are getting the service out of 120 total sample.

TABLE 2: EMPLOYEE PERCEPTIONS REGARDING GETTING AND NOT GETTING THE NON STATUTORY WELFARE MEASURES

Non statutory welfare measures	No. of respondents		Percentage distribution	
	Getting	Not getting	Getting	Not getting
Transport facilities	105	15	87.5	12.5
Educational facilities	96	24	70.83	29.16
Medical facilities	98	22	81.66	18.33
Employee provisions	100	20	83.33	16.66
Retirement benefit schemes	112	8	90	10
Additional facilities	95	25	75	25

Source: Compiled from Primary Data.

The analyses of data in Table 2 disclose that the data pertaining to non-statutory welfare measures provided by the TSRTC among the employees in the form of transport, educational and medical facilities. Among the respondents with the sample size of 120, majority of employees to the extent of 90 percent stated that they are availing the retirement benefit scheme facilities whereas 10 percent of the respondents could not get the retirement benefit scheme facility. In case of the transport facilities 87.5 percent expressed their positive opinion and 12.5 percent respondents with negative.

As far as educational facilities, medical facilities, employee provisions and additional facilities concerned the employees to the extent of 70.83 percent, 81.66 percent, 83.33 percent and 75 percent stated their positive towards the non-statutory welfare measures.

LEVEL OF SATISFACTION

Employees satisfaction towards welfare it is proposed to analyse the satisfaction levels of the employees towards the statutory and non-statutory welfare measures provided by the TSRTC for this purpose, the likert scale technique is applied to measure the satisfaction levels as per the following classification.

- 1) Not at all satisfied
- 2) Slightly satisfied
- 3) Moderately satisfied
- 4) Very satisfied
- 5) Extremely satisfied

TABLE 3: LEVEL OF SATISFACTION OF EMPLOYEES AVAILING STATUTORY WELFARE MEASURES

Sno	Getting statutory welfare measures	Not at all satisfied	Slightly satisfied	Moderately satisfied	Very satisfied	Extremely satisfied	Total
1	Conditions of work environment	3	8	20	25	28	84
2	Conveniences	4	9	25	30	25	93
3	Workers health services	3	11	21	43	30	108
4	Women and child welfare	4	15	25	31	27	102
5	Employment follow-up	3	6	14	10	9	42
6	Workers education	4	9	28	22	15	78
	Avg	21	58	133	161	134	507

Source: compiled from primary data

TABLE 4: PERCENTAGE ON LEVEL OF SATISFACTION OF RESPONDENTS AVAILING STATUTORY WELFARE MEASURES

Sno	Getting statutory welfare measures	Not at all satisfied	Slightly Satisfied	Moderately Satisfied	Very satisfied	Extremely Satisfied	Total
1	Conditions of work environment	3.57	9.52	23.8	29.76	33.33	99.98
2	Conveniences	4.3	9.67	26.88	32.25	26.88	99.98
3	Workers health services	2.77	10.18	19.44	39.81	27.77	99.97
4	Women and child welfare	3.92	14.7	24.5	30.39	26.47	99.98
5	Employment follow-up	7.14	14.28	33.33	23.8	21.42	99.97
6	Workers education	5.12	11.53	35.89	28.2	19.23	99.97
		26.82	69.88	163.84	184.21	155.1	599.9

Source: compiled from primary data

DATA ANALYSES

The analyses of data in table 3 and 4 describe the satisfaction levels of sample respondents on getting statutory welfare measures. Six statutory measures were taken into consideration, they are 1. Conditions of work environment; 2. Conveniences; 3. Workers health services; 4. Women and child welfare; 5. Employment follow-up; and 6. Worker’s education.

From the table it is observed that among 84 of the respondents, 33.33 percent of sample respondents were extremely satisfied with the conditions of work environment provided by the TSRTC Warangal depot, among which 3.57 percent of sample respondents were not at all satisfied. Followed by conveniences out of 93 of respondents 32.25 percent of sample respondents were very satisfied with the conveniences provided by TSRTC at Warangal depot, among which 4.3 percent of sample respondents were not at all satisfied.

In case of worker’s health services, out of 108 respondents, 39.81 percent of sample respondents are very satisfied with the conveniences provide by TSRTC Warangal depot, among which 2.77 percent of sample respondents were not at all satisfied. Followed by women and child welfare out of 102 of respondents, 30.39 percent of sample respondents were very satisfied with the women and child welfare provided by TSRTC Warangal depot, among which 3.92 of sample respondents were not at all satisfied.

However, in respect of employment follow up, out of 42 of respondents 33.33 percent of sample respondents were moderately satisfied with the employment follow up provided by the TSRTC Warangal depot, among which 7.14 percent of sample respondents were not at all satisfied. Followed by worker’s education out of 78 of respondents 35.89 percent of sample respondents were moderately satisfied with the worker’s education provided by TSRTC Warangal depot, among which 5.12 percent of sample respondents were not at all satisfied.

Overall view: It is observed that among all the getting statutory welfare measures the highest 39.81 percent of sample respondents were very satisfied with the workers’ health services.

Further, the data has been tested by exercising ANOVA with the following null hypothesis.

H1: There is no significant difference among the levels of satisfaction of the respondents as far as getting of statutory welfare measures are concerned and the result of ANOVA is shown in the following table-5.

TABLE 5: ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	555.9	5	111.18	0.9224	0.484	2.620654
Within Groups	2892.8	24	120.533333			
Total	3448.7	29				

Source: compiled from primary data

From the above table-5, it is observed that the calculated F value 0.922 is less than the table value (F crit) 2.620, as such the null hypothesis stands accepted. Hence it is inferred that there is no significant difference among the levels of satisfaction of sample respondents as far as getting of Statutory welfare measures are concerned.

TABLE 6: LEVEL OF SATISFACTION OF EMPLOYEES AVAILING NON STATUTORY WELFARE MEASURES

Sl. No	Getting non statutory welfare measures	Not at all satisfied	Slightly satisfied	Moderately satisfied	Very satisfied	Extremely satisfied	Total
1	Transport facilities	2	9	21	30	43	105
2	Educational facilities	3	8	32	30	23	96
3	Medical facilities	3	11	21	33	30	98
4	Employee provisions	4	8	25	28	35	100
5	Retirement benefit schemes	3	9	22	31	47	112
6	Additional facilities	5	15	28	26	21	95
	Avg	20	60	149	178	199	606

Source: compiled from primary data

TABLE 7: PERCENTAGE ON LEVEL OF SATISFACTION OF RESPONDENTS AVAILING STATUTORY WELFARE MEASURES

Sl. No	Getting non statutory welfare measures	Not at all satisfied	Slightly satisfied	Moderately satisfied	Very satisfied	Extremely satisfied	Total
1	Transport facilities	1.9	8.57	20	28.57	40.95	99.99
2	Educational facilities	3.12	8.33	33.33	31.25	23.95	99.98
3	Medical facilities	3.06	11.22	21.42	33.67	30.61	99.98
4	Employee provisions	4	8	25	28	35	100
5	Retirement benefit schemes	2.67	8.03	19.64	27.67	41.96	99.97
6	Additional facilities	5.26	15.78	29.47	27.36	22.1	99.97
	Avg	20.01	59.93	148.86	176.52	194.57	599.89

Source: compiled from primary data

Data analyses in table-7 disclose that the satisfaction levels of sample respondents on getting non statutory welfare measures. Six non statutory measures were taken into consideration, they are 1. Transport facilities; 2. Educational facilities; 3. Medical facilities; 4. Employee provisions; 5. Retirement benefit schemes; and 6. Additional facilities.

It is observed that among 105 of the respondents, 40.95 percent of sample respondents were extremely satisfied with the transport facilities provided by TSRTC Warangal depot, among which 1.9 percent of sample respondents were not at all satisfied. Followed by educational facilities out of 96 of respondents 33.33 percent of sample respondents were moderately satisfied with the educational facilities provided by TSRTC at Warangal depot, among which 3.12 percent of sample respondents were not at all satisfied.

In case of medical facilities, out of 98 respondents, 33.67 percent of sample respondents are moderately satisfied with the medical facilities provide by TSRTC Warangal depot, among which 3.06 percent of sample respondents were not at all satisfied. Followed by employee provisions out of 100 of respondents, 35 percent of sample respondents were extremely satisfied with the employee provisions provided by TSRTC Warangal depot, among which 4 percent of sample respondents were not at all satisfied.

However as far as retirement benefit schemes are concerned, out of 112 respondents 41.96 percent of sample respondents were extremely satisfied with the retirement benefit schemes provided by the TSRTC Warangal depot, among which 2.67 percent of sample respondents were not at all satisfied. Followed by additional facilities out of 95 of respondents 29.47 percent of sample respondents were moderately satisfied with the worker's education provided by TSRTC Warangal depot, among which 5.26 percent of sample respondents were not at all satisfied.

Overall view: It is observed that among all the getting non statutory welfare measures the highest 41.96 percent of sample respondents were extremely satisfied with the retirement benefit schemes.

Further the data has been tested by exercising ANOVA with the following null hypothesis:

H2: There is no significant difference among the levels of satisfaction of respondents as far as getting of non-statutory welfare measures is concerned. The result of ANOVA is shown in the following table – 8.

TABLE 8: ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	41.6	5	8.32	0.04260113	0.9988	2.620654
Within Groups	4687.2	24	195.3			
Total	4728.8	29				

Source: compiled from primary data

From the above table it is observed that the calculated F value 0.0426 is less than the table value (F crit) 2.621, as such the null hypothesis stands accepted. Hence it is inferred that there is no significant difference among the levels of satisfaction of sample respondents as far as getting of non-statutory welfare measures are concerned.

CONCLUSION

Implementation of employee welfare measures is much integrated and strategically involved. The most important task of labour welfare practices is to provide fair wages, good working conditions and realistic terms and conditions of employment. The labour welfare practices comprises both statutory and Non-statutory provisions as prescribed under the labour legislations formulated by the nation. Thus from the study it can be concluded that employees in the sampling units do have extremely satisfied with retirement benefit schemes of the non-statutory welfare measures and moderately satisfied with the health services of statutory welfare measures being provided by TSRTC Warangal depot.

SUGGESTIONS

The TSRTC Warangal depot has to create an environment that induces more awareness and satisfaction levels on the prevailing employee welfare practices.

Statutory welfare measures are to be implemented with due care and caution in order to increase the level of satisfaction among the respondents.

With regard to the Non-statutory employee welfare measures, the TSRTC Warangal depot have to take more initiatives in implementing the various provisions under the said acts for the wellbeing and work commitment of their employees.

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IMPACT OF GOODS AND SERVICES TAX (GST) ON MSMEs

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ABSTRACT

Micro, Small, and Medium Enterprises MSMEs are engines for the development of the country. (MSMEs) sector is essential for the Indian Economy. MSMEs providing employment opportunities to around 117 million people (Annual Report of Ministry of MSME 2018-2019) and also accounts for 40% of Indian exports (4th census of MSME sector), and contributes 28.90% (Annual Report of Ministry MSME 2018-19) to India's GDP. Especially for labor-intensive countries like India, the need of MSMEs is crucial. Taxation policies of a nation also influence significantly on the performance and growth of MSMEs; compliance requirements are relatively less in GST for MSMEs. In this paper, the researchers attempted to analyze the factors which influence on payment of GST by MSMEs. The positive impact of GST and Problems faced by the MSMEs after implementation of GST are examined.

KEYWORDS

MSMEs, GDP, GST.

JEL CODES

K34, H21, H25.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the essential constituents for the development of the Indian economy and are providing employment opportunities to around 100 million peoples. They play a crucial role in enhancing skills of the workforce, they facilitate for channelizing investments of small and middle-income groups of the country, and on average, MSMEs share 40% of the total exports of the country (4th census of MSME sector) and accounts for 28.90% of GDP (as per annual report of MSME). In India, the presence of MSMEs is more in the job work sector. They are proving helping hands to large manufacturing industries by making manufacturing activities cost-effective and efficient.

MSMEs in India have a strong potential for growth. MSMEs face many problems that hamper their growth like technological obsolesces, rise in domestic and foreign competition, dynamic business environment, fund shortages, complicated tax laws, etc.

The need for tax reforms is crucial for progress of any economy; the taxation policy of a country will have more significant implications on ease of doing business; a simplified tax system will motivate entrepreneurs to undertake new ventures. To reap the benefits of simplified tax policy, the government of India unveiled Goods and Services Tax (GST) on 1st July 2017. It provides a bunch of benefits to MSMEs in terms of higher threshold exemption limits, Composition levy benefits, quarterly filing of returns, Input tax credit (ITC), E-way bill, smooth and hassle-free compliances, etc. As per ease of doing business report of World Bank 2020 report, India's rank is improved to 63rd

MSME being an important engine of national growth, it is important to understand provisions of GST that impacts MSMEs.¹ Goods and Services Tax (GST) is a very lucrative step taken by the government of India towards the unification of India with single tax rates across the country, making the country a single market. GST enables a favorable environment for doing business in India. As every policy has both advantages and disadvantages, GST also has drawbacks that need to be solved. Some of the drawbacks to MSMEs are increased compliance cost, need for technical expertise for filing of returns, need for Information technology (IT) infrastructure facilities, glitches in software, etc. That will influence the working of small and medium enterprises adversely.

REVIEW OF LITERATURE

Vidit Mohan and Salman ali² conducted a study to assess the impact of GST on MSMEs and they collected qualitative and quantitative data from selected MSME owners in Raipur, India. It is found from the study that there is a scope for the effective deployment of GST.

S. Goutami³ conducted research to study the awareness of GST among micro, small, and medium enterprises in Chittoor district, Andhra Pradesh India. She highlighted that there is a positive relationship between business size, Business experience and GST perceived issues and problems in the selected district. Study found that 70% of the respondents are aware of the GST mechanism; business operators with an annual turnover of more than 1.5 crores are more likely to have a higher level of awareness regarding GST.

Panduranga V⁴ found that dealers involved in trading and manufacturing of goods who opted for composition schemes and dealing in goods with a high rate of GST get more profit.

Jojo K Joseph and Ranu Jacob⁵ analyzed the relationship between various factors in determining the tax compliance behavior of MSMEs in GST regime. They proposed a conceptual model indicating various factors such as awareness of tax payers, knowledge, satisfaction, demographic factors, and service quality of tax compliance. how these factors influence the determinants on tax compliance of MSMEs.

OBJECTIVES OF THE STUDY

The aim of the study is as follows

1. To study factors, which has its influence on payment GST.
2. To analyze the problems faced by MSMEs after GST implementation.
3. To study the advantages of GST to MSMEs.

RESEARCH METHODOLOGY

This study is descriptive in nature. Analyzing the factors influencing the compliance made by MSMEs and advantages and disadvantages of Goods and Services Tax (GST) on MSMEs forms the crux of the study. Data is collected from secondary sources like annual reports of ministry of MSME, Ministry of finance, and Reports of GST council on MSMEs, RBI reports, News Papers, national and international journals are used.

DISCUSSIONS**CLASSIFICATION OF MSMEs IN INDIA**

MSMEs are classified on the basis of nature of the activity undertaken and the amount of investment made on them. The following table represents the type of enterprise and amount need to be invested in qualifying the criteria of Micro, Small, and medium enterprise:

TABLE A

Type of Enterprise	Investment		
	Micro	Small	Medium
Manufacturing (Ceiling on investment in plant and machinery)	Less than 25 lakhs	Between 25 lakhs to 5 crore Rupees	Between 5 crores to 10 crore Rupees
Service (Ceiling on investment in equipment)	Less than 10 lakhs	Between 10 lakhs to 2 crores	Between 2 crores to five crores

TABLE 1: SHOWING SHARE OF MSMEs TO GVA AND GDP

Year	MSME Gross Value Added (GVA)*	Growth	Total gross value added	Share of MSMEs in GVA (%)	Total GDP **	Share of MSME in GDP (%)
2011-2012	2622574	-	8106946	32.35	8736329	30%
2012-2013	3020528	15.17	9205692	32.82	9944013	30.40%
2013-2014	3389922	12.23	10363153	32.71	11233522	30.20%
2014-2015	3704956	9.29	11504279	32.21	12467959	29.70%
2015-2016	4025595	8.65	12566646	32.03	13764037	29.20%
2016-2017	4405753	9.44	13841591	31.83	15253714	28.90%

Source: Annual Report Ministry of MSME 2018-2019.

* GVA by Production approach (GVA = Output-Material input)

* GVA by Income approach (GVA = compensation of employees+ operating surplus+ CFC)

**GDP = GVA at basic prices + subsidies+ taxes on products

From Table-3 and chart-1 it can be inferred that MSMEs contribute significantly to Gross value added (GVA) and to Gross Domestic Product (GDP), i.e., GVA (15.77) and GDP (30.40%) in the year 2012-2013 which is second largest contributor to GDP after agriculture sector. But in recent times, the contribution of MSMEs to GVA and GDP is declining considerably i.e. GVA share is (31.83%) and (28.90%) to the GDP. Which shows declining trend in share of MSMEs to GVA and GDP. Although, Government is coming with many policy incentives the growth is not encouraging in MSMEs. Therefore, there is a need to encourage MSMEs by providing incentives like further simplifying GST returns filing and other incentives.

CHART 1: SHOWING THE SHARE OF MSMEs IN GROSS VALUE ADDED AND GROSS DOMESTIC PRODUCT

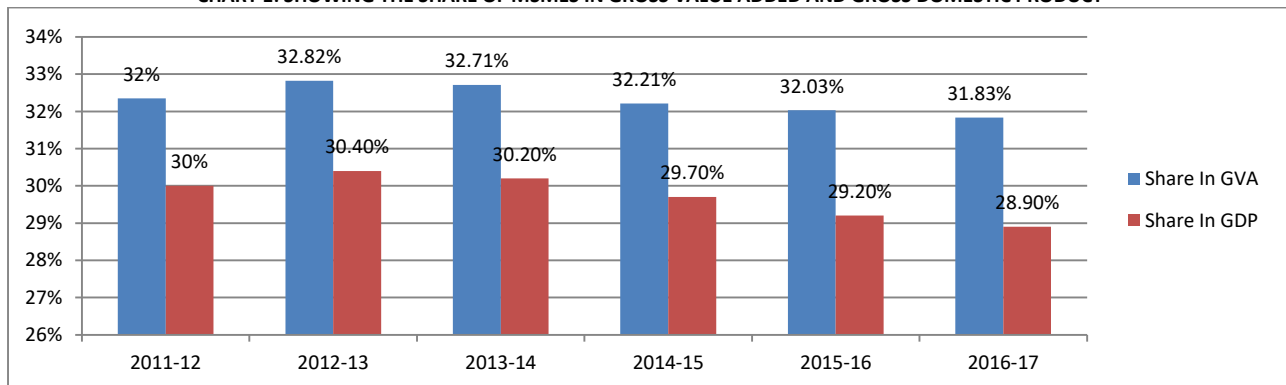


TABLE 2: SHOWING TYPE OF MSMEs AND JOB OPPORTUNITIES PROVIDED

TYPE OF ENTERPRISES	TOTAL NUMBERS	SHARE AS A PERCENT OF TOTAL MSMEs	JOB OPPORTUNITIES IN MILLION	PERCENTAGE OF EMPLOYMENT
MICRO	630.52	99.47	107.62	96.97
SMALL	3.31	0.52	3.19	2.87
MEDIUM	0.05	0.00789	0.18	0.16
TOTAL	633.88	100	110.98	100

Source: Annual Report Ministry of MSME 2018-2019.

Along with contributing significantly to GDP MSMEs also provide employment opportunities to 110 million persons. Especially labor intensive country like India MSMEs are essential why because they provide large employment opportunities with lower cost of capital needed to manage the affairs of the enterprise as we see in the above table Micro enterprises which accounts 99 % of the total MSMEs and they are providing 107.62 million job opportunities, in case of small and medium enterprises the share is comparatively less.

CHART 2: SHOWING GST WORKSHOPS CONDUCTED



Source: Central Board of Indirect taxes and customs

Since GST is a fully digitalized it becomes difficult for MSMEs entrepreneurs to comply with the provisions of GST. Therefore, there is need to create awareness in the minds of entrepreneurs by conducting workshops and trainings. Chart-2 depicts Since implementation of GST more than 10970 workshops are conducted and

more than 20000 entrepreneurs are trained. If MSMEs are compliant with GST They will get benefits like access to 59 minutes loan portal which enable easy credit access to loans. and also, in principle approval for loans up to Rs 1 crore. And also 2 % interest subvention for all GST registered MSMEs on fresh and incremental loans.

PERSONS LIABLE FOR REGISTRATION UNDER GST

A person is liable to Register under GST if his aggregate turnover in a financial year exceeds in case of a supplier of service is 20lakh (10lakh for sates of Mizoram, Manipur, Tripura, and Nagaland). And in the case of goods supplier is Rs.40lakh (20lakh in states of Manipur, Arunachal Pradesh, Mizoram, Meghalaya, Puducherry, Nagaland, Sikkim, Tripura, Telangana, and Utter Pradesh).

PERSONS NOT LIABLE FOR REGISTRATION:

- The persons whose aggregate supply is below the exemption limit mentioned above.
- Persons engaged in the supply of non-taxable goods or services.
- Agriculturist to the extent of supply of produce out of his land cultivated
- GST liable to paid under Reverse Charge Mechanism by the recipient of goods or services.

SPECIAL REGISTRATION PROVISIONS TO MSMEs:

The following exemptions are provided to MSMEs to facilitate trade based on turnover:

TABLE B

Type of Supplies made	Threshold Exemption Limit
Intra-state supply of goods	Rs.40lakh (20lakh in case of states Manipur, Arunachal Pradesh, Mizoram, Meghalaya, Puducherry, Nagaland, Sikkim, Tripura, Telangana, and Utter Pradesh)
Intra-state supply of Services	Rs. 20lakh (10lakh in case of certain category states as mentioned above)
Inter-state supply of services (not goods)	Rs. 20 lakhs (10lakh in case of certain category states as mentioned above)

Exemption from a compulsory audit by CA for the MSME sector: Every registered person whose turnover is up to Rs.2Crore is exempt from getting accounts audited by chartered accountants or cost accountants. This measure helps MSMEs as there is no need for compulsory documentation.

COMPOSITION SCHEME OF GST

It is a scheme under GST law. This scheme is specially designed for Micro, Small and Medium Enterprises (MSMEs), which are having lower turnover, and the rate of tax under this scheme is also low. It is one of the simple and hassle-free compliance scheme for taxpayers. It is a voluntary and optional scheme.

FEATURES OF COMPOSITION SCHEME

- No input tax credit available on a supply made
- The supplier of the goods is not liable to collect any tax from the goods supplied by him.
- In case of supply of goods. If the turnover is less than Rs. 1.50 crore (Rs.75 Lakh for special category states) in the previous financial year can opt for this scheme.
- The supplier of services can opt for this scheme if the turnover is Rs.50 lakhs, and the rate applicable is 6%.
- Tobacco, Pan-Masala, Ice-crème manufacturers cannot opt for this scheme.
- Tax rates applicable are 1% for the manufacturing of goods, 5% Restaurants not serving alcohol, and 6% for service providers. (Tax is shared between center and state governments equally).
- Quarterly payment of tax
- The supplier is not eligible to issue a tax invoice under this scheme. He has to mention "Composition taxable person, not eligible to collect tax on supplies" on every bill he issued.

WHILE COMPUTING THE LIMIT OF 1.5 CRORE INCLUSIONS AND EXCLUSIONS ARE AS FALLOWS:

TABLE C

Includes	Value of all outward supplies
	1. Taxable supplies
	2. Exempted supplies
	3. Exports
	4. Inter-State supplies
	Persons having same PAN their turnover is computed on all India basis
Excludes	CGST/SGST/UTGST/IGST/Cess
	Value of inward supplies on which tax is payable under reverse charge

RETURNS FILING UNDER COMPOSITION SCHEME

Persons opting for Composition Scheme need to file GSTR-4 form, which is filed on a quarterly basis.

DUE DATES FOR FILING GSTR-4

TABLE D

Period	Due date
April-June 2019	18 th July 2019
July-September 2019	18 th October 2019
October-December 2019	18 th January 2020
January-March 2020	18 th April 2020

GST RETURNS FILED

TABLE E

Type of Return	Eligible tax payers	Returns filed	Percentage of filing
GSTR-1	4570216	2475806	54.17
GSTR-3B	10491309	8114445	77.34
GSTR-4	1683706	1013901	60.21

Source: Goods and services tax council (GSTC) website. & Tax management India.com

Under GST, every registered person needs to file their returns electronically in form GSTR-1 before the 10th of every succeeding month. Similarly, all registered persons liable to submit a summary return of liabilities, input tax credit, and payment of tax pertaining to the month they need to file GSTR-3B form on or before the 20th of succeeding month. To facilitate trade of MSMEs, the government notified that the persons having turnover up to 1.5 can opt for composition scheme. Unlike regular taxpayers, compositions dealers required to file on a quarterly basis. They need to file GSTR-4 within in 18th of every succeeding quarter. The above tables give an idea about the number of active registered tax payers and the returns filed by them.

TABLE 3: SHOWING THE STATE WISE DISTRIBUTION OF COMPOSITION DEALERS

State	Number of Composition Dealers in 2018	Percentage of Total Composition dealers	Number of Composition Dealers in 2019	Percentage of Total Composition dealers	Growth/Decline %
Uttar Pradesh	3,48,024	19.7%	3,54,629	20.2%	+1.86%
Rajasthan	1,62,002	9.2%	1,59,368	9.0%	-1.65%
Maharashtra	1,58,514	9.1%	1,55,548	8.8%	-1.90%
Andhra Pradesh	1,10,630	6.5%	1,12,839	6.3%	+1.96%
Karnataka	1,15,174	6.4%	1,12,161	6.3%	-2.68
Gujarat	1,13,629	6.2%	1,11,198	6.4%	-2.186
Bihar	90,441	5.3%	94,128	5.2%	+3.92
Tamil Nadu	93,574	5.1%	92,014	5.4%	-1.70
West Bengal	82,631	4.6%	79,165	4.5%	-4.37
Madhya Pradesh	67,736	3.8%	63,508	3.6%	-6.62
Other states	4,26,229	24.1%	4,28,398	24.3%	+0.50
Total	17,68,584	100%	17,62,956	100%	-0.31

Source: GST annual report on MSMEs 2018-2019

The above table provides an idea about the growth of composition dealers as the composition scheme is specially designed for micro, small and medium enterprises. There is positive growth in some of the states like Bihar, Uttar Pradesh, and Andhra Pradesh. And in other states, there is a declining growth and in all other states, there is negative growth of 0.31%. So, there is a need to simplify the process and bring awareness in the minds of MSME entrepreneurs about features of the composition scheme by organizing workshops and training.

FACTORS INFLUENCING TAX PAYMENT OF MSMEs

Awareness towards GST: Tax awareness is an important factor influencing the payment of tax. If the tax payer is unaware of the concept of supply which is very important in GST, and incidence of tax, rate of tax applicable, the process of filing of returns, as the GST tax law is new to taxpayers, it leads to a reduction in tax compliances made by the micro, small and medium enterprises (MSMEs). Tax payers may fail to comply with tax laws and regulations unintentionally due to a lack of tax knowledge and poor tax awareness⁶. To boost tax compliances among both male and female entrepreneurs, proper awareness needs to be created by way of training and workshops.

Knowledge about GST: Tax knowledge is an important factor which influences the decisions taken by tax payers towards payment of tax; it's the extent which taxpayer understands tax law. Tax knowledge refers to the process by which taxpayers become aware of tax legislation and other tax-related information⁷. Poor knowledge about tax can lead to distrust and a negative attitude towards compliance⁸. As per records, there is a significant presence of MSMEs in rural India there are confusions in the minds of them towards payment GST, due to lack of knowledge it leads to decline in the compliances made by MSMEs. This issue needs to be addressed properly.

Tax compliance: Tax compliance is a process of payment of tax by the tax payer and enjoying the rights of taxation according to the provisions applicable to him/her. Many returns need to be made in GST law, i.e., 36 in case of regular GST and 5 in case of composition dealers. And there must need to be proper documentation maintained to get accounts audited. It is difficult for small and medium enterprises to comply with the cumbersome provisions of the tax law. In turn, it leads to delay in making returns, non-submission and understatement of income by the assesses, Tax noncompliance also caused by many factors as pointed by the scholars they include Individual, economical, institutional, political, psychological, to increase the compliance of tax, the procedure of filing must be made tax payers friendly.

Quality of Service: Quality of services provided by the GST to tax payers will also influence significantly on tax compliances made by the tax payers. In GST, every person needs to make online returns. The person who is not much tech-savvy cannot be able to file the returns unless he takes the help of a tech-savvy person. Therefore, there is a need for more GST Seva Kendras, which will make GST filings easy.

Another point that needs to be considered in GST services is a flow of Input Tax Credit (ITC) which is one of the important features of GST. Due to the glitches in software, there is a delay in the crediting of input tax; it will affect the liquidity of the enterprises adversely, so the technical problems need to be addressed to provide a tax credit on a timely basis. Service quality of government staff was identified as a key factor in determining the efficiency in tax collection, which leads to taxpayer satisfaction and compliance⁹. The quality of services must satisfy taxpayers to encourage compliances made by them.

Tax payers Satisfaction: The improvement of service quality will increase taxpayer satisfaction so that the taxpayer would be more complying in paying the tax. Several studies revealed that there is a relationship between the antecedents of tax compliance like attitude, tax knowledge, tax fairness perception, and service quality with tax payer's compliance behavior, which will have a positive effect on tax payer's satisfaction and their compliance behavior. In other words, a satisfied taxpayer is motivated towards payment of tax.

POSITIVE IMPACT OF GST ON MSMEs

Simpler Provisions for starting of new Business: Under GST, the process of starting businesses is uniform across the country, and standardized online registration under GST will ensure timely issuance of a certificate of registration and minimal interference of government and also refund available through electronic credit ledger. But in the case of sales tax, there are various slabs based on turnover, which require VAT registration. A business that is having interstate operations is difficult to comply with the provisions of the law, and it also increases the compliance cost of the MSMEs due to which price sensitive enterprises are overburdened.

Improved accounting Systems: In an earlier tax system, the enterprises are using the old accounting systems, which are not so systematic and less standardized, and they are prone to errors. But in the GST system, all enterprises must adopt digital ways to maintain accounting records, which improve the efficiency of MSMEs by maintaining proper accounting records. This will also benefit customers, vendors, and financial institutions to grant loans.

Increased transparency: Due to the authentication of invoices in digital transactions, digital ways of maintaining accounts, and filing of online returns, there is less scope for evading the tax by enterprises and also reduces the corruption practices of officers. Digital ways of payment of tax will reduce the compliance cost, GST will have a taxpayer friendly system, and it will encourage fair competition among the enterprises involved in trade and commerce.

Low tax rates: In the VAT tax system, there are about 18 types of taxes that are levied on goods. And there is a separate rate of services. That leads to double taxation of goods, i.e., cascading of taxes, which resulted in levying more tax to assesses, especially for price sensitive MSMEs it becomes the burden as they need to make profits in small margins. However, after the introduction of GST, there is a reduction in the cascading of taxes and lowering the tax rate on almost all goods produced by MSMEs. It will be helpful for enterprises and also to customers.

Reduction in logistic cost and time: In GST, there is no entry tax to be paid for transporting goods from one part of the country to another part of the country. As a result, there is a faster movement of goods across the country without the need to stop at toll check posts, which in turn saves thousands of hours being get wasted. According to a report by CRISIL, the logistics cost after GST would be reduced significantly to 20%. It is expected to boost e-commerce across the nation.

Creating a uniform platform: After GST implementation as the main theme behind GST is to integrate India with the Principle "One Nation One Tax" it becomes easier for small businesses to explore national markets by taking the benefits of GST such as one tax rate, lower barriers of registration, availability of input tax credit in case of interstate trade and other advantages. It will also lead to an increase in reach to customers who are in different states with the same price being charged to all. Earlier in sales tax and VAT regime, although India is one country, many taxes are prevailing in each state making interstate transactions costlier and cumbersome after GST; India is viewed as a single market for doing business.

Composition scheme: Among all features of the GST composition scheme is of at most important to MSMEs as this scheme provides for lower tax rates, quarterly filing of returns, provides relief for compulsory maintenance of books of accounts, and other benefits which are fruitful to MSMEs success. Apart from that Goods

and services Tax Network (GSTN) also providing free accounting billing software to composition dealers, it is helpful for small traders they can create invoices and maintain accounting statements manage inventory and preparation of GST returns digitally so, they can improve efficiency and reduce filing time and cost.

PITFALLS OF GST ON MSMEs

Lower threshold exemption limit: The exemption limit provided in GST law is low, i.e., Rs 20 lakh (10 lakhs for north east and hilly states). However, the exemption limit is increased to 40 lakh (20 lakhs for north east and hilly states) w.e.f 1st April 2019. But it applies only to intrastate dealers and not for Interstate dealers. It will affect adversely on working capital of the MSMEs, which are dealing in interstate trade.

Difficulties in maintaining documents: In GST, the assesses must maintain documents to comply with the legal provisions; otherwise, they have to bear heavy fines. It will particularly affect SMEs as most of these enterprises will be run by illiterate entrepreneurs.

Putting petroleum out of the preview of GST: Presently petroleum products are out of the preview of GST, for small traders who are in transportation business and manufacturers who're processes require petroleum products like petrol, diesel, crude oil, etc. to run their business will they have to pay more VAT, which will also increase their product costs. This practice of the government will not support the ideology "One nation One Tax."

Increased compliance cost: In GST, the tax payer needs to make 36 annual returns and five returns for composition dealers, which is hectic for businesses and also. GST requires technological knowledge for filings of returns and making of payment of tax, for non-tax-savvy persons who are not much known about procedures and who do not have the good technological infrastructure, it will be difficult for them to pay tax at specified due dates. Again, they need to hire tax practitioners and also purchase technological instruments. It will become an extra burden for them, and if they missed the due date, they have to make payment of penalties. It will also increase the compliance cost of MSMEs.

Non availability of Input tax credit under composition scheme: Composition dealers are not able to claim the input tax credit on the subsequent supplies made by them, so, for that reason, the registered taxable persons will not be encouraged to do business with composition dealers. And also, composition dealers cannot be able to undertake interstate transactions. For SMEs which are operating in interstate, it is a drawback, and they will not get ITC from such transactions.

Lack of infrastructure facilities: In the GST regime, the small and medium enterprises need at least one computer and network facility to carry out the tax filing process. As many MSMEs in India are in the rural area they cannot be able to get information technology services in their place. Lack of infrastructure facilities also discourages rural entrepreneurs from carrying out business.

CONCLUSION

MSMEs are the engines of Indian economic development; they can foster entrepreneurship and generate more substantial employment opportunities at a lower cost of capital. MSMEs also act as ancillary industries to large industries by contributing significantly to the inclusive industrial development of the country. As per the data, the presence of MSMEs is more in rural areas, which bring down the regional imbalances in the country and enhances rural industrialization. Indian MSMEs have a strong potential for growth. But many factors will influence their growth; one among the elements is the taxation policy of a nation. To make Indian MSMEs more competitive in the globalized world, the need for taxation reforms is crucial. As a measure to improve the ease of doing business, and to modernize tax system, the Government of India implemented GST in India on 1st July 2017 with the principle of "One Nation One Tax," which is a vital step taken for unifying India in terms of the same tax rates and rules across all over the country. It also makes India an attractive destination for more inflow of Foreign Direct Investment (FDI). GST provides many benefits to small and medium enterprises, and also it has drawbacks that need to analyzed and corrective actions required to make GST more taxpayers friendly, which in turn will be most beneficial to Micro, Small and Medium enterprises.

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