

A Study On The Growth And Effect Of Micro, Small, And Medium Enterprises (Msmes) In Thoothukudi District

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ABSTRACT

India is a developing economy. There are three main sections farming, industry and Service which contribute to the growth. In the assiduity branch, Micro, Small and Medium Enterprises (MSMEs) have appeared as a forceful and vibrant sector of the frugality. Compared with large diligence, MSMEs give large employment openings at lower costs and contribute to the nation's GDP growth rate. These MSMEs are engaged in the manufacturing of further than 8000 products, where they use traditional as well as ultramodern technology. In the current study, the objects of the exploration study are to study the growth trends of MSMEs in Tamilnadu frugality; to study the donation of MSMEs to employment and exports of tamilnadu State; to assay the Government's support to MSMEs through programs and programmes and to identify the problems faced by MSMEs in Tamilnadu. This study is grounded on both primary and secondary data. Primary data is collected from one quarter in Tamilnadu grounded on the executive division (One quarter from thoothukudi) and the viscosity of MSMEs in the state. The government programs and programmes are helping MSMEs in their growth and progress similar as Credit linked capital subvention for technology up- gradation scheme, MSME – request development and impact backing, raw material purchase backing, Pradhan Mantri MUDRA Yojana, etc. The study set up those micro enterprises faced more finance, marketing, product, and raw material problems compared to small and medium enterprises, while mortal resource operation problems are advanced in medium enterprises.

Keywords: *Socio-economic, Employment, Investment, Challenges, Regression.*

1. INTRODUCTION:

Micro, Small and Medium Enterprises (MSMEs) have been considered as a machine of profitable growth and as crucial instruments for promoting indifferent development. MSMEs constitute further than 90 per cent of total enterprises in utmost of the husbandry and they're credited with generating the loftiest rates of employment growth and account towards a major share of artificial product and exports. In India, the micro, small and medium enterprises play a vital part in the overall artificial frugality of the country. In recent times, the micro, small and medium enterprises have constantly registered a advanced growth rate when compared to the other artificial sectors. The major advantage of the sector has its employment eventuality at a low capital cost. The labour intensity of the MSME sector is much advanced than that of large enterprises. They further help to achieve a fair and indifferent distribution of wealth by indigenous dissipation of profitable conditioning. MSMEs help in fostering a tone- help and entrepreneurial culture by bringing together chops and capital through colorful lending and skill improvement schemes. These enterprises conduct the adaptability to repel profitable paroxysms and maintain a reasonable growth rate since being indigenous as the key to sustainability and tone- adequacy. In India too, MSMEs including khadi and vill/ pastoral enterprises play a vital part in the profitable and social development of the country, frequently acting as a nursery of entrepreneurship. They also play a crucial part in the

development of the frugality with their effective, effective, flexible and innovative entrepreneurial spirit. The MSME sector contributes significantly to the country's manufacturing affair, employment and exports and is credited with generating the loftiest employment growth as well as counting for a major share in artificial product and exports. Over the last five decades, MSME sector has surfaced as a largely vibrant and dynamic sector of the Indian frugality. The sector not only plays a critical part in furnishing employment openings at comparatively a lower capital cost than large diligence but also helps in industrialisation of pastoral and backward areas, to reduce the indigenous imbalances and assuring further indifferent distribution of public income and wealth. MSMEs are reciprocal to large diligence as ancillary units and contribute tremendously to the socio- profitable development of the country..

2. REVIEW OF LITERATURE

Sarthak Sengupta, Apoorva Dhuria, Tina Munjal, and Anurika Vaish (2020) Explain That Labour and products tax, also known as goods and services tax (GST), is an indirect tax implemented in India to boost economic growth. although introduced in 1999, GST wasn't rolled out until July 1, 2017, replacing multiple state and local taxes with a single tax, earning it the slogan "one nation one tax". the study examines the impact of GST in India, revealing mixed reactions from citizens. the government's goal was to bring more people under the tax net and curb black money, but many Indians were uncertain about the

changes. the study suggests revisiting the structure and ensuring Steady Progress.

Priyanka Sharma (2020) States that Goods and Services Tax (GST) is a single tax that combines all indirect taxes in India, making it a national tax. As it's uniform across states, a product is taxed equally everywhere. GST taxes value added at each production stage, from maker to consumer. This paper explains GST, its structure, and types, and examines its pros and cons on India's economy, using secondary data from books, journals, and more.

3. STATEMENT OF THE PROBLEM

The Government encourages financing aid to micro, small and medium enterprises on the grounds of socio-profitable justice. The impulses are available for the micro, small and medium enterprises multitudinous with the view to develop the backward areas. It's generally set up that the creation of micro, small and medium enterprises has entered a serious reversal and important has been mooted over the means to revive the micro, small and medium enterprises for a long time. The scene at the state position is also not encouraging. Hence, it's necessary to estimate the performance of the micro, small and medium enterprises, to assay its growth, to find the means to revive it and to assess the effectiveness of measures designed for the creation of the micro, small and medium enterprises. Inefficient entrepreneurship, deficiency of working capital, frequent power cuts, labour and marketing problems, high interest rate on borrowings and delayed consummation of receivable are the main causes for the slow development of micro, small and medium enterprises. The Government related factors include duty burden on the unit, especially import duties, excise duties and deals duty, legal restrictions and frequent changes in Government programs are be affect the micro, small and medium enterprises.

OBJECTIVES OF THE STUDY

- 1.To analyze the growth of selected micro small and medium enterprises in terms of ten elements designated as components of growth in the study area.
2. To study the impact encountered by the selected micro, small and medium enterprises in Thoothukudi district

HYPOTHESIS OF THE STUDY

1. There is no association between the community of the MSME's entrepreneurs and their level of MSME involvement.

METHODOLOGY

Area of the Study : Thoothukudi district is one of the 38 districts of Tamil Nadu state in southern India. The major industries are shipping, fishing, agriculture, power and chemical industries.

Sampling Technique:

In order to study the micro, small and medium enterprises in Thoothukudi district. 360 micro, small and medium enterprises are selected by adopting the proportionate random sampling method. The micro enterprises are classified into two categories namely bakery and sweets

shops and Xerox shops, the small enterprises are classified into two categories such as cell phone and accessories shops and hotels and medium enterprises are classified into two categories namely textile and readymade garments and automobile spare parts shops. Hence, the proportionate random sampling technique is adopted to select 360 from these six categories under micro, small and medium enterprises given in Table 1.1

NAME OF TALUKS AND SAMPLE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN THOOTHUKUDI DISTRICT

Na me	Tho othu kudi	Tiru chen dur	Ott api dar am	Vila thi kul am	Ett aya pur am ti	Ko vil pat m	Srivai kunda m	Sath an kula m	E raath l ar	Kay raath ar	T ot al
Bak ery and Swe ets Sho ps	221 (11)	173 (9)	26 (1)	34 (2)	59 (3)	159 (8)	52 (3)	53 (3)	61 (3)	58 (3)	896 (46)
Xero x Shop s	562 (28)	491 (25)	99 (5)	119 (5)	118 (6)	246 (12)	108 (3)	122 (6)	162 (7)	138 (8)	2156 (107)
Cell phon e and Acce ssori es Shop s	263 (13)	182 (9)	91 (4)	98 (5)	88 (4)	221 (11)	74 (4)	86 (4)	76 (4)	64 (3)	1243 (61)
Hote ls	310 (16)	233 (12)	81 (4)	116 (5)	74 (4)	226 (11)	85 (4)	112 (6)	116 (6)	109 (5)	1462 (73)
Text ile and Read yma de Gar ment s	234 (12)	168 (8)	28 (2)	33 (2)	61 (3)	158 (8)	51 (2)	49 (2)	53 (3)	42 (2)	877 (44)
Auto mobi le Spar e	201 (10)	104 (5)	17 (1)	11 (1)	24 (1)	136 (7)	23 (1)	16 (1)	18 (1)	21 (1)	571 (29)

parts Shops												
Total	1791	1351	342	402	424	114	393	438	4	432	72	05
	(90)	(68)	(17)	(20)	(21)	(57)	(19)	(22)	(2)	(22)	(3)	(60)

H₀: There is no significant difference between impacts faced by the MSME enterprises and educational qualification of sample enterprises.

the comparative results of preference on the impacts faced by the MSME enterprises and educational qualification of sample enterprises. presented in table

Significant difference among different educational qualification of sample enterprises with respect to the preference on the impacts faced by the MSME Enterprises

Impacts faced by MSME Enterprises	Educational Qualification [Mean Score]				F Statistics
	Hr.Sec / diploma	U.G	P.G	Others	
Time consumption	3.5588	3.6735	3.5546	3.3481	3.003*
Safe and secured transactions	3.6471	3.9388	3.7311	3.4880	3.364*
Skilled labor shortage	3.8529	4.0204	3.8950	3.7629	1.381
Financial Constraints	3.2941	3.7551	3.6134	3.6667	2.291
Regulatory Compliance	3.3824	4.4286	3.6261	3.5876	9.533*
Market access	3.1471	3.9185	3.6345	3.4777	5.318*
Technology upgradation	4.0294	4.2653	3.8319	3.6426	7.298*
Supply chain Disruption	3.6776	3.8907	3.7395	3.7239	0.864
Environmental concerns	3.3235	4.0204	3.8697	3.5223	7.216*
Cost effective facility	3.9118	4.1020	3.7143	3.6220	5.119*
Lack of Innovation	3.6475	3.6735	3.8790	3.6186	5.685*
Inadequate Risk Management	3.6765	3.4082	3.5588	3.5052	0.689

High Operational Costs	3.2647	3.9592	3.7395	3.3918	8.747*
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Source: Primary data

*-Significant at five per cent level

As seen in the above table, the important preference on the impact faced by the MSME Enterprises among sample customers who are Hr.Sec / diploma qualification are technology upgradation and cost-effective facility and their respective mean scores are 4.0294 and 3.9118. It is noted from the above table that the important preference on the impact faced by the MSME Enterprises of sample customers who are UG qualification are Regulatory Compliance and technology upgradation and their respective mean scores are 4.4286 and 4.2653. The study finds that the important impacts faced by the MSME enterprises who are PG qualification are Skilled labor shortage and more offers available and their respective mean scores are 3.8950 and 3.8790. It is estimated from the above table that the important preference on the impact faced by the MSME Enterprises of sample customers who are other educational qualification are Supply chain Disruption options and convenient service and their respective mean scores are 3.7629 and 3.7239. The result indicates that there is a statistically significant difference between educational qualification of sample customers and preference on the Safe and secured transactions, Skilled labor shortage, Financial Constraints, Regulatory Compliance, Market access, Technology upgradation, Supply chain Disruption, Environmental concerns, Cost effective facility, Lack of Innovation, Inadequate Risk Management, High Operational Costs

4. CONCLUSION

The government has done a commendable job by adopting the MSMED Act. The entrepreneurs genuinely benefit from the way the entire segment is handled in such detail, touching on its essential components. The Act's applicability and usage have been rendered nearly fruitful by the entrepreneurs. Therefore, the government should adopt a lot more convincing strategy to assist entrepreneurs in utilizing the benefits of the aforementioned Act, moving from an abstract to a much more concrete approach without affecting their productivity, revenues, or area of operation. MSMEs are the foundation for self-employment and seek to give jobless individuals self-employment opportunities. The administration worries that it might not be able to supply There are many schemes and funding sources for MSMEs, but still, problems persist financial institutions risk losing them if they are unable to provide grants to this sector on time. The success of the Indian government's "Make in India" campaign and its goal of increasing GDP by 25% by 2025 will be achieved if financial institutions and the government support MSMEs. MSMEs must attend more EDPs in order to receive greater financial support from financial institutions, which is essential to their existence. The Reserve Bank of India must urge banks to provide MSMEs with loans right away. These programs are crucial to MSMEs' development and survival.

SUGGESTION

Grounded on the findings of the study, the following suggestions have been made for backing institutions, MSMEs development associations and MSMEs entrepreneurs. These suggestions will help to more MSMEs' fiscal sustainability Commitment towards MSMEs growth by furnishing easy loans, hedge-free permission loans to MSMEs to be addressed which helps ameliorate tone- employment generation, The process of granting loans to be made hassle-free and lower attestation procedure, Increase the credit inflow to the MSMEs sector for better growth and sustainability, Grant sufficient loans for regular up gradation/ modernization, The backing institutions help to MSMEs colorful aspects like proper use of finances for their business. Government to frame favorable programs for MSMEs, and give impulses, concessions, subventions. Set up more backing institutions for development of MSMEs sector. The Government should conduct further MSMEs expositions and special MSMEs deals capitals to develop MSMEs sector. For MSMEs nonstop successful business conditioning the Government should regularly revise being schemes programmes which before enforced. MSMEs institutions conduct further EDPs, MDPs to educate the MSMEs, and initiate promotional schemes to boost entrepreneurship..

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