



International Journal for Innovative Engineering and Management Research

A Peer Reviewed Open Access International Journal

www.ijiemr.org

COPY RIGHT



ELSEVIER
SSRN

2022 IJIEMR. Personal use of this material is permitted. Permission from IJIEMR must be obtained for all other uses, in any current or future media, including reprinting/republishing this material for advertising or promotional purposes, creating new collective works, for resale or redistribution to servers or lists, or reuse of any copyrighted component of this work in other works. No Reprint should be done to this paper, all copy right is authenticated to Paper Authors

IJIEMR Transactions, online available on 08th Feb 2022. Link

[:http://www.ijiemr.org/downloads.php?vol=Volume-11&issue=ISSUE-02](http://www.ijiemr.org/downloads.php?vol=Volume-11&issue=ISSUE-02)

DOI: 10.48047/IJIEMR/V11/I02/03

Title A STUDY OF SELECT MICRO, SMALL AND MEDIUM SCALE INDUSTRIES IN WARANGAL DISTRICT:

Volume 11, Issue 02, Pages: 17-35

Paper Authors

CH.Venkat Narsimha Chary



USE THIS BARCODE TO ACCESS YOUR ONLINE PAPER

To Secure Your Paper As Per **UGC Guidelines** We Are Providing A Electronic Bar Code

A STUDY OF SELECT MICRO, SMALL AND MEDIUM SCALE INDUSTRIES IN WARANGAL DISTRICT:

CH.Venkat Narsimha Chary

Research Scholar, Osmania University.

INTRODUCTION

MSMEs are playing a vital role in the nation building, providing employment, helping develop business skills and often acting as an incubator of entrepreneurship (CII 2013). MSMEs have been recognized worldwide as an engine of economic growth and as a key instrument for helping equitable development. The key advantage of this sector is to assist building employment entrepreneurs at low capital cost (IFC 2012).

A small-scale industry is a project or firm created on a small budget or for a small group of people. A small-scale industry produces its goods using small machines, less power and hired labor. It is located within a single place and produces goods meant for a few people. Small-scale industries are easy to start and manage given the minimal scale of production. They are set up to cater for the basic needs of the people within their locality. An example of a small-scale industry is a laundry or small kiosk created to cater to the individual needs of the people in the area in which it is located. These businesses require little starting and operating capital. They require cheap labor that is easily found and their target market is the host community. Such companies also realize a small annual turnover and, as a result, pay fewer taxes. The classification of the industry as large or small scale depends on the rate of production and the number of employees. An industry with a low rate of production and fewer employees is

a small-scale industry. Most governments implement policies that strengthen the small-scale industry sector because of the role the industries play in economical development. The industries help in alleviating poverty through provision of employment and other products.

MEANING AND CONCEPT OF SMALL-SCALE INDUSTRY:

In most of the developing countries like India, Small Scale Industries (SSI) constitute an important and crucial segment of the industrial sector. They play an important role in employment creation, resource utilization and income generation and helping to promote changes in a gradual and phased manner. They have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. The reasons are obvious.

The scarcity of capital in India severely limits the number of non-farm jobs that can be created because investment costs per job are high in large and medium industries. An effective development policy has to attempt to increase the use of labour, relative to capital to the extent that it is economically efficient.

Small scale enterprises are generally more labour intensive than larger organizations. As a matter of fact, small scale

sector has now emerged as a dynamic and vibrant sector for the Indian economy in recent years. It has attracted so much attention not only from industrial planners and economists, but also from sociologists, administrators and politicians.

DEFINITION OF SMALL-SCALE INDUSTRY:

Defining small-scale industry is a difficult task because the definition of small-scale industry varies from country to country and from one time to the another in the same country depending upon the pattern and stage of development, government policy and administrative set up of the particular country.

Every country has set its own parameters in defining small-scale sector. Generally, small-scale sector is defined in terms of investment ceilings on the original value of the installed plant and machinery. But in earlier times the definition was based on employment. In the Indian context, the parameter are as follows.

The Fiscal Commission, Government of India, New Delhi, 1950, for the first time defined a small-scale industry as, one which is operated mainly with hired labour usually 10 to 50 hands. Fixed capital investment in a unit has also been adopted as the other criteria to make a distinction between small-scale and large-scale industries. This limit is being continuously raised up wards by government. The Small-Scale Industries Board in 1955 defined, "Small-scale industry as a unit employing less than 50 employees if using power and less than 100 employees if not using power and with a capital asset not exceeding Rs. 5 lakhs". The initial capital investment of Rs. 5 lakhs have been changed to Rs. 10 lakhs for small industries and Rs. 15

lakhs for ancillaries in 1975. Again, this fixed capital investment limit was raised to Rs. 15 lakhs for small units and Rs. 20 lakhs for ancillary units in 1980. The Government of India in 1985, has further increased the investment limit to Rs. 35 lakhs for small-scale units and 45 lakhs for ancillary units. Again, the new Industrial Policy in 1991, raised the investment ceilings in plant a machinery to Rs. 60 lakhs for small-scale units and Rs. 75 lakhs for ancillary units. As per the Abid Hussain Committee's recommendations on small-scale industry, the Government of India has, in March 1997 further raised investment ceilings to Rs. 3 crores for small-scale and ancillary industries and to Rs. 50 lakhs for tiny industry.

The new Policy Initiatives in 1999-2000 defined small-scale industry as a unit engage in manufacturing, repairing, processing and preservation of goods having investment in plant and machinery at an original cost not exceeding Rs. 100 lakhs. In case of tiny units, the cost limitation is up to Rs. 5 lakhs. Again, the Government of India in its budget for 2007-08 has raised the investment limit in plant and machinery of small-scale industries to 1.5 corers An ancillary unit is one which is engaged or proposed to be engaged in the manufacture c production of parts, components, sub-assemblies, tooling or intermediaries or rendering services and the undertaking supplies or renders or proposes to supply or render not less than 50% of its production or services, as the case may be, to one or more other Industries undertakings and whose investment in fixed assets in plant and machinery whether held on ownership terms or lease or on hire-purchase does not exceed Rs. 75 lakhs.

The Definition of Micro, Small and medium Enterprises :

By amending the Micro, Small and Medium Enterprises Development Act 2006 (a) Micro enterprise, where Investment in Plant and Machinery The definition of Micro, Small and Medium Enterprises has been changed as below 1-07-2020 by amending the Micro, Small and Medium enterprises Development Act 2006 (a) Micro enterprise, where investment in Plant and Machinery or Equipment does not exceed Rs. 1 crore and turnover does not exceed Rs 5 crore (i) a Small Enterprise, where investment in Plant and Machinery or Equipment does not exceed Rs. 10 crore and turnover does not exceed Rs.50 crore a Medium Enterprise, where investment in Plant and Machinery or Equipment does not exceed Rs. 50 crore and turnover does not exceed Rs. 250 crores. Though State Governments are responsible for promotion and development of MSMEs, the Government of India provides assistance to state governments through various schemes and policies. The Government of India enacted the Micro, Small and Medium Enterprises Development Act, 2006 to provide for facilitating the promotion and development and enhancing competitiveness of micro small and medium enterprises. Technologies and Growth in Business merging (1)

Manufacturing Sector (a) Micro Enterprises Investment in Plant and machinery does not exceed Rs. 25 lakhs. (b) Small Enterprises - Investment in Plant and machinery is more than Rs 25 lakh but does not exceed Rs. 5 crores. (c) Medium Enterprises: Investment in Plant and machinery is more than Rs. 5 crores but does not exceed Rs. 10 crores. (ii) Service Sector (a) Micro Enterprises (b) Small Enterprises: Investment in equipment does not exceed Rs. 10 lakhs.: Investment in equipment is more than Rs. 10 lakhs but does not exceed Rs. 2 crores. (c) Medium Enterprises: Investment in equipment is more than Rs. 2 crores but does not exceed Rs. 5 crores.

The definition of Micro, Small and Medium Enterprises has been changed as below w.e. f 1-07-2020 by amending the Micro, Small and Medium enterprises Development Act, 2006 (1) a Micro enterprise, where investment in Plant and Machinery or Equipment does not exceed Rs 1 crore and turnover does not exceed Rs 5 crore (ii) a Small Enterprise, where investment in Plant and Machinery or Equipment does not exceed Rs. 10 crore and turnover does not exceed Rs 50 crore a Medium Enterprise where investment in Plant and Machinery or Equipment does not exceed Rs 50 crore and turnover does not exceed RS 250 crore.

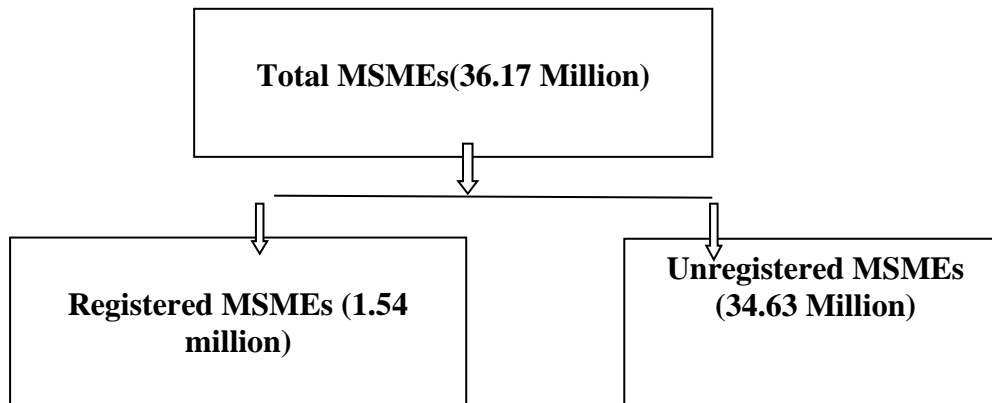
Definitions of MSMEs as per MSMEs act 2006

S.No	Enterprise	Manufacturing Sector(Investment in Plant & Machinery)	Service Sector (Investment in Equipment)
1	Micro	Does not exceed Twenty-five (25) lakhs	Does not exceed ten (10) lakhs
2	Small	More than Twenty –five lakhs but	More than ten lakhs but

		Does not exceed Twenty-five (5) crores.	Does not exceed two (2) crores.
3	Medium	More than five crores but Does not exceed Twenty-five (10) crores.	More than two crores but Does not exceed five (5) crores.

Source: Ministry of MSMEs, Government of India

Classification of MSMEs in India



REVIEW OF LITERATURE:

Thottoli 2020: The approach of suppliers on availability of credit, creditors period, terms, and policies might be different among large businesses and MSMEs. MSMEs situated in villages are following a manual way of accounting. They follow single entry and paper-based traditional ways of recording debtors' transactions. MSMEs are continuing to use manual ways of recording accounting transactions. Manual accounting is considered an ineffective and inefficient way of recording business transactions (Thottoli, 2020a; Thottoli, 2020b). The manual system of accounting process often goes erroneous, particularly if there are large transaction data, which might affect the reliability of financial statement (Satyawati, 2018).

- But flow of credit or availability of finance from banking institutions is a major factor contributing to the growth and success of MSMEs. Available

information on flow of credit to this sector indicates a declining trend from 17.34% in 2010 to 10.20% in 2013. One of the key issues identified by the committee is the financial institutions/Banks face challenges in credit risk assessment of MSMEs. One of the conclusions regarding credit is easy and timely access to credit is crucial factor to development and growth of enterprises.

- Major area of research focused on credit guarantee schemes. The credit guarantee scheme has emerged out as one of the most popular schemes for the MSME sector over the last decade. That most of the banks sanction loans through the schemes called 'Credit Guarantee schemes'.
- The study also mentioned most of MSMEs work in the unorganized sector, so they do not maintain proper

account and balance sheets. Without the presence of proper balance sheets, banks find it really difficult to lend credit to MSMEs. The research concluded that though banks are catering the needs of the MSME sector through various schemes specifically drafted for the MSMEs, still there is a huge gap between the demands of credit by the MSMEs in India. Economy cannot be overlooked, it's imperative for the government and RBI to cater the financial needs of MSMEs sector and helps them being competitive in this globalized economy.

- The study reveals that the social status factor has influenced the entrepreneurs more in starting the units but gender has not influenced. The study also revealed most entrepreneurs are in the age groups between 21 to 40 years non-technical but graduates. The family background has significant impact on entrepreneurship development as well as their prior occupations. The study concluded that the socio-economic factors have significant impact on development of entrepreneurs.
- Report of the Inter-Ministerial Committee for Boosting Exports from MSME Sector under the Chairmanship of Shri R.S. Gujral (Finance Secretary) in 2013 has notes that the major problems for the MSMEs relate to the availability and cost of credit, marketing support, improving productivity, technology/skill up gradation, infrastructure and the institutional framework for the MSMEs.

They believed that modern small industry differs from the traditional in outlook, product design. Physical technology of production and social technology of organization and management.

CP LOHIT(2019): MSME is the backbone of our Indian economy and it is facilitating a sustained growth over the years both in terms of employment and economic growth. Its role in exports and industrial growth is significant. In spite of these facts, our Indian MSMEs are lagging as compared with developed economies of the world. MSMEs are facing many hurdles and as a result, the expected high growth has become a nightmare. The hurdles can be listed as financial constraint, lack of strategies in marketing, lack of quality, lack of newness or novelty etc. Hence in this paper, attempt has been made by considering Innovation as one of the main construct which might have considerable impact on the performance of MSMEs of Indian origin.

1. Ndife (2013) studied to determine the impact of Micro credit institutions in starting up, survival and growth of SMEs as well as the effect. Collateral requirements in obtaining loans from micro credit institutions. The study concluded that there is a significant relationship were observed to exist between microcredit institutions and SMEs development, the small degree of association that exist suggests that capital (Micro Credit) is not the only factor that affect SMEs.

The study also found that there is a necessity for micro credit institutions, SMEs and governments to work together for the best interest of development of SMEs. Aiding the Micro credit institutions activities will

relax the stress of obtaining loans; thus making prospective entrepreneurs to fully develop into small and medium scale business.

2. Ekambaram and Sivasankar (2013) discussed on the socio-economic factors impacting on Entrepreneurship development. In this study, socio-economic factors such as the social status of the entrepreneurs, their age at the time of inception, education and family background of the entrepreneurs are considered for measuring impact on development of entrepreneurship development.
 - The study reveals that the social status factor has influenced the entrepreneurs more in starting the units but gender has not influenced. The study also revealed most entrepreneurs are in the age groups between 21 to 40 years non-technical but graduates. The family background has significant impact on entrepreneurship development as well as their prior occupations. The study concluded that the socio-economic factors have significant impact on development of entrepreneurs.
 - Report of the Inter-Ministerial Committee for Boosting Exports from MSME Sector under the Chairmanship of Shri R.S. Gujral(Finance Secretary) in 2013 has notes that the major problems for the MSMEs relate to the availability and cost of credit, marketing support, improving productivity, technology/skill up gradation, infrastructure and the institutional framework for the MSMEs.
3. Das &Kandarpa (2013) said that the MSES have been considered as a powerful instrument for realizing the twin objective accelerating industrial growth and creating productive employment potential in the backward areas. Said that adequate capital is one of the major obstacles in the development of MSES.
4. Nagayya (2013) examined credit flow to MSEs for the period of 2004 to 2012. Said that the screening methodology of financing institutions needs to consider non-financial parameters and management competencies while evaluating loan proposals of SME units.
 - Norhaziah and Shariff (2011) explored the importance of micro financing to the development of micro-enterprises. The paper examines the microfinance programs offer to the MES and concluded that the credit is always become the missing link for micro enterprises. Limited access to credit for both new and growing firms becomes a major barrier for micro entrepreneurs to start and expand their business. Microcredits are seen as an efficient instrument in helping micro-enterprises that faced financial constraints.
 - The credit allows micro-enterprises to acquire assets, start business, finance emergency needs and insure themselves against negative shocks. Finally it has proved that the credit can help micro enterprises to boost up the business.
 - Jabir (2011), the idea of attempting poverty reduction through the provision of uncollateralized loans-cum-subsidy to SHG for establishing

micro enterprises has gained momentum in the recent decade. The on-going practices in developing micro enterprises through SHG lay much emphasis on provision of credit and subsidy.

- Fennee (2010) studied on a assesses to credit management of micro-enterprises, revealed that about 59 percent micro enterprises not paying their loans on time due to lack of credit management practices. The study concluded that the financial capacity of entrepreneurs have not any significant impact on credit management of micro enterprises.
- Dasanayaka (2009) focused on informal sector of SMEs and said that the sector is lifeline to employment, economy, social stability and regional development. The study also finds that lack of first-hand information is the main obstacle to growth and development of MSEs. The research particularly focused on coherent policies and strategies to develop SMEs to their full potentials to accelerate economic growth and development.
- The study considered value of assets acquired on assessing credit and found that credit
- available to MSEs does not necessarily lead to addition of assets. The study also focused on the effect of credit availability on expansion of market share and found that the availability of credit does not guarantee a bigger market share.
- It finally conclude MSEs do not necessarily lead to good performance

and the MSEs characteristics like type of business, size of business operations and it expenses, cost of accessing credit and amount of credit should also be well take care of hen accessing credit from lending institutions.

Laxminarasaiah [1999] outlined the Govt. Policies in regard to small-scale industries. It was felt that the Industrial Policy Resolution 1948 recognized the fact that cottage and small-scale industries have very important role in building the national economy offering scope for individual, village or cooperative enterprise and means for the rehabilitation of displaced persons. These are particularly suited for better utilization of local resources and for the achievement of local self-sufficiency in respect of certain types of essential consumer goods like food, cloth and agricultural implements. The industrial Policy Resolution 1956 stressed the role of cottage and small-scale industries in the development of the national economy as they provide immediate large-scale employment offer a method of ensuring a more equitable distribution of national income and facilitate an effective mobilization of resources of capital and skill which might otherwise remain unutilized. The Industry Policy Resolution 1977 aimed at an effective promotion of cottage and small-scale industries widely dispersed in the rural areas and small town and the list of industries reserved of this sector has been expanded to cover 504 items from the earlier 180 which has been further expanded to cover 807 items. The Industrial Policy Resolution 1980 raised the investment limits Rs. 2 lakhs for tiny sector, Rs. 20 lakhs for small scale sector and Rs.25 lakhs for ancillaries.

Hima sidhu [1998] points out that in 1955, for the first time, the official criterion for identification of a small-scale industrial unit was adopted machinery and employment in terms gross investment on rank, plant and machinery and employment. As per this definition, “the small-scale industrial unit is a unit having an overall investment of rs.5 lakhs and employing less than 50 persons when not using power”.

Desai [1997] listed out the type of assistance extended to the small-scale industrial units by the Small Industries Development Bank of India as: (a) Refinancing of loans and advances to the primary lending institutions to the industrial concerns in the small-scale sector and also providing resource support them. (b) Discontinuing and rediscounting of bills arising from scale of machinery to or manufactured by industrial concerns in the small scale sector, (c) Extension of seed capital/soft loan assistance under National Equity Fund, Mahila Udyan Nidhi and seed capital schemes through specified lending agencies (distribution of sample respondents) granting direct assistance as well as refinancing of loans extended by primary lending institutions for financing export of products manufactured by industrial concerns in the small scale sector.

Gorter [1996] divides the promotional policies evolved for promoting the growth and development of small-scale industries into five categories, namely capital and finance, product and markets. Labour, Management and finally infrastructure. He adds that in terms of the competition with the large-scale sector was the policy of protection through reservation for production in the small-scale sector.

Shinde and Patel [1995] observed that the small- scale industrial units are a small in size but not in importance. Small scale industrial units assume importance due to high employment potential capital lightness, short gestation period, low cost per unit of employment, utilization of local resources/mobilization of small savings and production of exportable commodities.

Vepa [1993] mentioned that japan began as a developing country in the later half of the nineteenth century and was quick to appreciate the importance of small entrepreneurs for generating growth and small enterprise development program has been the model for India and other countries and it still relies on the large network of small and medium enterprises to supply components and intermediate products to the large industries. China, following the much-publicized maxima of “walking on two legs” since 1949 endeavored to develop the country through a program of establishing small, industrial units based on the four “locals” local raw materials, local skills local market and local finance. In South East Asian Countries such as Korea, Taiwan, Singapore and Hong Kong there is a growing recognition that small industry can play a vital role in carrying industrialization to the rural area and that even large-scale exports are possible by mobilizing the creative energies of the people through small scale enterprise. Even developed countries of Western Europe, United Kingdom and United States, realized that small and rural industries play a significant role in complementing large industry and providing opportunities for the creative energies of the skilled people. In the Latin America see in it the sector that can create many jobs quickly while smaller countries like Colombia, Peru Venezuela and Bolivia recognize it as useful medium for cooling the resources for the best use.

Sandesara [1991] holds that the number of economic factors help to explain the strength of small industry which are; (a) large industries are invariably capital intensive, (b) sometimes manufacturers prefers to start a new line of products on a small scale to minimize risk (c) where the material is to be worked on is not uniform, when the process are not amenable to quick repetition and where the products are not standardized thus making large scale methods unsuitable or uneconomical, (d) market imperfections due to either consumer resistance or transport costs. Limit the size of the market and the scope for large scale production and (e) to avoid anti trust action or to win public sympathy, large industry fixed a price higher than normally warranted and this price imbalance protects the small industry. The social explanations are that they exist in man a desire to gamble, more often the entrepreneur enjoys the independent status, people start their own business to provide employment for members of the family and the small industries also offer scope for economically independent individuals.

Reddy K.C. [1990] argues that chronic shortage of finance is not particular to India and states that small industry requires two kinds of capital; (1) equity or risk capital and (2) borrowed capital consisting of (a) long term capital or fixed capital and (b) short term capital or working capital. Equity capital is the own investment of the proprietor partners or promoters of an enterprise or shareholders and it is also known as “risk capital”. Growth and efficient working of a unit depends, to some extent, on the adequacy of the capital base of an industry. This also determines the extent to which a borrower can raise funds recession and other similar situations.

Dr. Kalchetty [1989] recommends establishment of National Small Industries Corporation branches at district headquarters, simplification of loan procedures and project appraisals, re orientation of bank lending system, owner interest rates for small units, separate tax schedule for small scale industries, introduction for leasing of plant and machinery, preparation of regular budget of the unit, exemption from retained earnings from taxation, reform of credit and collection policies and procedures, set off dues for government against payable to functional institutions, integration of long term and short term loans, establishment of apex institution which may be called as National Bank for Small Industry Development (NABSID).

Satyanarayana [1989] pointed out advantages of small-scale industries as; the small-scale industrial unit requires a small capital layout. At the same time, it provides more employment. It does not require highly sophisticated technology. It is useful in backward areas where the people have yet to be trained to meet the challenges of sophisticated technology. Small scale industries can be dispersed to remote rural areas of the country. This will enable the economy to reduce regional imbalances. On one hand and concentration of industries in some areas on the other. They can be easily set up in rural areas.

Nissar Ahmed [1987] pointed out that there were multiple agencies such as commercial banks, cooperative banks, regional rural banks, state finance corporation and national small scale industries corporation which are involved in financing the small-scale sector. The industrial Development Bank of India provides funds to the commercial banks and State Finance Corporation through its scheme of re financing

of industrial loans and rediscounting of bills. A National Bank for Agriculture and Rural development (NABARD) has been set up for the supply of credit to agriculture and small village and cottage industry sector in rural areas. The setting up of National Equity Fund (NEF) and small industries development fund are the recent efforts for ensuring adequate credit of loans towards small scale industrial units.

Dawar [1986] identified the importance of small-scale industries as instrument of social transformation, enlarging employment opportunities, broad basing entrepreneurship and securing dispersal of industries. They occupy a place of importance in the economy of all labour surplus countries as they provide employment for a substantial work force. They have a strategic role to play in the economic development of industrially less developed countries like India and remain important in the economy of the more highly industrialized countries.

Sandesara [1984] observed that K.T. shah suggested for the first time a definition of small-scale industries. A small scale or cottage industry may be defined as an enterprise of operations carried on by a work man skilled in the craft, the final product of which he markets himself- that workers work mostly and market in the immediate neighborhood, that is to say, in response to know demand with reference to quality as well as quantity.

Vepa [1983] stated that in South East Asia there is a growing recognition that small industry can play a vital role in carrying in industrialization to the rural areas and that even large-scale exports are possible by mobilizing the creative e energies of the people through small scale entrepreneur. He kingdom and United States there is

recognition that small and rural industries play a significant role in complementing the large industry and in providing opportunities for creative energies of the skilled people.

Peter Gorb.et al (1981) observed that a Boltan committee held that small firm is characterized by three qualitative characteristics. First, it tends to have a relatively a small share of its relevant market. Second it has not formalized management structure; rather the owner-manager is responsible for decision making Third it is independent of the control of a parent company, implying a certain freedom to make decisions.

Tulsi [1980] indicated the components of the strategy of the growth and development of small-scale industries through incentives and subsidies. The incentives include tax holiday for new industry set up in specified in set up backward areas, tax concession for scientific research, export markets development allowance, central interest subsidy etc.

Khan [1979] observed that the small-scale industries have vital role in the economy of our country or for that in any country where labour is abundant and capital is scarce. A small-scale industry has enabled millions of unemployment manpower to earn their livelihood and to contribute to the economic survival and industrial development of the small-scale industries as their employment potential, provision of their effective means for decentralization of manufacturing activity in the under developed and remote parts of the country, small capital investment and even distribution of income wealth.

Krishna Iyer [1976] observed that small scale industries today form an important

and integral part of India' of Industrial Structure. They produce a wide range of products from simple toys to the sophisticated electronic items like TV sets catering to the different strata of consumers both at home and abroad. Their contribution to the employment in the industrial sector in the country and also to the value added by the manufacture is substantial.

Dr. Alexander [1975] felt that there was immediate need for limiting concession and facilities for the period of 10-15 years which would go along breaking the trend of "once a small industry always a small industry" he deplored the tendency of some small scale units to remain small perpetually and aid that if such industries had to remain small always on account of technological and economical reasons they should be at least prepared to be considered ineligible for some of the special concessions and facilities after a particular period.

Mohanty [1968] reiterated out that the importance of small-scale industries as an effective instrument for creating employment opportunities has been realized the world over and we find that this has led to various States of Europe, Asia, Africa and Latin America to concentrate on this vital sector by provision of a coherent and inspiring policy framework. Further, he added that all the countries in the world. Developed or undeveloped small industries account for considerable portion of the Gross National Product and about 50 percent of the employment. In countries like Japan and Singapore and the fast-developing areas in Latin America, the figures are as high as 80% in India according to the National Income Committee, the small-scale industries employment to 40 million people. The small-scale sector offers employment three times higher than the large industries by employing

the same amount of fixed capital as large industries.

Staley and Morse [1965] distinguish a traditional small-scale industry and a modern small-scale industry. They say we mean by traditional small industry those first which prevail in and cater to the needs of the traditional economy. Traditional small industry is characterized by products, techniques and organizational small industry is characterized by products, techniques and organization, not very different from those of previous generation. Modern small industry, by contrast, in our concept means small industry which caters to the needs of the emerging modern economy, is progressive in outlook and adaptable to changing conditions uses the results of the modern science and invention in its production products and applies reasonable up to date ideas of organization and management in its business operations. They believed that modern small management in its business operations. They believed that modern small industry differs from the traditional in outlook, product design. Physical technology of production and social technology of organization and management.

RESEARCH GAP:

The small and medium industrial sector, which plays a pivotal role in the Indian economy in terms of employment and growth, has recorded a high rate of growth since independence in spite of stiff competition from the large sector and not so-encouraging support from the Government. Now it is facing so many problems from the Government and other sources. These studies focused on the manufacturing sector and service sector. Many reports suggested that MSMEs are the key role in the economic development of any state and it has so many problems in the sector .so this study proposes

to analyse the performance of small and medium industries and its impediments for growth especially in Warangal district of Telangana state.

RESEARCH QUESTIONS:

1. What is the Structure and Growth of MSMEs in Warangal District?
2. What is the Performance of Select MSMEs in Warangal District?
3. What are the Problems Facing the Select of Micro Small and Medium Enterprises in Warangal District?
4. What is Growth of The Select Micro Small and Medium Enterprises in Warangal District?
5. What are the Management Practices used for Growth of Micro Small and Medium Enterprise?

OBJECTIVES OF THE STUDY:

1. To Study Growth and Performance of Micro, Small and Medium Enterprises in Warangal District.
- 2 To trace the Structure of MSMEs in Warangal District.
3. To study Management Practices of Micro, Small and Medium Enterprises in Warangal District.
4. To Study the Problems Faced by the Select MSMEs in Warangal District.

Hypotheses of the Study:

Ho1: There are no differences in the Problems Faced by Micro, Small and Medium Enterprises in Warangal District.

Ho2: Financial and labor shortage are major problems in the MSMEs sector in Warangal district.

SCOPE OF THE STUDY:

The study is focused on MSMEs problems and challenges in Warangal district of Telangana State. It will focus on the manufacturing sector. It will consider both registered and unregistered Micro, Small and Medium Enterprises of Warangal district of Telangana State.

Research Methodology:

Research Methods:

The present study is descriptive and cross-sectional in nature. A mixed approach method will be followed for the study i.e both qualitative and quantitative.

Primary data source:

The primary data will be collected from MSMEs entrepreneur business ongoing business with selected enterprise face to face interview and structured questionnaires. Primary data will be collected by administering Schedules/Questionnaires to the respondents. For the Data Will be Employed.

Secondary data source:

The qualitative data from MSMEs entrepreneurs and quantitative data from different secondary sources it includes Financial statements of selected companies, Commissioner of Industries and Journals, Annual Reports and Economic survey from RBI. The study is both qualitative and quantitative in nature and it has been designed for better understanding of the research problem.

Sample size :

The sample size for both registered and unregistered enterprises has been considered. From the purpose of the study, 200 sample entrepreneurs will be selected from Warangal District Industries Centre. i.e. Manufacturing Industries , Service Industries, and Other

Industries etc. Nearly 947 industries located in

Warangal

district.

(Micro Scale Industries 20, Small Scale Industries 150, and Medium Scale Industries 30)

• 200 COMPANIES LIST.

	UnitName	Address	Mandal Name	Promoter Name	Mobile Number	LINE OF ACTIVITY	Sector	INVESTMENT In Rs. Lakhs	EMPLOYMENT
1	SreeMatha Industries	Wardhannapet(V), Wardhannapet(M),	Wardhanna Pet	KSampath Kumar	9866150168	ParboiledRiceMills	FoodProcessing	400	30
2	SriSrinivasam Industries	Tehrapur(V), Shayampet (M) , Warangalrural	Shayampet	MRANJIT HKUMAR	9441211687	ParboiledRiceMills	FoodProcessing	360	30
3	ANURADHAI INDUSTRIES	7-63, PragathiIndustrial Area, Gorrekunta,Laxmipuram PostGeesugonda mandal,Warangal	Geesugonda	ThotaSampathKumar	9848081116	ParboiledRiceMills	FoodProcessing	219	30
4	VEERABHADRASWAMYINDUSTRIES	Wardhannapet(V), Wardhannapet(M), Warangal	Wardhanna Pet	GUJJASOMESHWARARAO	9866430213	ParboiledRiceMills	FoodProcessing	150	15
5	VINAYAKAAGROINDUSTRIES	VIL.CHALAPARTHY,MDL. DUGGONDI,WARANGALRURAL,PIN.506331	Duggondi	DUBBARAMESH	9866174281	ParboiledRiceMills	FoodProcessing	330	30

6	GOPIKRISHN AAGROINDUSTRIES	3-3/2DWARAKAPET, NARSAMPET, WARANGAL RURAL TS506132	Narsampet	TYUGANDHAR	9866685218	ParboiledRiceMills	FoodProcessing	270	30
7	Ganeshindustries	45-7-1326, PragatiIndustrialAreaGorrekuntaWarangal(Rural)	Geesugonda	SadanandaMvodnala	9849271457	ParboiledRiceMills	FoodProcessing	300	30
8	KARTHIKEY AAGROTECH	NARSKKAPALLY(V), Parkal(M), WarangalRural	Nadikuda	VENISHE TTYSURESH	9949032887	ParboiledRiceMills	FoodProcessing	450	20
9	HARIINDUSTRIES	JANGALAPALLIROAD RAJUPET(V), NARSAMPET(M), WARANGAL RURAL	Narsampet	DEVUNURIANJAI AH	9440170052	ParboiledRiceMills	FoodProcessing	95	30
10	Jayaindustries	PragatiIndustrialArea Gorrekunta, Gessugonda(M) WarangalRural	Geesugonda	Rajagopal	9959023565	ParboiledRiceMills	FoodProcessing	40	10
11	Hariharaindustries	GORRAKUNTA, Geesugonda(M) WARANGAL RURAL	Geesugonda	VanamalaSudhakar	9848214742	ParboiledRiceMills	FoodProcessing	200	20
12	Laxmisriganapathiindustries	Ellanda(V), wardanapet(M), Warangalrural	Wardhanna Pet	Kanukuntla srinivas	9346474044	ParboiledRiceMills	FoodProcessing	50	30



International Journal for Innovative Engineering and Management Research

A Peer Reviewed Open Access International Journal

www.ijemr.org

13	SHREETARA KAPRABHUI INDUSTRIES	VASAVIIN DUSTRIAL AREA, MAHESHWARAM(V), GEESUGONDA(M), WarangalRural	Narsampet	MCHANDRASHEKAR	9440170227	ParboiledRiceMills	FoodProcessing	90	10
14	SRIRAJARAJESHWARAINDUSTRIES	DHARMARAM(V), Geesugonda(M),	Geesugonda	KOMURAVELLIUM APATHI	9393540888	ParboiledRiceMills	FoodProcessing	250	10
15	NEWMUBARAKAGROINDUSTRIES	CHALAPARTHIV), Narsampet (M), WarangalRural	Duggondi	MDSHAKHEEL	9440170158	ParboiledRiceMills	FoodProcessing	400	60
16	RADHAKRISHNAAGROINDUSTRIES	JALLI(V), Chennaraopet(M), Warangal Rural,	Narsampet	THAKKALLAPALIYUGANDHAR	9866685218	ParboiledRiceMills	FoodProcessing	300	50
17	BhargavaRiceindustries	Shanigaramvillage Nallabelly mandal Warangalrural	Nallabelly	VENKATESHWAR Rao	9849591244	ParboiledRiceMills	FoodProcessing	200	15
18	SRINIVASAIN DUSTRIESPARBOILEDRICEMIL	2-174KHANAPUR(V), KHANAPUR(M)	Khanapur	MULUGUASHOK	9440233858	ParboiledRiceMills	FoodProcessing	320	30
19	SRISAIINDUSTRIES	SY.NO.192 &193KAPULA KANAPARTHY,SANGEM(M),	Sangem	KUNDARAPUYADAGIRI	8179116528	ParboiledRiceMills	FoodProcessing	200	10
20	MSRRICEIDUSTRIES	DWARAKAPET(V),	Narsampet	J.MAHEENDARR	9618300666	ParboiledRiceMills	FoodProcessing	200	30

		NARSAM PET(M)		AO					
21	MAHASHAKTIRICEINDUSTRIES	DWARAKAPET(V), NARSAM PET(M)	Narsampet	DAMODHARRAO	9618300666	ParboiledRiceMills	FoodProcessing	200	30
22	SRIRAJARAJESHWARAINDUSTRIS	DHARMARAM(V), GEESUGONDA(M)	Geesugonda	SADASHIVUDU	9393540111	ParboiledRiceMills	FoodProcessing	200	30
23	MANIKANTAAGROTECH	URUGONDA(V), ATMAKURR(M)	Atmakur	DASHARADHAM	9866143529	ParboiledRiceMills	FoodProcessing	200	30
24	ASHOKAINDUSTRIES	MAHESHWARAM(V), NARSAM PET(M)	Narsampet	MADHAVSHANKAR	9849995943	ParboiledRiceMills	FoodProcessing	200	30
25	HEMATHAPARABOILEDPVTLTD	DNO.2-117VILLRABOILEDPVTLTD, PO.MUTHOJIPET,MDL. NARSAMPET,WARANGALRURAL	Narsampet	BALNESARVESHAM	9866437678	ParboiledRiceMills	FoodProcessing	99	30
26	VISHWESHWARAAGROTECHLTD	DNO.6-103 MAHESHWARAM	Narsampet	THOTAKIRANKUMAR	9866074901	ParboiledRiceMills	FoodProcessing	200	10
27	Srivenkateswarairindustry	Villegemachapur	Geesugonda	BPRAKASH	9849468207	Ricemill(Ricehullers only)	FoodProcessing	50	14
28	KNRmilltechriceindustries	KNRmilltechriceindustries konkapak shivarthe garapally warangal rural506310	Parvathagiri	MohammadIsmail	9949562786	Ricemill(Ricehullers only)	FoodProcessing	100	30
29	Indraniindustriesricemill	Kapalakanaparthi,warangal dist	Sangem	Yamsanivenkateswarlu	9989584255	Ricemill(Ricehullers only)	FoodProcessing	75	10

30	SAIRICEMILL	Syno.117/1/530,Main road,Rajupet,Narsampet Warangalrural,506132	Narsampet	YataRavinder	9494283848	Ricemill(Ricehuller only)	FoodProcessing	70	8
31	SRVTRADERS	Syno.117/1/530,Main Road,Rajupet,Narsampet, WarangalRural506132	Narsampet	GONELARAVINDER	9494283848	Ricemill(Ricehuller only)	FoodProcessing	75	9
32	EkasilaIndustries	Gorrekunta	Geesugonda	mohan	9989582908	Ricemill(Ricehullers only)	FoodProcessing	6	3
33	SuryaIndustries	Gorrekunta	Geesugonda	Surya	9346796999	Ricemill(Ricehullers only)	FoodProcessing	6	3
34	PavaniCottonIndustries	Gorrekunta	Geesugonda	Pavani	9440197188	Ricemill(Ricehullers only)	FoodProcessing	8	6
35	ShivaleelaIndustries	1-567,Mogilicherla,Geesugonda	Geesugonda	KailasaShankar	9849336800	Ricemill(Ricehuller only)	FoodProcessing	10	10
36	RahulRiceMill	Parkal	Parkal	Rahul	9032876884	Ricemill(Ricehullers only)	FoodProcessing	6	3

VIII Results and Discussion/validation

- The study is to examine the role of MSME in TS with reference to select district industrial centres on a sample basis in Warangal, the important town of Telangana State, as the first exercise of its kind for undertaking the study.
- The Justification for the study lies in the problem of MSME being important not only in itself, but also for the whole value of MSME. The study is justified not only for the select MSME but also

in respect of the Industrial Centres in general in the state and the country as a whole. For, there is uniformity in the practices and services of the MSME as a whole.

IX Further scope of the study/Implications

- The study mainly focused on role of MSME in Telangana state. There are many aspects which remained untouched because of lack of time and other limitations. Further the study concentrated only in Warangal district

of TS state. The study can give more inputs if it would have covered the entire state.

- There is, therefore, a need for continuous research on the problem, which calls further research on the issues of MSME with reference to district Industrial centers. The State Government also feels that the MSMEs are in need of a good deal of improvement, which are to be taken up for further research on the problem.

• X Conclusions

- Telangana State has an estimated 26.05 lakh MSMEs with micro-enterprises alone accounting for more than 25 lakh units and the remaining units are small and medium enterprises. “MSMEs require small investments with scope to create more jobs.
- In fact, they are the largest employers in the State after the agriculture and construction sectors. Hence, the State government is making all efforts to support the MSMEs to regain their strength and continue with their operations without any hitch.
- JUSTIFICATION:
- The government unveiled a new industrial policy framework with an objective to stabilize and make existing industries more competitive, and also to attract and realize investments from domestic as well as international players for state development .

Data analysis Methods / Techniques:

The data analysis tools will be done with the help of Microsoft office 2019 and SPSS 20.0 and statistical techniques such as Descriptive

statistics, Exploratory Factor analysis, Chi-square test, ANOVA and Henry Garratt ranking methods.

Chapters Section:

CHAPTERS:

- 1.Introduction and Review of Literature.
- 2.Growth of MSMEs in Warangal District.
- 3.Structure of MSMEs in Warangal Distri
- 4.Management Practices of MSMEs Industry.
- 5.Performance of MSMEs Industries in Warangal District.
- 6.Problems of MSMEs in Warangal District.
- 7.Findings and Conclusions and Suggestions.

REFERENCES:

- Sandesara, J.C. Small Industry Development Programmes in India Efficiency, Explanation and Lesson; Some field Studies, Vikas Publishing House Pvt. Ltd, Bombay,1984.
- Hima Sidhu, Structural Changes and Productivity in Small Scale Industries, Mittal Publications, New Delhi,1998.
- Peter Grob, Phili Dowell and Peter Wilson,Small Business Perspective, Institute of Small Scale Business, London Business School, Armstrong Publishing business school,Sussex Place, London,1981.
- Dr Ram Dawar, Institute Finance to Small Scale Industries, Deep and Deep Publications, New Delhi.1993.
- Shinde, S.R. and Patel K.V.Are Our Small Scale Industrial Units Receiving Adequate



International Journal for Innovative Engineering and Management Research

A Peer Reviewed Open Access International Journal

www.ijiemr.org

Institutional Credit, Focus, Productivity,
Vol.36,No.1, April June, 1995.

Ram K.Velpa, Small Industry, The Challenge
of the Eighties. Vikas Publishing House
Pvt, Newdelhi,1983.

Krishna Iyer, T.N. Guidelines for Financing
Small Scale Industries A Hand Book For
Bankers, Vora and Co Publishers
Pvt.Ltd.Bombay, 1976.

Sathyanarayana T.Financing of Small Scale
Industries, Himalaya Publishing House,
New Delhi,1986.