

**A STUDY ON IMPACT OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)  
SCHEMES IN THE PROMOTION OF MSME'S AT INDUSTRIALLY BACKWARD  
PLACES OF TRICHIRAPPALLI DISTRICT**

**C. RAGUPATHI,**

Full time Ph. D., (Management) Research Scholar, PG and Research Department of Business Administration, Government Arts College, Paramakudi 623 701.

**Dr. M. VEERASELVAM,**

Assistant Professor and Head, Research Supervisor, Department of Business Administration, Government Arts and Science College, Sivakasi - 626 124.

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**ABSTRACT**

Small and Medium-sized Enterprises (SMEs) are businesses whose personnel numbers fall below certain limits. The abbreviation "SME" is used by international organizations such as the World Bank, the European Union, the United Nations and the World Trade Organization (WTO). An announced in the Governor's Address in the Legislative Assembly on 23rd January 2008, "Micro, Small and Medium Industries Policy-2008" an exclusive policy for Micro, Small and Medium Enterprises sector was released by Hon'ble Chief Minister of Tamilnadu on 22.2.2008. The main aim of this Paper is to study the Impact of Micro, Small and Medium Enterprises (MSME) schemes in the promotion of MSME'S at industrially backward places of Trichirappalli District. A descriptive study was made on the primary data which is collected from one hundred and twenty five respondents on the basis of judgmental sampling. The Questionnaire was used to collect primary data. Likert five-point scaling was given to customers for evaluating their Satisfaction towards Jio Network.

***Keywords: Micro, Small and Medium Enterprises (MSME), Industrially Backward District, MSME'S Schemes.***

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**1.INTRODUCTION**

Worldwide, the MSMEs have been accepted as the engines of economic growth for promoting equitable development and have emerged as the single most important sector generating employment, next only to the agricultural sector. They encompass a heterogeneous group of activities in the manufacturing, services, trade and agribusiness sectors. The major advantage of this sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises. In India too, the MSMEs play a pivotal role in the economy of the Country. In recent years, this sector has consistently registered higher growth rates compared to the overall Industrial Sector. With its agility and dynamism, the sector has shown an admirable innovativeness and adaptability to survive the recent economic downturn and recession.

As per the available statistics, this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, the MSME sector accounts for about 45% of the manufacturing output and around 40% of the total exports of the Country.

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

1. **Manufacturing Enterprises**- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.
2. **Service Enterprises**:- The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

### 1.1 MSMEs IN TAMIL NADU

There are 7.60 lakhs registered MSMEs in this State, providing employment to 52.99 lakhs persons with a total investment of more than Rs. 39,438 Crores as on 31.03.2012. As per the 4th All India Census for MSMEs, Tamil Nadu accounts for the largest number of MSMEs in the Country (15.07%). Further, it has the second largest number of Medium Enterprises (12.51%) and the third largest number of Small Enterprises in the country (9.97%)

### 1.2 MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT

This Department comprises of

- a. The Commissionerate of Industries and Commerce
- b. The Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO)
- c. The Tamil Nadu Small Industries Corporation Limited (TANSI).
- d. The Entrepreneurship Development Institute (EDI).

### 1.3 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 seeks to facilitate the development of these enterprises and also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of “enterprises” which comprises both manufacturing and service entities. It defines Medium Enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, Micro, Small and Medium. The Act also provides for a statutory consultative mechanism at the National level with balanced representation of all sections of stake-holders, particularly the three classes of enterprises; and with a wide range of advisory functions.

### 1.4 LIST OF SCHEMES OF MSME'S

Sl.No	Name of the Scheme
1	ATI Scheme (Training Component)
2	Marketing Assistance Scheme
3	Coir Udyami Yojana
4	MPDA Grant To Khadi Institutions
5	Coir Vikas Yojana
6	SFURTI- SI
7	PMEGP Prime Ministers Employment Generation Programme

8	Credit Guarantee Scheme
9	Interest Subsidy Eligibility Certificate For Khadi And Polyvastra –ISEC
10	National Awards
11	MDP-EDP-Skill Development
12	Zero Effect Zero Defect ZED
13	Technology And Quality Upgradation Support Through MSMEs – TEQUP
14	MATU Scheme Excluding Vendor Development Programme and International / National Workshop / Seminar
15	Credit Linked Capital Subsidy Scheme CLCSS
16	IPR Building Awareness On Intellectual Property Rights For MSMEs
17	Lean Manufacturing Competitiveness Scheme For MSMEs
18	Design Clinic Scheme For Design Expertise To Micro, Small And Medium Enterprises
19	Incubation Centre Support For Entrepreneurial And Managerial Development Of SMEs Through Incubators
20	Performance And Credit Rating Scheme
21	International Co-operation(IC) Schemes
22	Trade Related Entrepreneurship Assistance And Development Scheme For Women

**SOURCE:** Annual Report - Government of India, Ministry of Micro, small and Medium Enterprises.

### 1.5 OBJECTIVES OF THE STUDY

- To study the importance in the Promotion of MSME schemes at Industrially Backward Places of Trichirappalli District.
- To study the various schemes and growth of MSME schemes at Industrially Backward Places of Trichirappalli District.
- To find out the awareness of MSME schemes at Industrially Backward Places of Trichirappalli District.
- To provide various findings and suggestions for improving the MSME.

### 2. REVIEW OF LITERATURE

**Manterio, M.C., and Kabu, E. (2019)** The micro, small, and medium enterprises (MSMEs) have been acknowledged as the engine of economic growth and for promoting equitable progress all over the world. Let there be any category of countries, the existence of MSMEs is predictable. The MSME sector is playing a pivotal role majorly in employment generation at low capital cost.

**Mouelhi, R. B. A., and Ghazali, M. (2018)** This study endeavors to contribute to a superior comprehension of the primary constraints/promoters for MSME development in those nations of the MENA region (Tunisia, Egypt, Morocco and Jordan). A multinomial logit model is utilized to explore the effect of a three-crease classification of firm development determinants (organization qualities, chief attributes and business environment attributes). The database is

given by the World Bank Enterprise Surveys (MENA ES). Results give measurably powerful proof that inventive firms are bound to develop. Along these lines, the implementation of proficient and all around administered frameworks of innovation is a need in MENA region.

**Goswami, P., and Thakur, Y.S. (2017)** For Micro, Small and Medium Enterprises with time administration of India has pulled back defensive approaches and has received promotional strategies which expands intensity of the assembling and administrations area. The part has confronted different changes as far as definition. After the introduction of MSMED ACT, 2006 the small scale ventures is known as Micro, Small and Medium enterprises. This examination paper is useful to academicians, Ministry of MSME, practitioners and common individuals. Study concludes that the presentation of MSMEs positively affects the development of the economy of the nation.

### **3. RESEARCH METHODOLOGY**

Methodology is an essential and indispensable aspect of any kind of research work. Research methodology enlightens the methods to be followed in research works beginning from investigation to presentation of research report. The research methodology focuses on the methods to be followed at various levels of the research process. It includes Research Design, Area of the Study, Population of the Study, Sample Design, Sources of Data, Collection of Data and Analysis of Data.

#### **3.1 SOURCES OF DATA**

##### **PRIMARY DATA**

To meet the said objectives, a descriptive study is picked for the research structure. This incorporates writing study and primary data accumulation utilizing questionnaires. For descriptive stage, a Cross-sectional overview of respondents was finished utilizing a structured questionnaire. A primary source of data gathering is through questionnaires.

##### **SECONDARY DATA**

Secondary sources of data accumulation are through diaries, news papers, national and universal publications, web, individual books and libraries.

#### **3.2 RESEARCH DESIGN**

Research Design is a blueprint of the various methods used in research projects. It includes the procedures for obtaining the information needed, the way in which they are processed and the method of presentation of the suggestion to solve the research problems. The present study has followed the 'Descriptive Research' Design.

#### **3.3 SAMPLE SIZE**

Data were collected based on judgmental sampling. The sample size used for analysis was 100.

#### **3.4 AREA OF THE STUDY**

The sampling area of the study was conducted in MSME'S at industrially backward places of Trichirappalli District.

### 3.5 SAMPLING TECHNIQUE:

Judgmental sampling was utilized. Introductory arrangement of respondents was chosen based on judgmental sampling. In this manner extra units were acquired based on data given by beginning example units and afterward further referrals were taken from those chose in the example. Along these lines test was developed by including increasingly more referral-based respondents until it arrived at the restricting number.

#### **Judgmental sampling was based on the following parameters:**

- The sample comprised of industrially backward places beneficiaries in Trichirapalli City.
- The sample comprised of beneficiaries who spends time to analyze Promotional Schemes of MSME'S.

### 3.6 STATISTICAL TOOL USED

IBM SPSS Statistic adaptation 20.0 was utilized for examination. Cronbach's alpha test was utilized for checking the dependability of the data which is gathered. Kaiser-Meyer-Olkin test for sampling amplex and Barlett's test for sphericity is finished. Factor examination is done to distinguish the measurements that go about as base for a few factors which were gathered. There might be at least one components dependent on the idea of study and all out factors incorporated into the study. Varimax pivot is utilized in calculate investigation request to create factors that are portrayed by enormous stacking on generally barely any factors. Different relapses are utilized in examination since there are progressively autonomous factors and one dependant variable. Descriptive study is picked for research plan. This incorporates writing study and primary data gathering utilizing questionnaire dependent on the writing survey. Data were gathered based on random sampling (judgmental sampling). 100 respondents were given the questionnaire. The questionnaire had questions dependent on different beneficiary schemes of MSME'S and likert 5 scale rating was given for clients to rate their experience towards beneficiary schemes of MSME'S. The Chi-square decency of fit test utilizes recurrence data from an example to test theory about populace extent

The following tools were administered in this study

- 1) Reliability Test
- 2) Factor Analysis
- 3) Chi-square Test
- 4) ANOVA

### 3.7 LIMITATIONS OF THE STUDY

Although the objective of the study is met, but still there are some limitations of the present study.

- The time availability is very limited for the completion of research.
- The study conducted is limited to MSME'S Beneficiaries of backward places of Trichirappalli District.
- Only few numbers of variables are selected for the study.
- The results are subject to common limitation of accuracy of response.
- Due to time and cost constraint, study is conducted with reference to MSME'S Beneficiaries of backward places of Trichirappalli District.

#### 4. ANALYSIS AND INTERPRETATION

##### 4.1. Reliability Test:

**Table- 4.1 - Reliability Statistics**

Cronbach's Alpha	N of Items
.941	22

##### INFERENCE

To check the reliability and consistency of the data, reliability test has been made and the obtained coefficient alpha value (Cronbach's alpha) was 0.941, and data has satisfactory reliability. Cronbach's alpha value above 0.5 can be used as a reasonable value for reliability.

##### 4.2. Factor Analysis:

**Table-4.2 - KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Bartlett's Test of Sphericity	Approx. Chi-Square	2.4643
	Df	861
	Sig.	.000

##### INFERENCE:

KMO test is to break down the propriety of factor investigation. Qualities somewhere in the range of 0.5 and 1.0 show that the factor examination is proper and worth acquired was 0.816 which shows that the Kaiser – Meyer – Olkin proportion of sampling amplexness is fitting. Bartlett's Test of Sphericity is to look at the speculation by relationship of factors in Chi-Square and connection framework of determinants. Worth acquired in Bartlett's Test of Sphericity Chi-Square is 2.4643. This shows every one of the announcements was corresponded and factor examination is suitable for the study.

Rotated Component Matrix <sup>a</sup>											
	Component										
	1	2	3	4	5	6	7	8	9	10	11
ATI Scheme (Training Component)	.065	.035	.047	-.016	-.037	.111	.068	<b>.770</b>	.041	.157	-.041
Marketing Assistance Scheme	-.006	.015	.140	.176	-.094	.215	<b>.772</b>	.048	.038	.085	-.084
Coir Udyami Yojana	.115	-.010	.004	.664	.019	-.068	.187	.367	.015	.217	-.011
MPDA Grant To Khadi Institutions	.358	.404	.039	.047	.128	-.053	.618	-.004	.118	.046	.137
Coir Vikas Yojana	.203	.207	.016	.051	.221	.065	.628	.207	-.021	.209	.192
SFURTI- SI	-.196	.368	.164	.099	.206	.009	.152	.606	.059	.112	.119
PMEGP Prime Ministers Employment Generation Programme	.051	.717	.193	-.015	.106	.098	.217	.034	.231	.258	.059
Credit Guarantee Scheme	.269	<b>.769</b>	-.045	.051	.158	.061	.021	.074	-.049	.060	-.007
Interest Subsidy Eligibility Certificate For Khadi And Polyvastra – ISEC	.232	.556	.262	-.196	.074	.167	.185	.158	.077	.203	.051
National Awards	.160	.452	-.070	.068	<b>.512</b>	.042	.326	.187	.156	.037	.118
MDP-EDP-Skill Development	.645	.165	.035	.056	.301	.009	.059	.242	.066	.223	.147
Zero Effect Zero Defect ZED	-.142	.380	<b>.442</b>	.052	.203	-.067	.201	-.026	.308	-.265	.388

Technology And Quality Upgradation Support Through MSMEs – TEQUP	.340	.318	.309	.071	.352	.466	-.092	.026	-.006	-.018	.305
MATU Scheme Excluding Vendor Development Programme and International / National Workshop / Seminar	.251	.141	.069	.110	.205	.177	.056	-.025	.128	.136	<b>.781</b>
Credit Linked Capital Subsidy Scheme CLCSS	.526	.325	.292	.094	.179	.165	.079	-.099	-.317	.072	.270
IPR Building Awareness On Intellectual Property Rights For MSMEs	-.004	.039	.131	.267	.193	.123	-.040	.521	.394	-.182	.013
Lean Manufacturing Competitiveness Scheme For MSMEs	.133	.104	.218	.263	.127	-.033	-.018	.077	<b>.742</b>	.072	.024
Design Clinic Scheme For Design Expertise To Micro, Small And Medium Enterprises	<b>.763</b>	-.045	.132	-.073	-.034	.157	.059	-.021	.126	<b>.186</b>	-.022



Incubation Centre Support For Entrepreneurial And Managerial Development Of SMEs Through Incubators	.331	-.068	.303	-.028	.281	.475	.213	.090	.088	.149	.372
Performance And Credit Rating Scheme	.328	.285	.335	.035	.372	.368	.164	-.173	.344	-.094	-.184
International Co- operation(IC) Schemes	.287	.261	.440	.233	.432	.226	.050	.131	.000	-.007	.179
Trade Related Entrepreneurship Assistance And Development Scheme For Women	.081	.076	.100	.803	.090	.188	.146	.052	.193	.005	.024
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.											
a. Rotation converged in 17 iterations.											

**The factors are:**

- **FACTOR1:**  
Design Clinic Scheme For Design Expertise To Micro, Small And Medium Enterprises.
- **FACTOR 2:**  
Credit Guarantee Scheme.
- **FACTOR 3:**  
Zero Effect Zero Defect ZED.
- **FACTOR 4:**  
Trade Related Entrepreneurship Assistance And Development Scheme For Women.
- **FACTOR 5:**  
National Awards
- **FACTOR 6:**  
Incubation Centre Support For Entrepreneurial And Managerial Development Of SMEs Through Incubators
- **FACTOR 7:**  
Marketing Assistance Scheme
- **FACTOR 8:**  
ATI Scheme (Training Component)
- **FACTOR 9:**  
Lean Manufacturing Competitiveness Scheme For MSMEs
- **FACTOR 10:**  
Design Clinic Scheme For Design Expertise To Micro, Small And Medium Enterprises.
- **FACTOR 11:**  
MATU Scheme Excluding Vendor Development Programme and International / National Workshop / Seminar

**INFERENCE:**

Eleven values speak to the absolute difference clarified by each factor. Level of all out change credited to each factor. One of the famous techniques utilized in exploratory factor test is Principle Component Analysis, where the all out difference in the data is considered to decide the base number of elements that will represent most extreme variation of data.

**4.3. MULTIPLE REGRESSION:**

**Hypotheses 1:**

1. There is a high level Impact of Micro, Small and Medium Enterprises (MSME) Schemes in the Promotion of MSME’s At Industrially Backward Places of Trichirappalli District.

**Table-4.3**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.613 <sup>a</sup>	.675	.808	.57155
a. Predictors: (Constant), special offer, data services, advertisement features, calling services, price compared with competitors, jio tv, jio tune, network coverage features, connectivity, referral in jio				

**INFERENCE:**

The multiple regressions are shown in the above table. The model summary table shows R-Square for this model is .675. This means that 67.5 percent of the variation in buying behavior (dependent variable) can be explained from the 11 independent variables. The table also shows the adjusted R for the model is .808

**Table-4.4 - ANOVA (b)**

ANOVA <sup>b</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.063	10	1.806	5.529	.000 <sup>a</sup>
	Residual	30.054	92	.327		
	Total	48.117	102			
a. Predictors: (Constant), special offer, data services, advertisement features, calling services, price compared with competitors, jio tv, jio tune, network coverage features, connectivity, referral in jio						
b. Dependent Variable: overall satisfaction						

**INFERENCE:**

The above ANOVA table gives the F incentive to locate the needy factors related with the Independent factors, bigger the F esteem more the fluctuations. The F-proportion given under section F is 5.529 and p-esteem, 0.000 is given under sig. segment. Since p-esteem is under 0.05, it infers that the determined relapse coefficient is huge and the fluctuation in autonomous variable adds to the adjustment in subordinate variable. Along these lines, it is deduced that the fluctuation in indicators (Constant variable), truly add to the Impact of Micro, Small and Medium Enterprises (MSME) Schemes in the Promotion of MSME's At Industrially Backward Places of Trichirappalli District.

**Table-4.5 - Coefficients(a)**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.544	.640		.849	.398
	Design Clinic Scheme For Design Expertise To Micro, Small And Medium Enterprises	-.006	.062	-.009	-.099	.922
	Credit Guarantee Scheme	.205	.079	.232	2.609	.001
	Zero Effect Zero Defect ZED	.048	.079	.054	.604	.547

Trade Related Entrepreneurship Assistance And Development Scheme For Women.	.094	.079	.112	1.184	.240
National Awards	.020	.094	.019	.211	.834
Incubation Centre Support For Entrepreneurial And Managerial Development Of SMEs Through Incubators	.248	.094	.259	2.638	.000
Marketing Assistance Scheme	.069	.080	.076	.861	.392
ATI Scheme (Training Component).	.350	.091	.333	3.854	.000
Lean Manufacturing Competitiveness Scheme For MSMEs	-.066	.101	-.063	-.651	.517
Design Clinic Scheme For Design Expertise To Micro, Small And Medium Enterprises	-.067	.083	-.077	-.809	.421
MATU Scheme Excluding Vendor Development Programme and International / National Workshop / Seminar	.030	.080	.434	3.754	.000
a. Dependent Variable: overall satisfaction					

**INFERENCE:**

To determine if one or more of the independent variables are significant predictors of Customer Relationship Management, we examine the information provided in the coefficient table. Out of 11 independent statements 4 statements are statistically significant, since the significance value is less than the 'P' value (0.05%).

Credit Guarantee Scheme has a beta coefficient (.232), Incubation Centre Support for Entrepreneurial and Managerial Development of SMEs through Incubators has a beta coefficient (.259), ATI Scheme (Training Component) has a beta coefficient (.259), ATI Scheme (Training Component) has a beta coefficient (.333), MATU Scheme Excluding Vendor Development Programme and International / National Workshop / Seminar has a beta coefficient (.434).

**5. CONCLUSION**

In today's competitive business, MSME'S Schemes are considered as the motivating factors for new startups and also the backbone of any business. MSME'S plays a vital role in any business. Every business takes time and effort to master the art of satisfying the customer. MSME'S Schemes can be promoted to the backward places at Trichirappalli District and the result can achieve by treating the beneficiaries in a friendly manner. It is consider as the best way to attract the people who are having the urge to start the business. MSME'S Schemes research will help businesses build stronger relationships with the business unit and also helps the business man to know more about the other schemes.

## 6. SCOPE FOR FURTHER RESEARCH

This Study was finished by considering just a only a limited number of factors. Additionally research can be done by more number of variables that has an the Impact of Micro, Small and Medium Enterprises (MSME) schemes in the promotion of MSME'S at industrially backward district of Trichirappalli. . This research was done just on customers of Trichy City only. Still the study can be extended to national level.

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