

Socio – Economic Status of MSMEs in Sellur, Madurai City of Tamilnadu

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Abstract

India has a vibrant micro and small enterprise sector. The micro, small and medium enterprises sector contributes significantly to the manufacturing output, employment, and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 percent of the manufacturing output and 40 percent of the total exports of the country. The sector is the second largest employer of human resources after agriculture. According to the National Sample Survey 73rd Round 2015-16 (Ministry of Statistics and Programme Implementation (MOSPI), as reported in Annual Report 2019-20; Ministry of Micro, Small and Medium Enterprises (MOMSME), 2020) the MSME sector has created about 11.10 crore jobs in over 633.88 lakh units throughout the country. Further, this sector has consistently registered a higher growth rate than the rest of the industrial sector. There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs in India. The proposed research paper deals with the socio-economic status of MSMEs, prospects, problems and government initiatives for promoting the MSMEs in India.

Keywords: MSMEs, Scio-Economic Status, Income, Problems, Role of Government, Prospects etc.

Introduction

The World Bank Review on Small Business Activities establishes the commitment of the World Bank Group to the development of the small and medium

enterprise (SME) sector as a core element in its strategy to foster economic growth, employment, and poverty alleviation (**Ayyagari, Beck & Kunt, 2007**). The World Bank Group approved approximately \$2.8 billion in the year 2004 alone in support of micro, small and medium enterprises. Acknowledging the importance of SMEs and to foster SMEs in India too, a landmark Act, the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 was passed. The MSMED Act seeks to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector.

MSMEs play an important role in the socio-economic development of the country on account of their inherent advantages like a low capital requirement, high employment generation, decentralization of industrial activity, utilization of locally available resources, and widening of the entrepreneurial base. MSMEs have a place of pride in the Indian economy. The growth rate recorded by this sector has normally been higher than that of the industrial sector as a whole. The small-scale industrial sector. has emerged over a few decades as a highly vibrant and dynamic sector of the Indian economy. MSMEs have performed exceedingly well and enabled the country to achieve a wide measure of industrial growth and diversification (**Garg & Walia, 2012**)

Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) Micro, Small and Medium Enterprises (MSMEs), including khadi and village/rural enterprises credited with generating the highest rates of employment growth, accounted for a major share of industrial production and exports. They also play a key role in the development of economies with their effective, efficient, flexible, and innovative entrepreneurial spirit. The socio-economic policies adopted by India since the Industries (Development and Regulation) Act 1951 have laid stress on MSMEs as a means to improve the country's economic conditions.

MSMED Act was notified in 2006 to address policy issues affecting MSMEs as well as the coverage and investment ceiling of the sector. The salient features of the Act include:

- ❖ Setting up of a National Board for MSMEs
- ❖ Classification of enterprises
- ❖ An advisory committee to support MSMEs
- ❖ Measures for promotion, development, and enhancement of MSMEs

- ❖ Schemes to control delayed payments to MSMEs
- ❖ Enactment of rules by State Governments to implement the MSMED Act, 2006 in their respective States

India has a vibrant micro and small enterprise sector. The micro, small and medium enterprises sector contributes significantly to the manufacturing output, employment, and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 percent of the manufacturing output and 40 percent of the total exports of the country. This sector is the second largest employer of human resources after agriculture, providing employment to about 59 million persons in over 26 million units throughout the country. is estimated to employ about 59 million persons in over 26 million units throughout the country. Further, this sector has consistently registered a higher growth rate than the rest of the industrial sector. There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs in India.

MSME: Definition

The President of India amended the Government of India (Allocation of Business) Rules, 1961, under the notification dated 9th May 2007. Perusal to this amendment, the Ministry of Agro and Rural Industries (Krishi Evam Gramin Udyog Mantralaya) and the Ministry of Small Scale Industries (Laghu Udyog Mantralaya) have been merged into a single ministry, namely, “**Ministry of Micro, Small and Medium Enterprises (Sukshma Laghu Aur Madhyam Udyam Mantralaya)**”. The MSMED Act is the first single comprehensive legislation in India, covering micro, small and medium enterprises.

The MSMEs are defined on the basis of investment in Plant & Machinery and Equipment under the Micro, Small, Medium Enterprises Development (MSMED) Act, 2006. The present investment limit for MSME is as under (revised 1st June 2020):

(a) Manufacturing Enterprises

The enterprises engaged in the manufacture or production of goods, processing or preservation of goods (excluding land and building) pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951.

(b) Service Enterprises

Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006

Prospects of MSMEs in India

(a) The MSME sector is labor - intensive. It creates more employment opportunities. It also offers ample scope for self-employment.

(b) The MSME sector requires low capital investment. It is a boon to a country like India where capital is deficient. This feature attracts unemployed youths to start new business units.

(c) The MSME sector does not require highly advanced and sophisticated technologies or machines.

(d) The formality to start an MSME unit is simple. It enjoys government support and patronage in the form of incentives and schemes.

(e) Now commercial banks have liberalized the procedures for applying loans to various schemes of the government for the entrepreneurs.

(f) The MSMEs are generally based on local resources and hence more environmentally friendly.

(g) MSMEs facilitate the distribution of income and opportunities. Thus acts as a growth engine for balanced regional development

Review of The Literature

A literature review is a survey of scholarly sources on a specific topic. It provides an overview of current knowledge, allowing you to identify relevant theories, methods, and gaps in the existing research that you can later apply to your paper, thesis, or dissertation topic. A literature review is a survey of scholarly sources on a specific topic. It provides an overview of current knowledge, allowing you to identify relevant theories, methods, and gaps in the existing research that you can later apply to your paper, thesis, or dissertation topic.

Chandra Sekar, P.(2016) A Study on Socio-Economic Development of MSMEs in Tamil Nadu This study explores the role of MSMEs in the socio-economic development of Tamil

Nadu. It examines the ways in which MSMEs contribute to employment generation, regional economic development, and poverty alleviation. However, it highlights several challenges that MSMEs face, including limited access to finance, outdated technology, and lack of proper infrastructure, which inhibit their growth. The paper emphasizes the need for increased government support, especially in terms of accessible credit facilities and better infrastructural development, to improve the socio-economic conditions of MSMEs.

Kumar, R. (2017) The Role of MSMEs in Economic Development A Case Study of Tamil Nadu This paper delves into the economic significance of MSMEs in Tamil Nadu, with a particular focus on their impact on employment, GDP, and poverty reduction. It examines how MSMEs help diversify local economies, provide crucial employment opportunities, and contribute to sustainable economic growth. Despite their importance, the paper discusses several socio-economic barriers, such as financing issues, market access constraints, and limited skill development, which hinder their potential for growth. The study advocates for better policy interventions and enhanced support structures to nurture MSMEs.

Ganapathy, P. (2019) Socio-Economic Challenges in MSMEs of Madurai District This study focuses on MSMEs in Madurai District, analyzing their role in the local economy and identifying the socio-economic challenges that these enterprises face. The paper discusses the significant barriers to growth, such as inadequate infrastructure, lack of skilled labor, and limited access to capital. Despite their crucial role in providing employment and contributing to local income, these MSMEs struggle with high production costs and limited technological advancement. The study calls for targeted interventions, particularly in improving training, access to finance, and infrastructure in Madurai, to help MSMEs thrive.

Rajeswari, S.(2018) Impact of Government Schemes on the Socio-Economic Status of MSMEs in Tamil Nadu This paper investigates the impact of various government schemes aimed at supporting MSMEs in Tamil Nadu, such as credit facilitation schemes, tax incentives, and subsidies. The study reveals that while these government initiatives have provided essential support, the lack of efficient implementation and awareness has limited their full potential. The study recommends streamlining these programs and ensuring better accessibility to the MSME owners, particularly in rural areas.

Jothi. S. (2020) A Study on the Economic Impact of MSMEs in Madurai District This research explores the direct economic impacts of MSMEs in Madurai, focusing on their role in local employment, income generation, and regional economic growth. The study finds that

MSMEs are significant contributors to the local economy but face constraints due to financial instability, lack of access to new markets, and limited technological expertise. The study suggests that fostering stronger business networks, improving financial access, and integrating technology can enhance the growth trajectory of MSMEs in Madurai.

Venkatesan, P. (2015) Entrepreneurial Challenges Faced by MSMEs in Tamil Nadu A Socio-Economic Perspective. This paper provides a comprehensive analysis of the entrepreneurial challenges faced by MSMEs in Tamil Nadu, such as financial constraints, lack of skilled workforce, and barriers to market access. It highlights that while MSMEs in the region contribute significantly to employment and economic development, these challenges prevent them from achieving their full potential. The study suggests that improving entrepreneurial skills, access to finance, and government support can significantly enhance the socio-economic condition of MSMEs.

Bhuvaneshwari, K. (2014) Socio-Economic Status of Women Entrepreneurs in Tamil Nadu MSMEs This paper focuses on the socio-economic status of women entrepreneurs within the MSME sector in Tamil Nadu, highlighting the unique challenges that women face. These include limited access to credit, lack of proper training, societal pressures, and gender bias. Despite these challenges, the study highlights the importance of women-led MSMEs in empowering communities and fostering inclusive economic growth. The study suggests that targeted programs for women entrepreneurs could lead to better socio-economic outcomes for the state.

Durai, K. (2016) The Role of MSMEs in Rural Economic Development in Tamil Nadu The paper examines the contribution of MSMEs to rural development in Tamil Nadu, focusing on employment generation and rural economic growth. It discusses how MSMEs help in reducing rural poverty and improve living standards by creating sustainable livelihoods. However, the study identifies that rural MSMEs face challenges such as poor access to infrastructure, limited market reach, and financial constraints. The paper recommends focused governmental support for rural MSMEs, including infrastructure development and access to affordable finance.

Ramasamy, K. (2017) Financial Constraints and Socio-Economic Impact of MSMEs in Southern Tamil Nadu The paper investigates the role of financial constraints in limiting the growth potential of MSMEs in Southern Tamil Nadu. It reveals that limited access to capital, combined with high-interest rates and lack of financial literacy, is a significant barrier to

growth. The study discusses the socio-economic implications of this financial challenge, such as stagnation in job creation and low levels of technological advancement. The paper recommends financial literacy programs and better credit facilities as key solutions.

Priya, M. (2018) *The Social Impact of MSMEs in Madurai: A Study on Employment and Economic Growth* This research explores how MSMEs in Madurai contribute to social and economic development by creating employment opportunities, especially for low-income groups and marginalized communities. The study underscores the need for greater access to financial and technological resources to enable MSMEs to expand. The study concludes that while MSMEs are crucial for local economic growth, enhancing their competitiveness requires addressing issues related to financial access, infrastructure, and training.

Mohanraj, K. (2019) *Socio-Economic Effects of Government Schemes on MSMEs in Madurai* This paper analyzes the effects of various government schemes aimed at improving the socio-economic status of MSMEs in Madurai. While the study finds that government initiatives have had a positive effect on MSME growth, it also highlights issues such as the complexity of application processes and insufficient awareness among MSME owners. The paper recommends simplifying the application process and enhancing the implementation mechanisms to improve outcomes.

Nithya, P. (2020) *Financial Literacy and Socio-Economic Status of MSMEs in Madurai* This paper explores the relationship between financial literacy and the socio-economic success of MSMEs in Madurai. It finds that financial literacy plays a key role in improving the financial decision-making and business sustainability of MSMEs. The study suggests that improving financial literacy programs can significantly contribute to the growth and success of MSMEs in the region.

Rajendran, V. (2018) *The Role of Technology Adoption in Enhancing the Socio-Economic Status of MSMEs in Tamil Nadu* This study investigates the role of technology adoption in improving the socio-economic status of MSMEs in Tamil Nadu. The research highlights that technology adoption leads to increased productivity, better product quality, and improved market access, which ultimately enhances the socio-economic standing of MSMEs. However, the study productivity, better product quality, and improved market access, which ultimately enhances the socio-economic standing of MSMEs.

Selvaraj, V. (2017) Socio-Economic Status of MSMEs in Tamil Nadu: An Analytical Study This study explores the socio-economic status of MSMEs across Tamil Nadu, including their contribution to regional employment and income generation. It highlights the various socio-economic benefits of MSMEs, such as poverty alleviation, skill development, and rural development. However, the research identifies persistent challenges such as the lack of adequate financial support, poor infrastructure, and low technological adoption. The study emphasizes the need for focused policies to enhance MSMEs' access to credit and modern technology to boost their growth.

Narayan, T. (2018) Impact of Digital Transformation on MSMEs in Madurai This paper assesses the impact of digital transformation on the socio-economic status of MSMEs in Madurai District. It finds that MSMEs that have adopted digital tools such as e-commerce, social media, and online marketing have seen improved efficiency and market reach. The study highlights that digital adoption has led to increased profitability and broader market access, which positively influences the socio-economic status of these enterprises. However, it points out that many MSMEs in Madurai still face digital literacy issues, which prevent them from fully benefiting from technological advances.

Sivaraj, P. (2020) The Role of MSMEs in Enhancing Socio-Economic Development in Madurai: A Study on Local Empowerment This study analyzes how MSMEs contribute to local empowerment in Madurai. It explores how these enterprises promote community development through employment creation, skill enhancement, and the support of local supply chains. The paper highlights the important role of MSMEs in rural areas, particularly in empowering marginalized communities. However, it also points out that many MSMEs struggle with business sustainability due to limited access to resources and the lack of government support. The study calls for enhanced financial and technical assistance to improve the socio-economic status of MSMEs in the region.

Ranganathan, V. (2019) The Socio-Economic Contribution of MSMEs to Women Empowerment in Tamil Nadu This research examines the socio-economic impact of MSMEs led by women entrepreneurs in Tamil Nadu, focusing on how these businesses contribute to the economic and social empowerment of women. It finds that women-led MSMEs help in improving the social status of women, enhancing their decision-making power within families, and contributing to local economic growth. However, the study also identifies barriers like societal norms, financial barriers, and lack of business training, which limit the

growth and success of women-led enterprises. The paper recommends more targeted support for women entrepreneurs to foster gender-inclusive development in MSMEs.

Muthukumar, P. (2018) Evaluating the Impact of Government Support on MSME Growth in Madurai District This study evaluates the effectiveness of government support schemes aimed at promoting MSME growth in Madurai District. The research examines various government initiatives, such as subsidies, training programs, and financial assistance, to determine their impact on the socio-economic status of MSMEs. The study finds that although these programs have contributed positively to MSME development, there are significant gaps in their implementation, especially in rural areas. Recommendations include improving the accessibility and awareness of these programs to maximize their impact on MSME growth in Madurai.

Methodology

This Chapter is devoted to the study of methodology which includes selection of the Study area, Sampling technique, Collection of data, and the measurement of variables used in the present study. Research Design For this A Study on Socio – Economic Status of MSMEs in Sellur, Madurai City a descriptive research design was employed. Descriptive research aims to describe the characteristics, behaviours. In this case, the objective was to gain insight into the socioeconomic profile, working conditions, challenges, and coping mechanisms of Socio – Economic Status of MSMEs Sellur, Madurai City.

Data Sources

This study utilizes both primary and secondary data to assess the socio-economic status of MSMEs in Sellur.

Primary Data

Primary data refers to firsthand information collected from MSME owners, employees, and stakeholder's information about their socio-economic conditions, working experiences, challenges, and coping mechanisms. The interviews provided rich qualitative data that offered insights into the lived experiences.

Data Collection Methods

Surveys and Questionnaires: Structured and semi-structured questions focusing on financial status, employment, market access, and challenges faced.



Interviews: Face-to-face or telephonic interactions with MSME owners and workers to gain qualitative insights.

Focus Group Discussions (FGDs): Engaging multiple MSME stakeholders to understand common issues and opportunities.

Observations: On-site visits to MSMEs to observe operational challenges and strategies.

Data Sources: Both primary and secondary data sources were utilized for this study.

Sampling for primary data

Sampling Technique: Stratified random sampling to ensure representation of micro, small, and medium enterprises.

Sample Size: Determined based on the total number of registered MSMEs in Sellur, considering statistical significance.

Target Respondents: MSME owners, employees, industry experts, and local government representatives.

Sample Size: 50 Respondents

Secondary Data

Government Reports: Data from MSME Ministry, Tamil Nadu Government, and District Industrial Centers.

Academic Papers & Journals: Research studies related to MSME development and economic impact.

Industry Reports: Market research reports on MSMEs in Madurai.

Census and Economic Survey Data: Socio-economic and demographic details of Sellur.

Tools and Software Tools

Percentile analysis was employed to analyze the distribution of income among MSMEs owners and identify income disparities within the population. Percentile analysis allows for a comprehensive understanding of the income distribution, highlighting the earnings of MSMEs owners at different percentiles.

Data Analysis and Interpretation**Table 1.1: Classification of Age Wise**

S.NO	AGE OF THE RESPONDENTS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Below 30	-----	-----
2	31 - 40	25	50%
3	41 - 50	25	50%
4	Above 50	-----	-----
	TOTAL	50	100%

Source: Computed data

Table 1.2: Classification of Gender Wise

S.NO	GENDER	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Male	10	20%
2	Female	40	80%
3	Others	-----	-----
	TOTAL	50	100%

Source: Computed Data

The above table shows that 20% of the respondents are male, and remaining 80% of the respondents are female.

TABLE 1.3: Classification of Education Qualification

S.NO	EDUCATION QUALIFICATION	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Illiterate	17	34%
2	Primary School	19	38%
3	Secondary School	11	22%
4	Higher secondary	3	6%
5	Graduate	-----	-----
6	Post Graduate & Above	-----	-----
	TOTAL	50	100%

Source: Computed Data

The above table shows that 34% of the respondents are illiterate, 38% of the respondents are primary school, 22% of the respondents are secondary school, 6% of the respondents are higher secondary.

Table 1.4: Classification of Type of MSME

S.NO	TYPE OF MSME	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Micro	4	8%
2	Small	18	36%
3	Medium	21	42%
4	Cottage	4	8%
5	Family Based	3	6%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 8% of the respondents are micro, 36% of the respondents are small, 42% of the respondents are medium, 8% of the respondents are cottage, 6% of the respondents are family based.

Table 1.5: Classification of Nature of Business

S.NO	NATURE OF YOUR BUSINESS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Manufacturing	16	32%
2	Service	4	8%
3	Retail	21	42%
4	Agriculture – related and Food	9	18%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 32% of the respondents are manufacturing, 8% of the respondents are service, 42% of the respondents are retail, 18% of the respondents are agriculture – related and food.

Table 1.6: Classification of Years of Operation in The Business

S.NO	YEARS OF OPERATION IN THE BUSINESS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Less than 1 year	9	18%
2	1 – 3years	15	30%
3	4 – 6 years	17	34%
4	Above 20	9	18%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 18% of the respondents are less than 1 year, 30% of the respondents are 1 – 3years, 34% of the respondents are 4 – 6years, 18% of the respondents are above 6 years.

Table 1.7: Classification of Employees, Business

S.NO	MANY EMPLOYEES DO YOU HAVE YOUR BUSINESS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	1 - 5	24	48%
2	6 - 10	25	50%
3	11 - 20	1	2%
4	Above 20	-----	-----
	TOTAL	50	100%

Source: Computed Data

The above table shows that 48% of the respondents are 1 – 5, 50% of the respondents are 6 – 10, 2% of the respondents are 11 – 20.

Table 1.8- Classification of Source of Capital Business

S.NO	SOURCE OF CAPITAL IN YOUR BUSINESS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Personal savings	8	16%
2	Family/Relatives	9	18%
3	Bank loan	12	24%
4	Government schemes	12	24%
5	Other financial institutions	9	18%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 16% of the respondents are personal savings, 18% of the respondents are family/relatives, 24% of the respondents are bank loan, 24% of the respondents are government schemes, 18% of the respondents are other financial institutions.

Table 1.9: Classification of Access to Government Schemes or Subsidies

S.NO	ACCESS TO ANY GOVERNMENT SCHEMES OR SUBSIDIES	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Yes	40	80%
2	No	10	20%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 80% of the respondents are yes, 20% of the respondents are no.

Table 1.10: Classification of Main Challenges

S.NO	MAIN CHALLENGES YOUR BUSINESS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Lack of finance/capital	10	20%
2	Lack of skilled labor	8	16%
3	Market competition	9	18%
4	Lack of infrastructure	8	16%
5	Regulatory hurdles	8	16%
6	Inadequate technology or equipment	7	14%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 20% of the respondents are lack of finance/capital, 16% of the respondents are lack of skilled labor, 18% of the respondents are market competition, 16% of the respondents are lack of infrastructure, 16% of the respondents are regulatory hurdles, 14% of the respondents are inadequate technology or equipment.

Table 1.11: Market Products/Services Wise Classification

S.N O	MARKET YOUR PRODUCTS/SERVICES	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Word of mouth	9	18%
2	Local markets	15	30%
3	Digital platforms (online stores, social media)	8	16%
4	Distributors or agents	11	22%
5	Trade fairs	5	10%
6	Other modes	2	4%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 18% of the respondents are word of mouth, 30% of the respondents are local markets, 16% of the respondents digital platforms (online stores, social media), 22% of the respondents are distributors or agents, 10% of the respondents are trade fairs, 4% of the respondents are other modes.

Table 1.12: Classification of Average Monthly Income , Business

S.NO	AVERAGE MONTHLY INCOME OF YOUR BUSINESS	TOTAL No. of RESPONDENTS	PERCENTAGE%
1	Less than 5000	12	24%
2	5000 - 10000	20	40%
3	15000 - 20000	14	28%
4	Above 20000	4	8%
	TOTAL	50	100%

Source: Computed Data

The above table shows that 24% of the respondents are less than 5000, 40% of the respondents are 5000 – 10000, 28% of the respondents are 15000 – 20000, 8% of the respondents are above 20000.

Findings of the Study

- Majority of the 50 percent of respondents are between 31-40 years, and 50 percent are between 41-50 years.
- Majority of the 80 percent of respondents are female, while 20 percent are male in the Study Area
- Majority of the 34 percent of respondents are illiterate, 38 percent have completed primary school, 22 percent have secondary education, and 6 percent have higher secondary education.
- In the study area 8 percent operate micro businesses, 36 percent small businesses, Majority of 42 percent medium businesses, 8 percent cottage industries, and 6 percent are family-based businesses.
- In the study area 32 percent are in manufacturing, 8 percent in services, 42 percent in retail, and 18 percent in agriculture-related or food industries.

- In the study area 18 percent have less than 1 year of experience, 30 percent have 1-3 years, 34 percent have 4-6 years, and 18 percent have more than 6 years of experience.
- In the study area 48 percent have 1-5 employees, 50 percent have 6-10 employees, and 2 percent have 11-20 employees.
- In the study area 16 percent use personal savings, 18 percent receive funds from family/relatives, 24 percent rely on bank loans, 24 percent on government schemes, and 18 percent on other financial institutions.
- Majority of the 80 percent of respondents receive government support, while 20 percent do not.
- In the study area 20 percent face lack of finance/capital, 16 percent lack skilled labour, 18 percent face market competition, 16 percent lack infrastructure, 16 percent encounter regulatory hurdles, and 14 percent experience inadequate technology/equipment.
- In the study area 18 percent use word-of-mouth, 30 percent sell in local markets, 16 percent use digital platforms, 22 percent use distributors/agents, 10 percent participate in trade fairs, and 4 percent use other modes.
- In the study area Majority of the 56 percent of respondents have received training, while 44 percent have not have received training
- In the study area majority of 64 percent reported great improvement, 34 percent slight improvement, and 2 percent no change.
- In the study area 28 percent created jobs, 20 percent improved infrastructure, 14 percent increased local demand, 4 percent improved social status, 4 percent had no significant impact, and 30 percent improved the standard of living.
- In the study area 24 percent earn less than 5000, 40 percent earn between 5000 - 10000, 28 percent earn between 15000-20000, and 8 percent earn above 20000.
- Majority of 96 percent of respondents believe their business is sustainable, while 4 percent do not their business is sustainable
- Majority of 36 percent reported a positive impact, 44 percent saw no impact, 10 percent reported a negative impact, and 10 percent saw a moderate impact.
- Majority of 90 percent are optimistic about their business growth, while 10 percent are not optimistic about their business growth



Suggestions

- Increase training programs to improve literacy and business skills among respondents, particularly for women.
- Provide easier access to capital through flexible loan options and increased awareness of government schemes.
- Enhance access to modern equipment and digital platforms to improve productivity and market reach.
- Encourage the use of digital platforms and e-commerce to expand business outreach beyond local markets.
- Simplify regulations and provide incentives to reduce barriers for small and medium businesses.
- Encourage businesses to collaborate with local communities to create employment and improve social infrastructure.
- Promote networking opportunities for businesses to connect with distributors, trade fairs, and global markets.

Government Measures to Improvement of MSMEs in India

To boost the Micro, Small, and Medium Enterprises (MSME) sector, the Indian government has implemented several measures, including financial support, streamlined registration processes, and market access initiatives, such as the Udyam Registration Portal, PM Vishwakarma scheme, and TReDS.

Here's a more detailed look at the government's initiatives:

Financial Support and Credit Access:

Credit Guarantee Scheme: This scheme provides collateral-free loans to MSMEs, with enhanced guarantee coverage and reduced fees.

Trade Receivables Discounting System (TReDS): This system addresses delayed payments to MSMEs by facilitating the discounting of trade receivables.

Priority Sector Lending: Specific targets for lending to the MSME sector have been prescribed in Priority Sector guidelines.

Mudra Yojana: This scheme provides loans to micro-enterprises.

59-minute loan guarantee scheme: This scheme aims to provide quick loans to MSMEs.



Self Reliant India (SRI) Fund: This fund infuses equity funding in MSMEs.

2% interest subsidy: A 2% interest subsidy is available for MSMEs.

Udyam Assist Platform (UAP): This platform registers informal micro enterprises (IMEs) to enable them to access benefits under Priority Sector Lending (PSL).

GST Sahay App: This app facilitates invoice-based small value credit to micro enterprises. Streamlining Operations and Registration:

Udyam Registration Portal:

MSMEs can register through this online portal for ease of doing business.

Revamped MSME Definition: The definition of MSMEs has been modified and clarified, applying to both manufacturing and service sectors.

Udyam Assist Platform (UAP): This platform registers Informal Micro Enterprises (IMEs) to bring them under the formal ambit for availing the benefit under Priority Sector Lending (PSL).

Integration of Udyam Registration Portal: The Udyam Registration Portal is integrated with National Career Service (NCS) of Ministry of Labour & Employment and Skill India Digital of Ministry of Skill Development and Entrepreneurship.

Conclusion

The findings indicate a strong presence of female entrepreneurs, primarily in the 31-50 age range, running small and medium businesses. Most businesses operate in retail, manufacturing, and agriculture-related sectors, with a significant portion reporting financial and regulatory challenges. While government support is available, access to finance, infrastructure, and skilled labor remains a challenge. Marketing strategies are still heavily reliant on traditional methods, highlighting the need for digital transformation. Despite these challenges, a majority of respondents have witnessed business growth and community impact, with improved income levels and a positive business outlook. Addressing financial, training, and regulatory issues can further enhance business sustainability and growth opportunities.

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