



SOCIO-ECONOMIC CONDITIONS OF SMALL AND MEDIUM ENTERPRICES (SMEs) IN WARANGAL URBAN DISTRICT – A STUDY

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Abstract

Small and Medium Enterprises (SMEs) Is play key role in the economic development of the country.It is providing large scale employment. In This paper has been focus on Socio-economic Condition of Small and Medium Enterprises (SMEs) and To offer the suggestions are State & Central government have to increase the budget allocation for SMEs sector & provide assistance to SMEs for strengthening the share Capital, Banks to increase loan amount, Government have tax exemption for SMEs & provide marketing facilities, transport facilities and subsidies, government has to provide raw material, machinery and equipment directly to the SMEs order to maintain and also providing training in machines, government has to take necessary steps in order to sale the SMEs products through e – commerce like Amazon, snap deal, and flip kart etc., government has to establish new industrial parks and developing the infrastructural facilities & promotion policies, government should be conduct training and development, awareness programmers, government has to relaxation in labor laws &red tape and governments need to conduct health check up camps.

Key Words: Small and Medium Enterprises, Small and Medium Entrepreneurs, Warangal Urban District, Socio-Economic Conditions.

Introduction:

Small and Medium Enterprises (SMEs) also play significant role in the economic development of the Nation. It is contribution to domestic production, significant export earnings, low investment requirements operational flexibility, location wise mobility, low intensive imports, capacities to develop appropriate indigenous technology, import substitution, contribution

towards Defence production Technology-oriented industries competitiveness in domestic and export markets thereby generating new entrepreneurs by providing knowledge and training.

Official Definition of SMEs In India:

Micro, Small and medium enterprises Development (MSMED) Act 2006.

Manufacturing Sector: The Enterprises engaged in the manufacture production or goods pertaining to any Industry specified in the first schedule to the Industries (Development and Regulation)Act 1951 .

1. Manufacturing Sector: The Enterprises are defined in terms of investment in Plant & Machinery (as notified Gide S.O 1642(E),Dated 29-Sep-2006),which is presented in the table below

Table-1
Showing Investment ceiling for MSMEs in Manufacturing Sector

Manufacturing Sector	Investment Plant & Machinery
Micro Enterprises	Does not exceed Rs. 25 Lakhs
Small Enterprises	More than Rs. 25 Lakhs, But does not exceed Rs. 5 Crore
Medium Enterprises	More than Rs. 5 Crore, But does not exceed Rs. 10 Crore

Source: Ministry of MSMEs, Government of India.

2. Service Sector: The Enterprises engaged in providing or rendering of services defined in terms of investment in equipment (as notified Uide S.O.162(E), Dated 29-Sep-2016), which is presented in the table below

Table-2
Showing Investment ceiling for MSMEs In Service Sector

Service Sector	Investment in Equipment
Micro Enterprises	Does not exceed RS 10 Lakhs
Small Enterprises	More than Rs. 10 lakhs, But Does Not exceed Rs.2 Crore
Medium Enterprises	More than Rs. 2 Crore, But Does not Exceed Rs. 5 Crore

Source: Ministry of MSMEs, Government of India.



Need for the Study:

The Small and Medium Enterprises (SMEs) has been accepted as the engine of economic growth and promoting equitable development. In the present scenario, the SMEs have been facing cut throat competition from the MNCs and big entrepreneurs, whose products are coming out with the sophisticated technology, huge amount of capital, marketing strategies, etc., at this section the proposed research is need of the hour, for which I have selected the Warangal Urban District of Telangana state.

Objectives of the Study:

The Study will be focus on the following objectives

1. To Study the Small and Medium Enterprises (SMES) in India.
2. To examine the Socio-economic Condition of SMEs.
3. To draw the Conclusion.

Scope of the Study:

The Study broadly examines the Socio-economic Condition of Small and Medium Enterprises (SMEs) in Warangal Urban District.

Methodology:

The required data collecting using both primary and secondary data. Primary data collecting from using structured questionnaire a part from this Personal Interview, Group Discussion and Observation Method. Secondary data collected from Books, Annual Reports, Journals, Articles, Newspapers, Visiting Websites, Theses and Dissertations.

Sample Size:

Sample of 100 Respondents Selected from Warangal Urban District.

Tools of Data Analysis:

The collected data analysis simple statistical techniques will be applied such as percentages and averages.

Limitation of the Study:

1. It is a Micro level Study.
2. The information through the questionnaires may not have covered correct figures of Socio-economic Condition of Small and Medium Enterprises.
3. Opinions and expression of Small and Medium Enterprises are based on the Personal experience with the Enterprises.
4. Time period.

DATA ANALYSIS AND INTERPRETATION

An attempt is made in this paper is to examine the Socio-economic conditions of sample respondents focusing on the basis of age wise, area wise, religion wise, caste wise, educational qualification, type of the family, size of the family, occupational background, type of the house, loan taken from the SMEs, annual income, experience profile, initial of the present business, nature of business, number of persons working in your organization, type of the enterprises mobilized your initial capital and initial capital

TABLE - 1

AGE-WISE DISTRIBUTION OF SMEs

S.NO	AGE GROUPS (YEARS)	NO. OF RESPONDENTS	PERCENTAGE
1	Below 25	5	5
2	25-35	12	12
3	35-45	50	50
4	Above 45	33	33
Total		100	100

Source: Field survey

The above table-1 shows the age-wise distribution of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 50(50.00%) Respondents are in the age group of 35-45 years, 33(33.00%) Respondents are in the age group of above 45 years, 12(12.00%) Respondents are in the age group of 25-35 years and only 5(5.00%) Respondents are in the age group of below 25 years.

TABLE - 2

AREA-WISE DISTRIBUTION OF SMEs

S.NO	AREA	NO. OF RESPONDENTS	PERCENTAGE
1	Urban	70	70
2	Rral	30	30
Total		100	100

Source: Field survey

The above table-2 clears that area-wise distribution of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 70(70.00%) Respondents are living in the urban area and only 30(30.00%) Respondents are living in the rural area.

TABLE - 3

RELIGION- WISE DISTRIBUTION OF SMEs

S.NO	RELIGION	NO. OF RESPONDENTS	PERCENTAGE
1	Hindu	81	81
2	Muslim	14	14
3	Christian	5	5
4	Others	0	0
Total		100	100

Source: Field survey

The above table-3 clears that religion-wise distribution of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 81(81.00%) Respondents are belongs to Hindu, 14(14.00%) Respondents are belongs to Muslim and only 5(5.00%) Respondents are belongs to Christian.

TABLE - 4

CASTE- WISE DISTRIBUTION OF SMEs

S.NO	CASTE	NO. OF RESPONDENTS	PERCENTAGE
1	BC	40	40
2	SC	20	20
3	ST	10	10
4	FC	30	30
Total		100	100

Source: Field survey

The above table-4 clears that caste-wise distribution of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 40(40.00%) Respondents are belongs to BC, 30(30.00%) Respondents are belongs to FC, 20(20.00%) Respondents are belongs to SC and only 10(10.00%) Respondents are belongs to ST.

TABLE - 5

EDUCATIONAL QUALIFICATION OF THE SMEs

S.NO	EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
1	Illiterates	4	4
2	Primary level	9	9
3	Secondary level	24	24
4	Graduation & Above	48	48
5	Technical	15	15
Total		100	100

Source: Field survey

The above table-5 reveals that educational qualification of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 48(48.00%) Respondents are studied graduation & above, 24(24.00%) Respondents are studied secondary level, 15(15.00%) Respondents are studied technical 9(9.00%) Respondents are studied primary level and only 4(4.00%) Respondents are illiterates.

TABLE - 6

TYPE OF THE FAMILY OF SMEs

S.NO	FAMILY	NO. OF RESPONDENTS	PERCENTAGE
1	Joint family	14	14
2	Nuclear family	86	86
Total		100	100

Source: Field survey

The above table-6 clears that type of the family of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 86(86.00%) Respondents are living in the nuclear family and only 14(14.00%) Respondents are living in the joint family.

TABLE - 7

SIZE OF THE FAMILY OF SMEs

S.NO	FAMILY SIZE	NO. OF RESPONDENTS	PERCENTAGE
1	Small(below3)	4	4
2	Medium(4-6)	83	83
3	Large(6 above)	13	13
Total		100	100

Source: Field survey

The above table-7 shows that size of the family of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 83(86.00%) Respondents family size medium, 13(13.00%) Respondents family size large and only 4(4.00%) Respondentsfamily size small.

TABLE - 8

OCCUPATIONAL BACKGROUND OF THE FAMILY OF SMEs

S.NO	OCCUPATION	NO. OF RESPONDENTS	PERCENTAGE
1	Agriculture	44	44
2	Business	34	34
3	Govt Employee	0	0
4	Private Employee	22	22
Total		100	100

Source: Field survey

The above table-8 reveals that occupational background of the family of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 44(44.00%) Respondents are occupational background agriculture, 34(34.00%) Respondents are occupational background business and only 22(22.00%) Respondents are occupational background private employee.

TABLE – 9

TYPE OF THE HOUSE OF SMEs

S.NO	TYPE OF THE HOUSE	NO. OF RESPONDENTS	PERCENTAGE
1	RCC (Building)	51	51
2	Shed	29	29
3	Tiles	20	20
Total		100	100

Source: Field survey

The above table-9 shows that type of the house of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 51(51.00%) respondents are living in the RCC, 29(29.00%) respondents are living in the shed and only 20(20.00%) respondents are living in the tiles.

TABLE – 10
LOAN TAKEN OF THE SMEs

S.NO	TYPE OF THE LOAN	NO. OF RESPONDENTS	PERCENTAGE
1	Bank	56	56
2	Micro finance	23	23
3	Others	21	21
Total		100	100

Source: Field survey

The above table-10 clears that loan taken of the SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 56(56.00%) respondents are taking loan from bank, 23(23.00%) respondents are taking loan from micro finance and only 21(21.00%) respondents are taking loan from others.

TABLE – 11
ANNUAL INCOME OF THE SMEs

S.NO	ANNUAL INCOME	NO. OF RESPONDENTS	PERCENTAGE
1	Below 25,000	6	6
2	25,000-50,000	6	6
3	50,000-1,00,000	23	23
4	1,00,000-2,00,000	38	38
5	Above 2,00,000	27	27
Total		100	100

Source: Field survey

The above table-11 shows that annual income of the SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 38(38.00%) respondents annual income 1,00,000-2,00,000, 27(27.00%) respondents annual income above 2,00,000, 23(23.00%) respondents annual income 50,000-1,00,000, 6(6.00%) respondents annual income 25,000-50,000 and only 6(6.00%) respondents annual income below 25,000

TABLE - 12
EXPERIENCE OF SMEs

S.NO	EXPERIENCE (Years)	NO. OF RESPONDENTS	PERCENTAGE
1	Below 10 years	12	12
2	10 – 20 years	14	14
3	20 – 30 years	50	50
4	Above 30 years	24	24
Total		100	100

Source: Field survey

The above table-12 describes that experience of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 50(50.00%) respondents are experience 20-30 years, 24(24.00%) respondents are experience above 30 years, 14(14.00%) respondents are experience 10-20 years and only 12(12.00%) respondents are experience below 10 years.

TABLE – 13
INITIAL IDEA OF THE PRESENT BUSINESS

S.NO	INITIAL IDEA OF THE PRESENT BUSINESS	NO. OF RESPONDENTS	PERCENTAGE
1	Own Idea	12	12
2	Friends & Relatives	37	37
3	Institutional Guidance	8	8
4	Advised by Parents	41	41
5	Advised by Others	2	2
Total		100	100

Source: Field survey

The above table-13 shows that initial idea of the present business. In the Warangal Urban District has been selected 100 Respondents. The highest number 41(41.00%) respondents initial idea of the present business is Advised by Parents, 37(37.00%) respondents initial idea of the

present business is Friends & Relatives, 12(12.00%) respondents initial idea of the present business is Own Idea, 8(8.00%) respondents initial idea of the present business is Institutional Guidance and only 2(2.00%) respondents initial idea of the present business is Advised by Others.

TABLE – 14
NATURE OF THE BUSINESS OF SMEs

S.NO	NATURE OF THE BUSINESS	NO. OF RESPONDENTS	PERCENTAGE
1	Manufacturing	56	56
2	Servicing	34	34
3	Trading	10	10
Total		100	100

Source: Field Survey

The above table-14 describes that nature of the business of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 56(56.00%) respondents are manufacturing, 34(34.00%) respondents are servicing and only 10(10.00%) respondents are trading.

TABLE – 15
TYPE OF THE ENTERPRISE

S.NO	TYPE OF THE ENTERPRISE	NO. OF RESPONDENTS	PERCENTAGE
1	Registered	88	88
2	Unregistered	12	12
Total		100	100

Source: Field Survey

The above table-15 shows that type of the enterprise. In the Warangal Urban District has been selected 100 Respondents. The highest number 88(88.00%) enterprises are registered and only 12(12.00%) enterprises are unregistered.

TABLE-16
MOBILISED THE INITIAL CAPITAL OF SMEs

S.NO	MOBILISED THE INITIAL CAPITAL OF MSMEs	NO. OF RESPONDENTS	PERCENTAGE
1	Owned funds	20	20
2	Borrowed from Friends & Relatives	33	33
3	Borrowed from Bank	32	32
4	Borrowed from Financial Institutions	0	0
5	Borrowed from Others	15	15
Total		100	100

Source: Field survey

The above table-16 shows that mobilised the initial capital of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 33(33.00%) respondents are mobilised the initial capital of SMEs Borrowed from Friends & Relatives, 32(32.00%) respondents are mobilised the initial capital of SMEs Borrowed from Bank, 20(20.00%) respondents are mobilised the initial capital of SMEs from Owned fund and only 15(15.00%) respondents are mobilised the initial capital of SMEs from Borrowed from Others.

TABLE - 17
INITIAL CAPITAL OF THE SMEs

S.NO	INITIAL CAPITAL	NO. OF RESPONDENTS	PERCENTAGE
1	Below 30,000	12	12
2	30,000-60,000	15	15
3	60,000-1,20,000	26	26
4	1,20,000-2,40,000	24	24
5	Above 2,40,000	23	23
Total		100	100

Source: Field survey



The above table-17 shows that initial capital of SMEs. In the Warangal Urban District has been selected 100 Respondents. The highest number 26(26.00%) respondents are initial capital 60,000-1,20,000, 24(24.00%) respondents are initial capital 1,20,000-2,40,000, 23(23.00%) respondents are initial capital above 2,40,000, 15(15.00%) respondents are initial capital 30,000-60,000 and only 12(12.00%) respondents are initial capital below 30,000.

SUMMARY OF FINDINGS:

The following are the summary of findings presented below

1. It is found that majority of the respondents in the age group of 35-45 years.
2. SMEs belong to both rural and urban areas.
3. SMEs are include Hindus, Christians, Muslims the majority of the respondents are belong to Hindu.
4. SMEs are include BC, SC, ST and FC the majority of the respondents are belong to BC.
5. The majority of respondents are studies graduation and above.
6. SMEs are include joint family nuclear family it is observed that the majority of respondents are living in the nuclear family, because of urbanization decentralization and globalization.
7. SMEs are family size include small, medium and large. The majority of respondents are family size medium.
8. It is observed that the majority of respondents occupational background agriculture.
9. It is found that majority of respondents are living in RCC house.
10. Source of loan include bank, micro finance and others. The majority of respondents taking loan from bank.
11. It is observed that majority of respondents annual income Rs. 1,00,000 – Rs. 2,00,000
12. Experience of SMEs is include below 10 years, 10 – 20 years, 20-30 years and above 30 years. The majority of respondents experience 20-30 years.
13. It is found that majority of respondents initial idea of the present business friends and relatives.



14. Nature of the business of SMEs includes Manufacturing, Servicing and Trading. The majority of respondents are manufacturing.
15. Enterprises are divided into two i.e., registered and unregistered the majority of enterprises are registered.
16. It is observed that the majority of respondents mobilized the initial capital borrowed from banks.
17. Initial capital of the SMEs are included below Rs. 30,000 Rs. 30,000-60,000 Rs. 60,000-1,20,000 Rs. 1,20,000-2,40,000 and above Rs. 2,40,000 the majority of respondents are initial capital Rs. 1,20,000 – 2,40,000.

CONCLUSION:

Small and Medium Enterprises play a vital role in economic development of country. It is providing large scale employment the following suggestions are offered for the development of SMEs. State & Central government have to increase the budget allocation for SMEs sector & provide assistance to SMEs for strengthening the share Capital, banks to increase loan amount, government have tax exemption for SMEs & provide marketing facilities, transport facilities and subsidies, government has to provide raw material, machinery and equipment directly to the SMEs order to maintain and also providing training in machines, government has to take necessary steps in order to sale the SMEs products through e-commerce like amazon, snapdeal, and flipkart etc., government has to establish new industrial parks and developing the infrastructural facilities & promotion policies, government should be conduct training and development, awareness programmes, government has to relaxation in labour laws & red tape and governments need to conduct health check up camps.

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