



## **PROBLEMS AND PROSPECTS OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN WARANGAL RURAL DISTRICT –A STUDY**

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### **ABSTRACT**

*Small and Medium Enterprises (SMEs) is also known as Small and Medium Scale Industries. In this paper focusing on Problems and Prospects of Small and Medium Enterprises (SMEs). Which are Financial Problems, Marketing Problems, Technological Problems, Management Problems, Raw Material Problems and Other Problems. To offer the Suggestions are Central and State Governments provide assistance to (SMEs) for Strengthening the Share Capital, Banks are increase Loan amount, To enhance Marketing Facilities, Government has to conduct the Training and Development Programmes, Government has to provide Raw Material directly to the SMEs, To increase the Transport Facilities and Appropriate Technologies for the SMEs have developed in various Sectors.*

**Key Words:** Small and Medium Enterprises, Small and Medium Entrepreneurs, Warangal Rural District, Problems and Prospects.

### **Introduction:**

Small and Medium Enterprises (SMEs) is play vital role in the economic development of the country. It is providing large scale employment, but also generates income, investment and savings in the Economy. Further, the enterprises may also help in developing regional economy.

## Definition of Small and Medium Enterprises(SMEs):

As per Micro Small and Medium Enterprises Development (MSMED), act 2006.

**Table -1**

### Manufacturing Enterprises- Investment in Plant& Machinery

Description	Amount
Micro Enterprises	UptoRs. 25 Lakhs
Small Enterprises	Above Rs. 25 Lakhs, UptoRs. 5 Crores.
Medium Enterprises	Above Rs. 5 Crores, UptoRs. 10 Crores.

**Table -2**

### Service Enterprises-Investment in equipment

Description	Amount
Micro Enterprises	Up to Rs. 10 Lakhs.
Small Enterprises	Above Rs. 10 Lakhs, UptoRs. 2 Crores.
Medium Enterprises	Above Rs. 2 Crores, UptoRs. 5 Crores

## Review of Literature:

**Bhavani T.A (2019):**Highlights the issue of quality employment generation by the SSIs and negates the short term attitude of increasing the volume of employment generations compromising with quality the authorargues that employment generation by the SSIs May be High in qualitative term but very low in quality.

**Dr.G.Azadbasha (2013):** in this paper focus on problems and prospects of small and medium Enterprises(SMEs) in India.

**OssaiAhes 2017:** This paper covers problems and prospects of small and medium enterprises (SMEs) and Growth &Development.

## 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 be racing cut throat competition from MNCs and big enterprises,whose products are coming out with the sophisticated technology, huge amount of capital, Marketing Strategies, etc. At This section the proposed research in need of the hour,for which I have selected the Warangal Rural District of Telangana State.

### **Objectives of the study:**

The study will be focus on the following objectives.

1. To understand the Present Situation of SMEs.
2. To analyse the Problems and Prospects of SMEs.
3. To offer the Suggestions for the Development of SMEs.

### **Scope of the Study:**

The study broadly examines the Problems and Prospects of SMEs in Warangal Rural District.

### **Methodology:**

**Source of data:**The Required data has been collected using both primary and secondary data.

**Primary Data:** The main Source of the Primary data are the small and medium enterprises by serving a structured questionnaire a part from this personal interview, group discussion, and observation methods were used in collecting the first hand information.

**Secondary Data:** Secondary data for the study has been collected using published annual reports on SMEs by the Government,handbook of statistics on the Indian economy published ministry MSMEs,Reserve Bank of India(RBI), annual reports of Warangal Rural Reports, Journals, Article, Newspapers,Theses and Dissertation.

**Sample Size:** Sample of 50 Respondents selected from Warangal Rural District.

**Tools of data analysis:** The collected data will be classified, tabulated and analysed in a significant manner for the data analysis simple statistical techniques will be applied such as percentages and averages.

### **Limitation of the Study:**

However, the present study is not free from the following limitations

1. The study is essentially a Micro level study.
2. The information through the questionnaires may not have covered correct figures Problems and Prospects of Small and Medium Enterprises.
3. The opinions and expression of Small and Medium Enterprises are based on the personal experience with the industries.
4. Secondary data are taken as SMEs annual reports however the primary data is added to know the present conditions of Small and Medium Enterprises.

## DATA ANALYSIS AND INTERPRETATION

The Data collected from 50 sample Respondent by supplying the questionnaires, the data are analysed by simple tables on the basis of Financial Problems, Marketing Problems, Technological Problems, Management Problems, Raw Material Problems and Other Problems. Therefore these aspects are covered in this paper.

Small and Medium Enterprises (SMEs) are facing several problems such as

1. Financial Problems.
2. Marketing Problems.
3. Technological Problems.
4. Management Problems.
5. Raw material Problems.
6. Other Problems.etc..

1. **Financial Problems:** Finance is key input of production, Distribution and Development. But considering the vital role, finance plays in accelerating the process of small scale industries development, the total amount part of the total loan to Indian industry because of inadequate credit of the viability of the unit is affected greatly and its result in their sickness and ultimate closure.

**Table-1**  
**Financial Problems**

<b>Financial Problem</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	36	72.00
No	14	28.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

**Source:**Field survey

The Table-1 reveals that Financial Problems of Respondents. In the Warangal Rural District has been selected 50 Respondents. The highest number 36(72.00%)Respondents are facing Financial Problems and 14(28.00%)Respondents are not facing any Financial Problems.

2. **Marketing Problems:** The main problem marketing in the Indian Small Scale Sectors are product quality, service to customers, cost effectiveness, consistency and reliability adherence to delivery schedules, lack of proper Market information and the mindset of Enterprises.

**Table-2**  
**Marketing Problems**

<b>Marketing Problems</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	32	64.00
No	18	36.00
<b>Total</b>	<b>100</b>	<b>100.00</b>

**Source:**Field survey

The Table-2 shows that Marketing Problems of Respondents. In the Warangal Rural District has been selected 50 Respondents. The highest number 32(64.00%) Respondents are Facing Marketing Problems and 18(36.00%) Respondents are not any facing Marketing Problems.

**3. Technological Problems:** For Small Scale sector units, technology is also an area of challenge, inadequate attention to technology upgradation has acted as a hindrance on the way or modernisation of SSIs factors. Most of the Units are still carrying an with obsolete technology.

**Table-3**  
**Technological Problems**

<b>Technological Problems</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	20	40.00
No	30	60.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

**Source:** Field Survey

The Table-3 clears that Technological Problems of Respondents. In the Warangal Rural District has been selected 50 Respondents. The highest number 30(60.00%) Respondents are facing Technological Problems and 20(40.00%) Respondents are not facing any Technological Problems.

**4. Management Problems:** The inefficient management is very inherent in the SMEs because in Most of the cases the entrepreneur looks after various causes ranging from accounting to marketing as well as production. There is no division of labour. The most of the industrial units fall sick because of poor management, dissention within Management.

**Table-4**  
**Management Problems**

<b>Management Problems</b>	<b>No. of Respondents</b>	<b>Percentages</b>
Yes	28	56.00
No	22	44.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

**Source:**Field Survey

The Table-4 shows that Management Problems of Respondents. In the Warangal Rural District has been selected 50 Respondents. The highest number 28(56.00%) Respondents are facing Management Problems and 22(44.00%) Respondents are not facing any Management Problems.

**5. Raw Material Problems:** The problem of Raw material is one of the major problems for the majority of SMEs. Because all the things that are required for manufacturing process are not easily available in the State, so this disturbs the development of SMEs.

**Table-5**  
**Raw Material Problems**

<b>Raw Material Problems</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Yes	29	58.00
No	21	42.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

**Source:**Field Survey.

The Table-5 reveals that Raw Material Problems of Respondents. In the Warangal Rural District has been selected 50 Respondents. The highest number 29(58.00%) Respondents are facing Raw Material Problems and 21(42.00%) Respondents are not facing any Raw Material Problems.

**6. Other Problems:** In addition to these Problems other problems may be delayed payment by the large scale units to SMEs, Problem of lack organised market channels, unorganised nature of operations Imperfect Knowledge of market operations problem of sickness, inadequate data base for the SMEs, burden of local Taxes, competition from large scale industries, no availability of cheap power etc. So these are some of the problems, which directly affect the growth and development of SMEs.

**Table-6**  
**Other Problems**

<b>Other Problems</b>	<b>No. of Respondent</b>	<b>Percentages</b>
Yes	26	52.00
No	24	48.00
<b>Total</b>	<b>50</b>	<b>100.00</b>

**Source:** Field Survey

The Table-6 clears that Other Problems of Respondents. In the Warangal Rural District has been selected 50 Respondents. The highest number 26(52.00%) Respondents are facing Other Problems and 24(48.00%) Respondents are not facing any Other Problems.

**Summary of Finding:**

1. 72% Respondents are facing Financial Problems.
2. 64% Respondents are facing Marketing Problems.
3. 60% Respondents are facing Technological Problems.
4. 56 % Respondents are facing Management Problems.
5. 58 % Respondents are facing Raw Material Problems.
6. 52 % Respondents are facing Other Problems.

**Suggestions:**

1. Central & State Governments provide assistance to SMEs for Strengthening the Share Capital.
2. Banks are increase Loan amount.
3. To enhance Marketing Facilities.
4. Government has to conduct the Training and Development Programmes.
5. Government has to provide Raw Material directly to the SMEs.
6. To increase the Transport Facilities.
7. Appropriate Technologies for the SMEs have Developed in various Sectors.

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