

A Study on Performance and the Growth of Micro Small & Medium Enterprises (MSMEs) in Tamil Nadu

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***ABSTRACT**--Micro Small & Medium Enterprises (MSMEs) plays an important and strategic role in the economic growth and equitable development of a country. Worldwide, the Micro Small & Medium Enterprises (MSMEs) are accepted as prime drivers for employment generation and growth of GDP, besides contributing to the balanced regional development. MSMEs are in a very unique position to become global players attracting partners with technology and funds. These enterprises impart the resilience to resist economic upheavals and maintain an affordable rate of growth since being Indigenous is that the key to sustainability and self sufficiency. In this study analysis of Trends in the Growth of MSMEs in Tamil Nadu by analyzing their Number of Registered units, Investment, Production and employment of MSME in Tamilnadu.*

***Keywords**--JEL Classification: L26, L31, L32, L33.Paper Classification: Research Paper.*

I. INTRODUCTION

The MSME sector is an important, highly vibrant and dynamic sector of Indian economy as it has contributed greatly to the growth of the Indian economy over the years. The MSMEs manufacture more than 6000 products, contributing about 45% to manufacturing and about 40% to exports. With its agility and dynamism, the arena has shown an admirable innovativeness and flexibility to survive the recent economic scenario. Moreover, the MSME sector which could help realize the target of the National Manufacturing Policy of raising the share Production sector in GDP from 16% at this to 25% by the end of 2022.

II. REVIEW OF LITERATUR

Shetty Deepa Thangam Geeta, Dr.Sp.Mathiraj, R. Saroja Devi, N. Nagalakshmi, M. Vinoth (2019) This study has been undertaken to research the determinants of stock returns in Karachi stock exchange (KSE) using two assets pricing models the classical Capital Asset Pricing Model and Arbitrage Pricing Theory model. To test the CAPM market return is employed and macroeconomic variables are accustomed test the APT. The macroeconomic variables include inflation, oil prices, rate of interest and rate of exchange . For the very purpose monthly statistic data has been arranged from Jan 2010 to Dec 2014. The analytical framework contains.

III. STATEMENT OF THE PROBLEM:

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MSMEs are a standout amongst the most critical and greatest undertakings in India that has built up a significant measure in late decades. So the researcher has picked the assessment of MSMEs for the study. The present study manages the exploration of Trends in the Growth of MSMEs in Tamil Nadu which can give quick glance about financial status and boost the Entrepreneurs to invest in the sectors in Tamilnadu.

OBJECTIVES OF THE STUDY

The aim of the study is to make an objective assessment of the Performance Regarding MSMEs under this study.

1. To analyze the trend in the growth of MSMEs in Tamil Nadu
2. To study the Number units of MSMEs registered in Tamilnadu.
3. To appraise the Growth of Investments of MSMEs in Tamilnadu.
4. To evaluate the Production and Employment levels in Tamilnadu.

IV. RESEARCH DESIGN AND METHODOLOGY

The present research attempt is enlightening and investigative in nature and is primarily in view of the optional information. The universe of the study comprises of all the MSMEs working in Tamilnadu and records in various sectors in Tamilnadu. This research is purely based on secondary data. The data are collected from the GOI, Ministry of MSME in Annual report 2008-09 to 2018-19.

V. PERIOD OF THE STUDY

The study covers the evaluation of the performance of companies over a period of Ten years from 2007-08 to 2017-18.

VI. LIMITATIONS OF THE STUDY

The study depends on optional information got from the distributed yearly reports and all things considered its finding depends totally on the exactness of such information. The present study is generally in light of proportion examination which has its own particular restrictions And also problems of changing the registration scheme in Tamil Nadu started the UAM implementation w.e.f 21.1.2016. As on 31.03.2018.

VII. MSMES IN TAMILNADU

There has been a phenomenal growth of MSMEs in Tamil Nadu. MSMEs produce a wide variety of products in almost all sectors. The prominent among them are textile, garments, engineering products, auto ancillaries, leather products, plastics, etc. Around 17.79 lakh entrepreneurs have filed the EM (Entrepreneurs Memorandum) Acknowledgement Part-II & UAM (Udyog Aadhaar Memorandum), providing employment opportunities to about 113.57 lakh persons with total investment of Rs.1,93,704.90 crore. Consequent to the introduction of the Udyog Aadhaar Memorandum (UAM) by the Ministry of Micro Small & Medium Enterprises of Government of India,

Tamil Nadu started the UAM implementation w.e.f 21.1.2016. As on 31.03.2018, a total of 5,26,947 UAMs have been filed in Tamil Nadu, comprising 4,63,836 Micro enterprises, 61,613 Small Enterprises and 1,498 Medium Enterprises.

Table 1.1: Trend in the Growth of Number of Registered units MSMEs in Tamil Nadu

Year	Number of Registered units	Growth
2008 – 2009	32049	-
2009 – 2010	41799	30.42217
2010 – 2011	57902	38.52485
2011 – 2012	70758	22.20303
2012 – 2013	83348	17.79304
2013 – 2014	116393	39.64702
2014 – 2015	143104	22.94897
2015 – 2016	142136	-0.67643
2016 – 2017	267310	88.06636
2017 – 2018	217981	-18.4539
Mean	79382.2	
SD	38808.72	
CV	48.88845	
CAGR	0.231319	

Source: MSMEs Annual report from 2008-19

Table 1.2: Trend in the Growth of Production in MSMEs in Tamil Nadu (Rs. in crore.)

Year	Production	Growth Rate
2007 – 2008	2547.14	--
2008 – 2009	3557.89	39.68176
2009 – 2010	3214.22	-9.65938
2010 – 2011	5872.37	82.69969
2011 – 2012	7429.59	26.51774
2012 – 2013	8751.54	17.79304
2013 – 2014	18939.87	116.4176
2014 – 2015	24349.65	28.56292
2015 – 2016	34411.90	41.324
2016 – 2017	36221.78	5.25946
2017 – 2018	25373.12	-29.9507
Mean	14740.65	
SD	12499.45	
CV	117.9304	

CAGR	0.258439
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Source: MSMEs Annual report from 2008-19

Table 1.3: Trend in the Growth of Investment in MSMEs in Tamil Nadu

Year	Investment (Rs. crore.)	Growth
2007 – 2008	8739.95	-
2008 – 2009	13354.86	52.80248
2009 – 2010	10880.01	-18.5315
2010 – 2011	12500.86	14.8975
2011 – 2012	15496.00	23.95947
2012 – 2013	17503.08	12.95225
2013 – 2014	16832.25	-3.83264
2014 – 2015	59789.70	255.2092
2015 – 2016	59332.19	-0.7652
2016 – 2017	--	--
2017 – 2018	--	--
Mean	23825.43	
SD	20449.48	
CV	85.83045	
CAGR	0.211095	

Source: MSMEs Annual report from 2008-19

Table 1.4: Trend in the Growth of Employment in MSMEs in Tamil Nadu

Year	Employment (Numbers)	Growth
2007 - 2008	242855	-
2008 - 2009	294255	21.16489
2009 - 2010	151743	-48.4315
2010 - 2011	405233	167.0522
2011 – 2012	502381	23.97337
2012 - 2013	583436	16.13417
2013 – 2014	494990	-15.1595
2014 – 2015	651180	31.55417
2015 – 2016	815315	25.20578
2016 – 2017	1897619	132.7467
2017 – 2018	1378544	-27.354
Mean	674322.8	
SD	525251.9	
CV	77.89323	

CAGR	0.189618
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Source: MSMEs Annual report from 2008-19

Table 1.4: Mean value of Number of Registered units, Production, Investment, and Employment in MSMEs in Tamil Nadu

Source:

	Registered units	Production	Investment	Employment
Mean	79382.2	14740.65	23825.43	674322.8
SD	38808.72	12499.45	20449.48	525251.9
CV	48.88845	117.9304	85.83045	77.89323
CAGR	0.231319	0.258439	0.211095	0.189618

Computed data

From the above table clear that the, highest amount of mean value is 674322.8 number of employment and the lowest amount of mean value is Rs.14740.65 crores in production. The highest amount of standard deviation is 525251.9 number of employment and the lowest amount of is standard deviation is Rs. 12499.45 Crores in production. The highest amount of coefficient of variation value is 117.93 in production and the lowest amount of coefficient of variations value is 48.88845 in number of units registered.

VIII. CONCLUSION

In this study taken at trends in the growth of MSME's in tamilnadu for taken as the aspect of Number of units registered, Production, investment and Employment overall tamilnadu for ten years. Micro, Small and Medium-sized Enterprises (MSME) are one of the foremost important sectors, forming the backbone of the Indian economy. This sector has been instrumental within the growth of the state, leveraging exports, creating huge employment opportunities for the unskilled, fresh graduates, and therefore the underemployed, also extending the opportunities to banks for giving more credit to enterprises during this sector. The government should take utmost care of this sector in terms of providing more and more MSME Registration benefits through better regulations, Government simply, and enabling financial institutions to lend more credit at less rate of interest for sustainability of this sector. Consequent to the introduction of the Udyog Aadhaar Memorandum (UAM) by the Ministry of Micro Small & Medium Enterprises of Government of India.

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