

# A Study on Micro, Small and Medium Enterprises in Virudhunagar District

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## Key Words:

1. Rural entrepreneurship
2. Women Entrepreneurs
3. Naira (N)
4. Culture
5. Tradition
6. Tribes
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## Abstract

This article examines women entrepreneurship in rural areas and impact of rural entrepreneurship in the economic development of rural communities. This article is a research into the concept of rural entrepreneurship given the misconception that rural areas are synonymous with agricultural food production which is far from reality in rural communities in Nigeria. The article explains the role of women entrepreneurs in their rural communities using women entrepreneurs involved in the tie and dye micro businesses in rural communities in Ogun State as a case study. This paper deals with the following four issues: firstly, it sets out the reasons why promoting women entrepreneurship in rural areas of Nigeria is vital to enhance economic development and survival of rural communities which is rift with rural – urban migration; secondly, it states the regulatory policies by Nigerian Government to create a conducive environment for women entrepreneurs in rural areas of Nigeria; and thirdly, it considers successes and challenges of women entrepreneurs in rural areas of Nigeria. Fourthly, this article deals with the global implications of women entrepreneurs in rural areas of Nigeria

## INTRODUCTION

The Micro, Small and Medium Enterprises (MSMEs) sector has been recognized as engine of growth all over the world as it promotes equitable development. The contribution of the MSMEs in India is very much important in the economic development of a country. Through increased production, they provide more employment opportunities. Next to agriculture, the MSMEs play an important role in employment generation. Specifically, the contribution of those enterprises is remarkable in providing employment in the industrial segments ranging from the traditional rural handicrafts to upgraded technologies and bio-technology oriented industrial units.

MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and contribute enormously to the socio-economic development of the country. Fast changing global economic scenario has thrown up various opportunities and challenges to the

MSMEs in India. While on the one hand, many opportunities are opened up for this sector to enhance productivity and look for new markets at national and international level, it has also, on the other hand, put an obligation to upgrade their competencies to meet the competition as new products are launched at an astonishing pace and are available worldwide in short time.

## OBJECTIVES OF THE STUDY

The specific objective of the present study is to present a perspective of the demographic and structural characteristics of Micro, Small and Medium Enterprises in Virudhunagar district.

## METHODOLOGY

The present study is an empirical one based on survey method. First hand data were collected from the field through interview schedule and observation. Data relating to MSMEs in Virudhunagar district were gathered through the interview schedule. The schedule structured was extensively pre – tested. A number of discussions were held with knowledgeable persons such as academicians, industrialists, office bearers of District Industries Centre for designing the interview schedule. The secondary data were collected from standard text books of related topic, leading journals and published documents, records, reports and booklets – issued, maintained by the Government departments at the central and state levels and from the internet.

## SAMPLING DESIGN

The researcher has adopted a stratified random sampling

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technique. The units in the universe were divided into seven strata according to the products manufactured and into six strata according to block wise. As per the Micro, Small and Medium Enterprises Development Act, 2006, the units which have investment upto Rs. 25 lakh in plant and machinery is classified as 'Micro', more than Rs. 25 lakh to Rs. 5 crore is classified as 'Small' and more than Rs. 5 crore and less than 10 crore is termed as 'Medium' enterprises. The population includes only the units which are registered with the District Industries Centre, Virudhunagar district as on 31.8.2009.

As the population of Micro, Small and Medium enterprises in Virudhunagar district differed, 2 per cent of Micro enterprises, 20 per cent from Small enterprises were considered feasible. Considering the medium enterprises in Virudhunagar district, there were only nine units. Hence the census survey was taken for Medium enterprises. Thus, a sample of 414 units was decided upon, which is 2 per cent of 16,655 (333) Micro enterprises, 20 per cent of 360 (72) Small enterprises and all the 9 units of Medium enterprises.

**TOOLS USED FOR ANALYSIS**

Simple statistical tools like, percentage analysis and Garrett Ranking Technique was used for the purpose of analysis.

**ANALYSIS AND INTERPRETATION**

**Virudhunagar District**

Virudhunagar district is formed by the trifurcation of erstwhile Ramnad district into Ramanathapuram, Sivagangai and Virudhunagar district on 14.3.1985 having Virudhunagar, the birth place of 'Great Leader Perunthalaivar K. Kamaraj', as the headquarters. The district is located between 11th and 12th North Latitude and 77o 28' and 78o 50' East Longitude in an area of 4,232 sq.kms. The district is bound by Madurai district at the North, Sivagangai district at the North – East, Ramanathapuram district at the East, Thoothukudi district and Tirunelveli districts at the South, Kerala State at the West and Theni district at the North – West. Of the total area in Virudhunagar district, 28,466 Hec are forest area.

The population of the district was 17,51,548 as per 2000-01 census. It has mineral deposits of limestone, limekankar, granite, charnockite and the like. The general temperature in Virudhunagar district is hot ranging from 38.2oto 17.9o C. The average amount of rainfall in the district is 987.7 mm. The gross area under cultivation is 14,16,615 ha where crops like paddy, millets and other cereals, groundnut, gingelly, cotton, sugarcane are cultivated.

The National highways of 100.2 kms, Golden Quadrilateral 50.4 kms, state highways of 162.13 kms and municipal and panchayat roads of 1500.6 kms connect the different towns and villages of the district. Virudhunagar district of Tamilnadu has eleven blocks namely Aruppukottai,

Figure 1 : Virudhunagar District



Kariapatti, Narikudi, Rajapalayam, Sattur, Sivakasi, Srivilliputhur, Tiruchuli, Vembakottai, Virudhunagar and Watrap. The map of the Virudhunagar district is given in figure1.

There are 17,024 Micro, Small and Medium Enterprises in the district. Printing, matches, fireworks, dhal, surgical cotton, oil processing, cement, lime powder, textile and spinning, plaster of paries, chilly cleoresin, paper cups, kraft paper, red phosphorous, pigments, printing inks, blue match paper, dyes, PVC films and bags and tin are the various products produced and marketed by the industries in Virudhunagar district.

### Industrial Vocation

Industrial vocation refers to the nature of work undertaken by the industries. The study classified the industrial vocation under three heads, namely, (i) Manufacturing, (ii)

Processing and (iii) Assembling. Manufacturing refers to the process of converting the raw material into finished goods. Processing refers to the conversion of the material / semi – finished goods from one form to another. Assembling refers to the process of fitting together the various parts of the product and making a complete product. The survey data showed that out of 414 units studied, a significant majority of respondents, 336 in number, accounting for 81.16 per cent, were engaged in manufacturing, followed by 60 respondents (14.49 per cent) undertook processing and the remaining 18 respondents (4.35 per cent) were engaged in assembling. Table 1 gives the industrial vocation of study units

### Age Of The Units

Age of the unit is useful to know the number of years of contribution of an industrial unit to the growth of an economy. It is the primary factor that speaks about the

Table 1: Industrial Vocation

Sl. No	Industrial Vocation	Number of Units	Percentage to total
1.	Manufacturing	336	81.16
2.	Processing	60	14.49
3.	Assembling	18	4.35
	Total	414	100.0

Source: Primary data.

It is inferred from Table 1 that a significant majority of 81.16 per cent of the MSMEs in Virudhunagar district undertake manufacturing activities.

Table 2 : Age-wise Classification Of Sample Units

Sl. No	Age group	Number of Units	Percentage to total
1.	Upto 5 years	54	13.0
2.	6 to 10 years	121	29.2
3.	11 to 15 years	74	17.9
4.	16 to 20 years	42	10.1
5.	21 to 25 years	30	7.2
6.	26 to 30 years	38	9.2
7.	31 to 35 years	29	7.0
8.	above 35 years	26	6.3
	Total	414	100.0

Source: Primary data.



consistency of its contribution and the acceptability of its offerings by the consumers. The study examined the age of the units under eight heads, namely, (i) upto five years, (ii) 6 to 10 years, (iii) 11 to 15 years, (iv) 16 to 20 years, (v) 21 to 25 years, (vi) 26 to 30 years, (vii) 31 to 35 years and (viii) above 35 years. The scrutiny of the data collected revealed that out of 414 sample MSMEs, 26 respondents, representing 6.3 per cent, had history of over 35 years, followed by 29 respondents (7 per cent) enjoyed the life span of 31 to 35 years, 38 respondents (9.2 per cent) had the life span of 26 to 30 years and so on. Table 2 exhibits the classification of MSMEs on the basis of their age.

A clear inference of the table 2 is that a majority of 70.2 per cent (13.0+ 29.2+ 17.9+ 10.1) of the respondents in Virudhunagar district have the life span of less than 20 years.

### Form Of Organisation

Form of organization of an industrial unit influences the performance of various activities like the time needed for formation, easiness in raising funds for formation and expansion, efficiency of decision making and speed of decision making. Over the years, when the level of activities of small scale industrial units increases, they change the form of organisation from sole proprietorship or partnership to private limited company.

The study enquired into the form of organization at the time of commencement and as on date under four heads, namely, (i) sole proprietorship, (ii) partnership, (iii) private limited company and (iv) co-operative society. The survey data disclosed that at the time of commencement of their business, out of 414 sample MSMEs, a majority of 229 MSMEs, representing 55.3 per cent, were under sole proprietorship, followed by 181 MSMEs (43.7 per cent)

under partnership and the remaining four MSMEs, representing one percentage, under private limited company. The examination of data also revealed that out of 414 MSMEs studied, a majority of 250 MSMEs, representing 60.4 per cent, were under partnership at present, followed by 140 MSMEs, representing 33.8 per cent, were under sole proprietorship and the remaining 24 units, representing 5.8 per cent, were under private limited company. The table furnished below shows the form of organization of sample units.

It is clear from the table 3 that a majority of 55.3 per cent of the MSMEs are sole proprietorship concern at the time of commencement whereas as on date, a majority of 60.4 per cent of the respondents are partnership firm.

### Mode Of Acquisition

Usually a business firm is acquired in any of the ways such as (i) on lease, (ii) outright purchase, (iii) inheritance and (iv) started afresh. The investigation of mode of acquiring the Micro, Small and Medium Units revealed that among 414 sample MSMEs, a majority of 233 MSMEs (56.3 per cent) were started afresh, followed by 121 MSMEs (29.2 per cent) were taken on lease and 23 MSMEs (5.6 per cent) were acquired through outright purchase by the present owners. The fact, that 37 MSMEs (8.9 per cent) were inherited shows that the life of MSMEs had continued quite astonishingly enough from one generation to another. Table 4 discloses the particulars of mode of acquisition of sample units.

It is understood from Table 4 that the two significant modes of acquiring MSMEs are newly started (56.3 per cent) and taken on lease (29.2 per cent).

### Sources Of Finance

Table 3 : Organization Pattern of MSMEs

Sl. No	Type of Ownership	At the time of Commencement		As on date	
		Number of Units	Percentage to total	Number of Units	Percentage to total
1.	Sole Proprietorship	229	55.3	140	33.8
2.	Partnership	181	43.7	250	60.4
3.	Cooperative society	—	—	—	---
4.	Private Limited Company	4	1.0	24	5.8
Total		414	100.0	414	100.0

Source: Primary data.



### Fixed Capital

A characteristic feature of MSMEs is that the personal funds of entrepreneurs are used for meeting a substantial proportion of both the fixed assets and working capital needs. The other sources through which fixed capital needs are met, are the Tamilnadu Industrial and Investment Corporation of India (TIIC), the National Small Industries Corporation (NSIC), the Tamilnadu Small Industries Development Corporation Limited, the State Bank of India and other commercial banks.

During the survey the respondents were asked to mention their sources of finance for meeting their fixed capital requirements, namely, (i) own funds, (ii) borrowing from friends and relatives, (iii) loan from institutions and (iv) loan from banks. The examination of data gathered during the survey showed that out of 414 MSMEs studied, a significant majority of 372 MSMEs, representing 89.9 per cent, used owners' funds for meeting their fixed capital requirements, followed by eight MSMEs (1.9 per cent) got loans from friends and relatives of the entrepreneurs, 31 MSMEs (7.5 per cent) obtained financial assistance from financial institutions and only three MSMEs (0.7 per cent) availed themselves of loans from nationalized and commercial

banks. The table furnished hereunder portrays the sources of finance for fixed assets of the sample units.

It is vivid from table 5 that a great majority of 89.9 per cent of MSMEs in Virudhunagar district are using their own funds for their fixed capital requirements.

### Working Capital

In addition to own funds, the sources that usually provide the working capital requirements of MSMEs are (i) own funds, (ii) friends and relatives, (iii) money lenders, (iv) bank credit and (v) trade credit.

The examination of data collected from the respondents revealed that among the 414 MSMEs surveyed, an appreciable number, namely, 173 MSMEs, representing 41.8 per cent, availed of bank credit, followed by 12 MSMEs (2.9 per cent) employed own funds as one of the sources of working capital requirements; 160 MSMEs (38.6 per cent) borrowed from friends and relatives; short term loans were obtained from money lenders by 33 MSMEs (8 per cent) and 36 MSMEs (8.7 per cent) used trade credit for their current needs. Table 6 presents the details of sources of finance for working capital used by the respondents.

The table given above brings to lime light that bank credit

Table 4 : Mode Of Acquisition Of Sample Units

Sl. No	Mode of Acquisition	Number of Units	Percentage to total
1.	Taken on lease	121	29.2
2.	Outright purchase	23	5.6
3.	Inherited	37	8.9
4.	Newly started	233	56.3
	Total	414	100.0

Source: Primary data.

Table 5 : Sources of Finance for Fixed Assets

Sl. No	Source	Number of Units	Percentage to total
1.	Own Funds	372	89.9
2.	Borrowing from friends and relatives	8	1.9
3.	Loan from Institutions	31	7.5
4.	Loan from banks	3	0.7
	Total	414	100.0

Source: Primary data.



(41.8 per cent) and borrowing from friends and relatives (38.6 per cent) are the major sources of financing for meeting their working capital requirements of MSMEs in Virudhunagar district.

### Reasons For Starting A Sample Unit

The entrepreneurs selected a particular type of industry after taking into account various factors and reasons. During the enquiry an attempt was made to find out the most important reasons which motivated entrepreneurs to start the sample unit. The establishment of the MSMEs is based on many considerations like market (demand), availability of factors of production, technical / managerial

qualifications, experience in the same line of business and the like. During the survey the respondents were asked to rank the various reasons in the order of its importance. The researcher identified eight reasons, namely, (i) possession of technical qualification, (ii) possession of managerial qualification, (iii) extent of technical experience, (iv) extent of managerial experience, (v) nature and amount of government concessions, (vi) availability of factors of production, (vii) availability of finance from institutions and (viii) ready market for the product.

In order to analyse the reasons for starting a sample unit, the Garrett Ranking Technique was applied. The order of

Table 6 : Sources of Finance for Working Capitals

Sl. No	Sources	Number of Units	Percentage to total
1.	Own funds	12	2.9
2.	Borrowing from friends and relatives	160	38.6
3.	Loan from money lender	33	8.0
4.	Bank credit	173	41.8
5.	Trade credit	36	8.7
	Total	414	100.0

Source: Primary data.

Table 7 : Reasons for Starting the Sample Unit

Reasons	Ranks								Garrett's mean score	Rank
	I	II	III	IV	V	VI	VII	VIII		
Technical qualification	60	23	100	28	41	60	78	24	57.23	I
Managerial qualification	84	96	20	101	8	12	48	45	54.35	II
Technical experience	93	68	36	23	117	24	20	33	53.72	III
Managerial experience	64	74	75	28	64	77	16	16	51.91	IV
Govt. Concessions	16	80	71	104	32	31	44	36	50.88	VI
Factors of Production	56	36	32	102	95	37	48	84	5.98	VIII
Financial accommodation	33	16	44	16	32	125	64	84	46.64	VII
Ready market	8	21	36	12	25	48	96	168	51.88	V
Total	414	414	414	414	414	414	414	414		

Source: Primary data.



importance assigned by the respondents was converted into mean scores by using the following formula.

$$\text{Per cent position} = 100 (R_{ij} - 0.5)$$

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N<sub>j</sub>

Where,

R<sub>ij</sub> = Rank given by jth individual for the ith factor,

N<sub>j</sub> = Number of factors ranked by the jth individual.

The individual reasons are ranked again based on the Garrett's mean score. The computation of Garrett ranking technique disclosed that the meanscore for possessing technical qualification was at a maximum of 57.23 points, followed by possessing managerial qualification (54.35 points), possessing technical experience (53.72 points), possessing managerial experience (51.91 points), ready market for the product (51.88 points), availability of government concessions (50.88 points), financial accommodation from institutions (46.64 points) and availability of factors of production (45.98 points). Table 7 displays the ranks given by the sample respondents for selecting a sample unit and Garrett's mean scores for each reason for starting their units.

The analysis disclosed that technical qualification (57.23

points), managerial qualification (54.35 points) and technical experience (53.72 points) are the three major reasons for starting the industrial unit.

### Investment in Plant and Machinery

The manufacturing enterprises with investment in plant and machinery upto Rs. 25 lakhs is classified as 'Micro enterprises', above Rs. 25 lakhs to 5 crores is classified as 'Small enterprise' and above Rs. 5 crores and less than 10 crores is termed as 'Medium enterprise'. Here, the study examined the actual range of investment in plant and machinery by sample MSMEs. The analysis of data collected revealed that out of 333 micro enterprises, a majority of 231 respondents, accounting for 69.37 per cent invested upto Rs. 5 lakhs in plant and machinery, followed by 84 respondents (25.23 per cent) had Rs. 6 to 15 lakhs investment and only 18 MSMEs (5.41 per cent) had investment between 16 and 25 lakhs. Out of 72 small enterprises, a great majority of 63 respondents, representing 87.5 per cent invested only between 26 to 50 lakhs, eight respondents (11.11 per cent) invested between 51 lakhs to one crore and the remaining only one unit, representing 1.39 per cent, invested upto Rs. five crores. In case of medium enterprises, all the nine units invested only upto Rs. six crores. The following table 8 is a pointer to this point.

Table 8 : Actual Investment in Plant and Machinery by MSMEs

Sl. No	Investment limits (Rs. In lakhs)	Number of Units	Percentage to total
	<b>Micro</b>		
1.	Upto 5	231	69.37
2.	6 – 15	84	25.23
3.	16 – 25	18	5.41
	Total	333	100.00
	<b>Small</b>		
4.	26 - 50	63	87.50
5.	51- one crore	8	11.11
6.	Above one crore -5 crores	1	1.39
	Total	72	100.00
	<b>Medium</b>		
7.	Above 5 crores– 6 crores	9	100.00
	Total	9	100.00

Source: Primary data.



It is clear that a majority of 69.37 per cent of micro enterprises in Virudhunagar district have invested only below Rs. five lakhs. A great majority of 87.5 per cent of small enterprises in Virudhunagar district have invested only between Rs. 26 lakhs to 50 lakhs.

#### Location of Sample Units

The site for location of small enterprise has been decided just on the whim of the promoter. All this lopsided location of industrial units culminated in raising the cost of production of the units which ultimately made it difficult for them to flourish. "Due to faulty selection of site for location of an enterprise, some of 56 per cent of the small units failed within a period of 5 years of their start". This makes it clear that location is a crucial factor determining the success of an enterprise. The study examined the location of MSMEs in Virudhunagar district from two angles, namely, (i) territorial division and (ii) government patronage.

#### Location – Territorial Division

Based on economic and infrastructure facilities, the site for the location of an industrial unit may be either (i) urban or (ii) sub urban or (iii) rural. The analysis of the survey revealed that a majority of 276 units, accounting for 66.7 per cent were located within town limits, followed by 120 units (29 per cent) were found in sub urban areas and only 18 units (4.3 per cent) were launched in rural areas. Table 9 is a pointer to this phenomenon.

It is vivid from the table 9 that a majority of 66.7 per cent of

Table 9 : Location Of Sample Units- Territorial Division

Sl. No	Location	Number of Units	Percentage to total
1.	Town	276	66.7
2.	Sub urban	120	29.0
3.	Rural	18	4.3
	Total	414	100.0

Source: Primary data.

Table 10 : Location Of Sample Units – Government Patronage

Sl. No	Location	Number of Units	Percentage to total
1.	Backward taluks	163	39.4
2.	Industrial estate	95	23.0
3.	Other areas	156	37.6
	Total	414	100.0

Source: Primary data.

MSMEs in Virudhunagar district are located in town areas.

#### Location – Government Patronage

The small entrepreneur has to find out the areas which enjoy special facilities from the Government relating to land, infrastructural facilities such as readymade sheds, water, power, transport, railway siding, finance, tax concessions and marketing. During the survey an attempt was made to ascertain the location of the sample units in the areas of i) industrial estates, ii) backward districts, which provide the aforesaid facilities and iii) other areas. The examination of the survey data showed that out of 414 sample MSMEs in Virudhunagar district, a perceptible number of 163 MSMEs, accounting for 39.4 per cent, were located in the backward taluks, followed by 95 MSMEs (23 per cent) were launched in the industrial estates and the remaining 156 MSMEs (37.6 per cent) were launched in other areas. Table 10 is an indicator to this phenomenon.

The table given above brings to lime light that a notable portion of MSMEs (39.4 per cent) are located in backward taluks and in other areas (37.6 per cent).

#### Factors Influencing the Location of the Sample Unit

The starting of a unit in an area is based on several considerations such as, (i) availability of raw materials, (ii) labour, (iii) power, (iv) market, (v) ideal climate, (vi) easy finance, (vii) momentum of early start, (viii) adequate



infrastructure, (ix) own land, (x) low competition and (xi) government concession. During the survey the respondents were asked to rank the factors influencing the location of the units according to their opinion. In order to find the influential factors for the location of the sample unit, Garrett Ranking Technique was applied. From the Garrett mean score as shown in table 4.13, it was clear that the major influencing factor for the selection of the location was proximity to market (71.61 points), followed by easy finance (68.89 points), ideal climate (59.74 points), availability of labour (52.63 points), raw materials (51.38 points) and so on. Table 11 displays the factors influencing the location of the sample unit and Garrett's mean score.

It is vivid from the above table 11 that market for the product (71.61), easy finance (68.89) and Ideal climate (59.74) are the three major factors influencing the location of the industrial units in Virudhunagar district.

### Market Spread Of Sample Units

The area of the market coverage by the industrial units speaks about the nature and kinds of customers towards whom they are addressing their offering. The study

analysed the market spread of sample units under five heads, namely, (i) local market, (ii) regional market, (iii) state wide market, (iv) national market and (v) global market. The examination of the data revealed that out of 414 sample MSMEs, a majority of 252 respondents, accounting for 60.9 per cent, had regional market, followed by 132 respondents (31.9 per cent) had state level markets, 17 respondents (4.1 per cent) had local markets only, nine respondents (2.2 per cent) had national level markets and only four respondents, accounting for one percentage had global markets. The following table 12 presents the findings of the study on the market spread of sample units.

It is clear from table 12 that a very great majority of MSMEs have the market spread at regional (60.9 per cent) and state levels (31.9 per cent).

### Annual Turnover of the Sample Units

The sales of an organization speak about the level of performance of it. The efficiency, earning capacity, growth and sustenance of an enterprise are influenced by its sales performance. The study analysed the annual turnover of sample units under eight heads, namely, (i) upto 10 lakhs,

Table 11 : Influential Factor for Selection of Location

Factors	Ranks											Garrett's mean score	Rank
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI		
1. Raw material	128	28	8	59	-	10	148	8	8	17	-	51.38	V
2. Ideal climate	64	20	64	136	40	4	62	8	-	12	4	59.74	III
3. Labour	192	73	3	92	12	-	32	5	-	4	1	52.63	IV
4. Easy finance	5	223	37	64	32	-	28	8	13	-	4	68.89	II
5. Power	4	8	136	38	25	84	51	48	4	4	12	49.44	VI
6. Momentum of early start	4	16	92	5	56	132	4	17	4	16	68	45.97	VII
7. Market	-	8	5	16	8	32	40	69	60	152	24	71.61	I
8. Infrastructure	17	1	12	-	-	16	37	184	67	16	64	43.97	VIII
9. Own land	-	16	8	-	189	96	8	35	26	16	20	33.55	XI
10. Low competition	-	4	25	-	52	36	4	8	132	96	57	39.30	IX
11. Govt. concession	-	17	24	4	-	4	-	24	100	81	160	34.00	X
Total	414	414	414	414	414	414	414	414	414	414	414		

Source: Primary data.



(ii) 11 to 30 lakhs, (iii) 31 lakhs to 60 lakhs, (iv) 61 to 90 lakhs, (v) 91 lakhs to one crore, (vi) above one crore. The analysis of the data disclosed that out of 414 sample units, 25 MSMEs, accounting for six per cent, had turnover of upto 10 lakhs, followed by 81 MSMEs (19.6 per cent) had turnover between 11 to 30 lakhs, 134 MSMEs(32.4 per cent) had turnover of 31 to 60 lakhs, 106 MSMEs (25.6 per cent) had turnover of 61 to 90 lakhs and so on. The following table shows more details on the annual turnover of sample units studied.

The analysis of the above table upshots that a great majority of 77.6 per cent (19.6+32.4+25.6) of MSMEs in Virudhunagar district have annual turnover between Rs. 11 lakhs and 90 lakhs.

#### Swot Analysis of Msmes in Virudhungar District

The researcher made an attempt to analyse the Strength, Weakness, Opportunity and Threats to MSMEs in Virudhunagar district.

#### Strengths

The researcher identified that the major strengths of MSMEs in Virudhunagar district is that they are having good infrastructural facilities, availability of finance easily, easy to expand their business and availability of cheap labour.

#### Weaknesses

The weaknesses of MSMEs identified are fear to avail the government assistance programmes, non availability of factors of production at cheap rates, problem in distribution of goods and lack of awareness in the area of promotion.

#### Opportunities

The opportunities before them are they can become a large scale enterprise by properly utilizing the available resources and effectively adopting the government assistance programmes.

#### Threats

Competition from local and foreign players as well as

Table 12 : Market Spread

Sl. No	Market	Number of Units	Percentage to total
1.	Local	17	4.1
2.	Regional	252	60.9
3.	State	132	31.9
4.	National	9	2.2
5.	Global	4	1.0
	Total	414	100.0

Source: Primary data.

Table 13 : Annual Turnover

Sl. No	Turnover (Rs. In lakhs )	Number of Units	Percentage to total
1.	Upto 10	25	6.0
2.	11 – 30	81	19.6
3.	31 – 60	134	32.4
4.	61 – 90	106	25.6
5.	91 – one crore	59	14.3
6.	Above one crore	9	2.1
	Total	414	100.0

Source: Primary data



competition from the large scale enterprises is the threat before them. One more threat is that they have to compulsorily invite themselves to the world of innovation in all areas to be in the market.

### CONCLUSION

The present research gathers primary data relating to the research problem from six blocks of the district. The six blocks of Virudhunagar district are having MSMEs dealing with products like food, wood, paper and leather, chemical products, engineering and so on. The majority of MSMEs in the study area are sole proprietorship concerns at the time of commencement whereas at present, the majority of MSMEs are partnership firms. They use bank credit and borrowings from friends and relatives for meeting their working capital requirements. Having technical qualification, managerial qualification and technical experience are the three major reasons for starting the industrial unit. A great majority of MSMEs in Virudhunagar district have turnover of less than Rs.90 lakhs. The major marketing problems faced by MSMEs are problems in distribution, competition, liberal credit, lack of factors of production and poor selection of channel. In this context, the important point to be noted is that a great portion of marketing problem for the MSMEs in Virudhunagar district arises out of their poor marketing practices. So, it is strongly suggested that much attention must be given to marketing by MSMEs in Virudhunagar district.

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