Chapter-2

REVIEW OF LITERATURE
AND METHODOLOGY
PART -1: REVIEW OF LITERATURE

A complete review of literature has become a significant ingredient in any investigation as it not only gives a design about the work done in the past and also assists in interpretation of the data. A brief review of literature pertaining to the objectives of the present study has been done to plan it on a systematic line. This chapter is divided into two parts, Part-I present the select review of literature and part-II a brief account of the methodology adopted in the study.

The review of relevant literature is as follows:

Bhattacharya (1932)¹ Who studied the economic growth and problems in five back ward districts of North Bengal, felt that there was a need for a new orientation to India’s industrial policy, drawing upon the tenets of Gandhi an philosophy of production by masses and the economics of the relative resources and endowments in the country in order to encourage units of appropriate process and sizes.

Jain (1956)² In his study looked at the total performance of various institutional financing agencies, using secondary data only. The study reveals that the assistance to small scale industrial sector has been grossly inadequate. Secondly, the agencies have developed a preference of investing their funds in the medium and large scale units and the bigger ones among the small scale units.

K.N. Raj (1956)³ In his article argued that even if increase in employment is not made as an objective in itself and maximization of the rate of growth of the economy be the main consideration, a case could still be made for small scale industries, the economic rationale of the official policy of protecting small scale industries.


Jain, S.C (1956)² “Institutional Finance to Small Scale Industries in U.P. since 1956” Submitted to Agra University, Agra.

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Lakshman (1966) Studied the various issues and problems faced by the cottage and small industries in the erstwhile Mysore state. The merit of the study lies in its pioneering empirical investigation into the nature, scope, and problems of cottage and small industries and analytical interpretation of the investigator's personal discussion with administrators, artisans, and entrepreneurs. The methodology adopted makes the conclusion global, although the study was confined to the old Mysore State.

Gunnar Myrdal (1968) Discussed the conflict between the traditional and modern ideology, problems of labour, and its utilization cost for small industry and rational for supporting small industry.

M.A. Oommen (1972) Examined the emerging pattern of entrepreneurship in the small scale sector of Kerala by studying the origin and growth of firms in the light engineering industry and the impact of government programmes like industrial estates and rural industries project on entrepreneurship. The study was based on the data collected from 45 entrepreneurs. It was found that engineers and technicians formed the single largest group of the entrepreneurs.

P.D. Malgawakar (1973) Study is one of the early enquiries into the development of small industry in Andhra Pradesh. He points out that the Small Scale Industries depends on the size of market which in turn depends partly as the efficiency of the size of market and distribution of machinery. He also observed that there is a time lag between sales and the realization of the sale proceeds and this affects production of the enterprise.


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Bepin behari (1974)\(^8\) has discussed the approach growth and technical change in the future plans. He stresses the need for the integration of technological change with economic development. He recommended technical, economic and structural changes in the engineering industries and adoption of adoption of appropriate technology for the development of small industries.

Johan page (1979)\(^9\) In his survey relating to small scale enterprises in several African countries examined the role of small scale industries in entrepreneurial development, and the policy environments affecting these enterprises and suggested review of the policies in the light of experiences gained from the survey.

Ruddar Datt and Sundaram (1979)\(^{10}\) Strongly advocated the small scale and household enterprises as an important component of an employment-oriented strategy of industrialization. Researchers found that employment output ratio is the lowest in the small scale sector while that employment generation capacity is eight times higher than that of large sectors.

Vasant Desai (1979)\(^{11}\) critically examined the problem and prospects of small industries. According to him this sector accounts for roughly 45 per cent of total industrial production in our country. However, small industries face a lot of problems relating to finance, marketing arrangements and modernization. The author suggests was to overcome all the hurdles with the coordinated efforts of all concerned namely the government, the financial institutions and the small entrepreneurs.

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Ruddar Datt and Sundaram (1979)\(^{14}\) "Indian Economy". Chand & Co. Ltd. New Delhi.

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The Small Industries Extension Training Institute (1980)12 Conducted a study on "Impact of Concessional Finance on Development of Backward Areas" For the study of samples the Small Scale Entrepreneurs were selected. It was observed that the entrepreneurs resented the procedural delays in sanctioning of loans, and insistence on collateral security, and solvency certificate. In the case of raw materials, the problem was not so much as to the availability than to its distribution. As regards the underdeveloped areas, it was observed that the growth in number in number of units and increase in fixed capital alone may not create the necessary impetus for growth unless considerable productivity changes are also effected through fuller capacity utilization. The causes for under utilization of capacity were mostly insufficient demand and inadequate financial resources for working capital. The study confined itself to backward areas, and it also failed to look into unit level financial problems of Small Scale Industries.

Borrooah H.K. (1980)13 Studied the Prospects and Problems of Small Scale Industry in Lakshimpur District, Assam it revealed that lack of up-to-date marketing practice and deficiency in entrepreneurial zeal as the major causes of sluggish growth of a small scale industrial sector in Lakshimpur District which is an industrially backward district of Assam.

Sunderraj (1980)14 In his Study Financing Small Scale Industries a profile, stated that the proportion of institutional credit to total borrowing was 63 per cent as against 72 per cent for medium and large public limited companies. Within the small-scale sectors the proportion stood at 63.8 per cent for smaller units.


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Ramakrishna Sarma’s (1982) Study was a comprehensive study on modern small scale industry in Andhra Pradesh using secondary data for a 15 year period from 1961 to 1975. Location quotients which would give an idea of relative importance of different industrial categories in the small scale sector of the Andhra Pradesh state were calculated for the year 1972 in terms of units and output, using data of the all India report on census of small scale industries. Food products, beverages, wood products, mineral products and repairs and services had location quotients more than unity in terms of units and output, implying that these industries were localized in Andhra Pradesh. Besides these five industries, leather products, metal products, the manufacture of electrical machinery and miscellaneous manufacture industries were also localized in the state in output terms. Low level of small scale industrial development was gauged in terms of state’s share of 5.79 %, 3.30, 0.35 %, 4.76 % in total number of units, output, value and employment respectively in the small sector in India as a whole, as against state’s share of 8.0 per cent in country’s population.

Vivek Deolankar (1983) Attempted a quantitative survey of entrepreneurship development in the developed, developing and backward states of India by collecting information from a sample of 264 Small Scale Units located in the states of Maharashtra, Andhra Pradesh, Karnataka and other states of India. The study found that in spite of abundant natural resources, the pace of industrial and entrepreneurial development was slow, not only due to lack of basic facilities and financial support but also due to untapped entrepreneurial talents in the country. The study suggested that timely action by government and other agencies can accelerate the process of entrepreneurship development in India.


Desai Vasant (1983)\(^{17}\) Stated that rapid industrialization in India depends on the growth of small scale industries. Most of the small scale industries are operating under certain handicaps like shortage of raw materials, low levels of technical knowledge and counseling, poor infrastructure, inadequate capital and credit facilities, improper distribution system, lack of facilities for market analysis, research and development.

Manohar V. Deshpande (1984)\(^{18}\) Made a survey of 90 Small Industrial Units in the Marathawada region of Maharashtra in 1982, the study among other things evaluated the socio-economic origins of the entrepreneurs and the problems faced by them at various stages. It revealed that caste, family occupation and father’s occupational status are important for entry into the business of manufacturing. It was also found that the government support system could play an important role in expanding the entrepreneurial base. There is also a need to broaden the government support system because it was observed that the upper strata of the society availed they of most of the benefits created by the government agencies.

Ahmad, Nisar (1987)\(^{19}\) Explored various problems of small scale and cottage industries from the viewpoint of micro and macro level in India with special reference to Jammu and Kashmir.

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Ram K Vepa (1988)20 Studied the modern small scale industry in India On the growth of modern small scale sector he said: “Whatever the twists and turns policy, there has been a steady growth of small scale industrial units in the country.” This sector showed an increase in production, employment and investment in the 15-year period from 1973-74 to 1986-87. Even more significant was the wide variety of products made in the small sector which numbered over 5,000 and included mass consumption goods. Writing on prospects of the small scale sector for the nineties his forecast was: “Government policies towards small scale industry in the nineties will be oriented to the objective of ‘growth’ rather than ‘protection’. The emphasis will not be on how to shield to small units from competition but rather how to make them more competitive by building their intrinsic strength the linkage with the large industry will also be emphasized, this will be seen as a mutually beneficial and economically meaningful arrangement rather than to be enforced by government fiat Such linkage will be most effective in the large towns and near industrial complexes: in smaller towns, small industry will also be a producer of consumer goods to meet the needs of the region.”

Ojha, P.D (1989)21 Analyzing the aspects of financing of the Small Industries has stressed that the extension of finances for the Small Scale Industrial units had to be increased and the support services had to be provided for augmenting the development of the small scale industrial sector.

Prasad, C.S. (1991)22 Analyzing the problem faced by the Small Scale Industrial (SSI) units suggested that the increase of the provision of raw materials and other inputs facilitates the growth of the small scale industrial units. Though these studies have covered the various aspects of the development of the Small Scale Industries (SSI), there are no specific studies on the small industry development in Andhra Pradesh and particularly with reference to Kadapa district. Hence, an attempt is made in this study to examine the Small industry development in Andhra Pradesh, particularly with reference to Kadapa District.


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Jamuar, R.S. (1992) in his study states the development of Small-Scale and cottage industry in India and their role in Indian economy. He also discussed the present position and problems of Small-Scale Industry with special reference to industrial sickness, government policy and measure to develop Small-Scale and cottage industry.

Small Industries Development Bank of India (1999) Made an attempt to analyse the relative efficiency of Small Scale Sector using aggregate time series data of SSI for the period 1981-87 to 1994-95. The results reveal that the Small Scale Industries (SSI) has higher capital productivity than large scale industries and total factor productivity in Small Scale Industries is lower than in large scale industries. In addition, the small scale sector has higher profitability as compared to large scale sector.

Ramakrishan K.T (2001) In his study entitled, Finance for Small Scale Industries In India described the nature of problems of finance with regard to small scale industries in India and the role played by the Government, State Financial Corporation and Banks in Financing the Small scale units. His study highlighted the methods of financing followed by several countries in North and South America, Asia and Europe.


A.U.Khan and Zaqaullah Shaikh (2001)\textsuperscript{26} In their paper on the financing of small scale industries in Maharashtra pointed out that the primary objective of the industrial policy of Maharashtra is making small-scale industries more competitive domestically as well as internationally. They should be well supported through a wide range of promotional interventions to achieve the economic priorities of employment generation, technological change, and export promotion, to bring about transparency in the system and, thereby, reduce corruption. With changes in demand patterns and consumer preferences and a wider range of choice for most products, marketing is likely to become a key factor for enhancing industry’s competitiveness.

Valsamma Antony (2002)\textsuperscript{27} In her article titled “Prospectus and Growth of SSIs in India; An Over View”, observes that adequate and timely availability of working capital and marketing avenues for the SSI products should be ensured for improving their competitive strength in the domestic and global markets. There is the need for providing better information and efficiency networking for the SSIs besides development of quality infrastructural facilities.

Subrhamanian M Bala (2004)\textsuperscript{28} Studied the impact of globalization on the domestic small industry, and showed that small industry had suffered in terms of growth of units, employment aspects and exports. They clearly indicated the fear of deterring growth in Indian small scale industrial sector among the researchers. This analysis exclusively focuses on growth trend of various parameters of small scale industrial sector (Number of units, production, employment, exports, per employee production output) for both pre and post globalization era of Indian economy.


\textsuperscript{27}Valsamma Antony (2002)\textsuperscript{27} “The Prospects and Growth of Small scale Industries in India”: An Overview: Southern Economist, Vol.43, No.6, p.23.

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Syed Vazith Hussain (2004) studied the performance of Small Scale Industries in India and the challenges ahead, according to him, under the World Trade Organization (WTO) regime competition would increase and there would be a threat to many obsolete and uncompetitive small scale units leading to closure of many of the SSIs. In the changed environment if these units do not restructure, improve quality of their products, adopt innovative marketing and management practices, they would lose their market both in and outside the country, it will be very difficult for them to survive. There is a possibility of the industry entering the world market. But the SSIs should have to lay greater emphasis on international standards with regard to quality, health and hygiene as well as in the variety of products to be offered by them.

Bala Subrahmanya M.H. (2004) highlighted the impact of Globalization and domestic reforms on small-scale industries sector. The study stated that small industry had suffered in terms of growth of units, employment, output and experts. The researcher highlighted that the policy changes had also thrown open new opportunities and markets for the small-scale industries sector. He suggested that the focus must be turned to technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment.

Rajyalakshmi, N. (2004) reviewed the productivity awareness among SSI units in Visakhapatnam District of Andhra Pradesh at micro level and explored small-scale entrepreneurs, how they measured productivity in their units. The study based on primary data collected by using structured schedule through personal interviews. A sample of 200 SSI units was selected for the study. The study found that chemical units were more capital intensive and it was low in food and agro units. Productivity awareness was not noticed in the SSI units. The study concluded that success in small industry would be best achieved if the productivity culture will be clearly understood by all the employees.


Sudan, F.K. (2005)\textsuperscript{32} Described the challenges in Micro and small scale enterprises development and policy issues by arising different questions related to Micro and Small Enterprises. The study explained the meaning, advantages, problems and policy options of MSE sector. The study concluded that all the policies which were opted by GOI were the efforts to form a dynamic MSE sector and a diversified economy providing expanded employment opportunities to absorb all new labour force and offer exciting career opportunities.

Ramappa and Basavaraja (2006)\textsuperscript{33} On “the Impact of Liberalization on SSIs” opined that the Government of India had put the whole SSI sector into hot water due to the new economic policy. The authors conducted a comprehensive study of the data before liberalization from 1980-81 to 1990-91 and post-liberalization period from 1991-92 to 2002-03. The study concluded that a policy of easy credit, marketing increase in tax free period, reservation of products for manufacturing, de-licensing and up gradation of technology to liberate the SSI units in the country should be evolved.

Samrat Goswami (2006)\textsuperscript{34} in his “Small Scale Industry: Performance” shows that Small scale industries have been playing a very crucial role in the Indian economy for a long period of time. They have made notable contributions in production, employment generation and export. As they made significant contributions to production, employment generation and export, they enjoyed protection for a long period of time. The scenario changed after the reform process came into the picture in 1991. Globalization demolished the barriers and economies relaxed their entry barriers and opened their domestic market to the foreign investors. As a result, the incumbent large foreign companies posed a real challenge to the small scale industries in India. The challenges were faced on the marketing, finance, technology and also human resource fronts.

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Rathod, C.B (2007)\textsuperscript{35} Described the importance of small scale industrial sector and also the contribution of Indian small scale entrepreneurs in world economy, the main objective of the study was to study the growth and pattern of the Small scale Industries (SSI) sector and identify the reasons for success failures, to evaluate the impact of globalization of SSIs and exports opportunity, to identify the barriers and constraints that SSIs were facing to cope with globalizations. The study analyzed that SSI sector in India had been exhibiting a striking export performance; export had grown up to double digit from the last ten years. The study concluded that both opportunities and challenges were raised as the impact of Globalization on Indian Industry as a whole and the small scale sector in particular. The study found that a major portion of our exports would have to gear up to the new era of boundary less economy. The study suggested that there was a need for simplified legal and regulatory framework, good Governance, sufficient and accessible finance, suitable infrastructure and competitive environment.

Basu, S.K (2007)\textsuperscript{36} Analyzed the role and problems of Small-Scale Industries. He emphasized their importance in the economic development and their financial problems and also the role of state financial corporation in helping them.

Ibrahim, Umar (2008)\textsuperscript{37} In his doctoral thesis examined the various strategic factors affecting the performance of a small and medium industries in Borno state of Nigeria and identified the factors problems, constraints, difficulties and challenges facing the Small and Medium industries (SMIs) in the state and various macroeconomic policies and incentives provided for the development of Small and Medium Industries in Nigeria.


Vetrivel and S. Iyyampillai (2009) observed that the development of small scale sector occupied a powerful position in Tamil Nadu State, the study found out that there would be a rapid growth of SSI units, employment generation and value of output during the period 1991-2008, due to the support of Government policies and financial assistant.

Bargal et al. (2009) examined the causal relationship among the three variables GDP, SSI output and SSI exports and also compared the performance parameters of SSIs in the pre and post liberalization era. The study found that the annual average growth rate of different parameters of SSIs had declined in the period of nineties vis-à-vis the pre-reform years. There was an absence of any lead-lag causal relationship between exports and production in Small-Scale Sector and GDP of Indian economy.

Dixit and Pandey (2011) applied co integration analysis to examine the causal relationship between SMEs output, exports, employment, number of SMEs and their fixed investment and India’s GDP, total exports and employment public and private for the period 1973-74 to 2006-07. Their study revealed the positive causality between SMEs output and India’s GDP.

Venkatesh and Muthiah (2012) found that the role of Small & Medium Enterprises (SMEs) in the industrial sector is growing rapidly and they have become a thrust area for future growth. They emphasized that nurturing the above literature highlights the various aspects viz. performance, growth and problems of MSMEs in Indian economy and induces for continuous research in this field.


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PART -II: METHODOLOGY

2.3 NEED FOR THE STUDY

The development of any area can never be a smooth process and particularly the Micro, Small and Medium Enterprises have to face numerous problems within the changed environment. These problems vary from region to region depending upon the stage and level of economic development. MSMEs have attracted the attention and interest of researchers and policy makers to find out the real causes of problems through primary source of information. Most of the economic enquires have examined problems of MSMEs in general. However, the study is intended to appreciate and assess the relative advantages available from agriculture, forest, livestock and mineral resources and human resources of the Chittoor District for planning industrial development, particularly MSMEs.

Since the district is drought prone area and backward in terms of industrial development, a detailed study has been felt essential to find out and analyze the real problems existing and being experienced by the entrepreneurs of the Micro, Small and Medium Enterprises and identify the actual reasons for the slow growth of MSMEs growth of MSMEs and for non motivation among the prospective entrepreneurs to start MSMEs. Though the Government is offering a wide range of incentives and adopting favorable policies and programmes to MSMEs, the growth of MSMEs has been relatively slow and not encouraging. Most of the MSMEs units are operating under certain technical and economic handicaps. Among the various types of MSMEs, some are income generating and others are employment generating and few are both. The study is mainly designed to analyse the growth pattern, location aspects, entrepreneurial evolution, structure of manpower and capital, the operational conditions and problems of MSMEs in Chittoor District. These aspects have been shifted with a view to find solutions to the problems and at the same time to offer strategies to be adopted and followed for achieving higher growth rate of MSMEs.

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2.4 RESEARCH OBJECTIVES

The main objectives of this research can be summarized as follows.

- To study the growth and Performance of Micro, Small and Medium Enterprises at National and State level.
- To analyze the performance of Micro, Small and Medium Enterprises in Chittoor District.
- To examine the various problems of Micro, Small and Medium Enterprises.
- To provide suggestions to improve the implementation of Micro, Small and Medium and growth of those enterprises.

2.5 HYPOTHESIS

The following hypotheses are formulated to test the validity of the study:

1. There is no significant difference between the cost output ratio among the different categories of micro and small industrial units.
2. There is no significant difference between fixed capital to output ratio and working capital to output ratio among the different categories of Micro, Small and Medium Enterprises.
3. There is no change in the relative importance of the districts /classified Micro, Small and Medium Enterprises over a period of time.
4. There is no significant difference between qualified technical /skilled labour and unskilled labourers.
5. There is no significant difference between input and output ratio among Micro, Small and Medium Enterprises (MSMEs).

2.6 SAMPLING DESIGN

The list of registered units functioning in division wise has been obtained from the District Industries Centre (DIC), Chittoor. The survey was conducted on the basis of sampling method for developing sample design. The researcher collected the list of Micro, Small and Medium Enterprises registered with the District Industries Centre, Chittoor.
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The lists of registered units have been obtained from the District Industries Centre, Chittoor; all the units have been divided into three revenue divisions based on their location. All the units have been divided into three revenue divisions based on their location.

The study comprises a total sample of 192 units covering all industrial categories. Out of 192 sample units, 67 units are located in Madanapalli Division, 55 units in Chittoor Division and 70 units in Tirupati Division. Out of 192 sample units, the study covered 40 units of Agro and allied based units, 5 units of Chemical based units, 17 units of Animal husbandry, 24 units of Engineering based units, 35 units of Non Metallic and Mineral based units, 5 units of Paper and Printing based units, 6 units of Repairs and Service based units, 20 units of Textile based units, 7 units of Forest based units and 33 units of Miscellaneous.

All the units have been further classified into ten broad categories. The distribution of sample Small scale units is presented in Table 2.1.
### Table 2.1
Revenue Division Wise Distribution of Sample Micro, Small and Medium Enterprises in Chittoor District

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Category</th>
<th>Madanapalli</th>
<th>Chittoor</th>
<th>Tirupati</th>
<th>District Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agro and allied based units</td>
<td>(165)</td>
<td>(114)</td>
<td>(121)</td>
<td>(400)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(17)</td>
<td>(11)</td>
<td>(12)</td>
<td>(40)</td>
</tr>
<tr>
<td>2</td>
<td>Chemical based units</td>
<td>(22)</td>
<td>(16)</td>
<td>(13)</td>
<td>(51)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(5)</td>
</tr>
<tr>
<td>3</td>
<td>Animal husbandry</td>
<td>(58)</td>
<td>(43)</td>
<td>(67)</td>
<td>(168)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6)</td>
<td>(4)</td>
<td>(7)</td>
<td>(17)</td>
</tr>
<tr>
<td>4</td>
<td>Engineering based units</td>
<td>(116)</td>
<td>(50)</td>
<td>(69)</td>
<td>(243)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(11)</td>
<td>(6)</td>
<td>(7)</td>
<td>(24)</td>
</tr>
<tr>
<td>5</td>
<td>Non-Metallic Mineral based units</td>
<td>(87)</td>
<td>(125)</td>
<td>(135)</td>
<td>(347)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(9)</td>
<td>(12)</td>
<td>(14)</td>
<td>(25)</td>
</tr>
<tr>
<td>6</td>
<td>Paper and Printing based units</td>
<td>(15)</td>
<td>(11)</td>
<td>(26)</td>
<td>(52)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1)</td>
<td>(1)</td>
<td>(3)</td>
<td>(5)</td>
</tr>
<tr>
<td>7</td>
<td>Repairs and Service based units</td>
<td>(25)</td>
<td>(13)</td>
<td>(24)</td>
<td>(62)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3)</td>
<td>(1)</td>
<td>(2)</td>
<td>(6)</td>
</tr>
<tr>
<td>8</td>
<td>Textile based units</td>
<td>(48)</td>
<td>(62)</td>
<td>(96)</td>
<td>(196)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5)</td>
<td>(6)</td>
<td>(9)</td>
<td>(20)</td>
</tr>
<tr>
<td>9</td>
<td>Forest based units</td>
<td>(29)</td>
<td>(28)</td>
<td>(18)</td>
<td>(75)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3)</td>
<td>(3)</td>
<td>(1)</td>
<td>(7)</td>
</tr>
<tr>
<td>10</td>
<td>Miscellaneous</td>
<td>(108)</td>
<td>(86)</td>
<td>(136)</td>
<td>(330)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(11)</td>
<td>(8)</td>
<td>(14)</td>
<td>(33)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>673</td>
<td>556</td>
<td>695</td>
<td>1924</td>
</tr>
</tbody>
</table>

Note: Figures in the parentheses are sample of Micro, Small and Medium Enterprises in the respective category.

Micro, Small and Medium Enterprises for the present study have been classified into ten broad categories.

1. **Agro and allied based units:**

   This group includes the units engaged in flour milling, rice milling, groundnut decorticating, groundnut oil extracting, oil crushing, making mango pulp, and fruit canning, and rice hulling, tamarind decorticating and making starch.

2. **Chemical based units:**

   Laboratory Chemicals, Industrial Alcohol, polythene bags manufacturing, rigid PVC pipes, molded plastic products, writing ink, chicory soaps, and the other chemical units are grouped under this category.
3. Animal husbandry units:

This group includes dairy farming, poultry units, hatcheries, and cattle, poultry feed manufacturing, etc.

4. Engineering based units:

Because of their less numbers both engineering and electronic units are included in this group. Units like castings, making type writer spares, nails and bolts, making aluminum vessels, television assembling, steel rerolling, transformers, rewinding and making padlocks are included in this category.

5. Non Metallic and Mineral based units:

Units engaged in granite cutting and polishing, making cement poles, Flyash Bricks, Cement Bricks, Pulvarisers of Barytes, Slab cutting, Polishing powder, Solids Hollow, Burnt line, Granite cutting, Table moulded bricks, Road metal, Polishing Slabs, Mosaic Tiles, Ceramic tiles, Metal crushing and Mineral pulvarisers are clubbed under this category.

6. Paper and Printing Based Units:

Paper coins and tubs, offset printing flexo graphic printing, Label printing.

7. Repairs and Service Based Units: Automobile services, motor vehicle repair, web designing, Hosting, computer assembling servicing etc.

8. Textile Based Units:

Cotton cloth by power loom, Silk reeling units, Units making readymade garments, cotton ginning and pressing and monofilament yarn nets constitute this group.

9. Forest Based

Wooden furniture Saw Mills, Corrugated Cardboards, Paper Boards, Beedi manufacturing etc are considered under forest industry.

10. Miscellaneous Units:

All those not included in the above groups are brought under this category. They are making shoe tags, leather foot wear, the servicing of motor vehicles, G.N. Decorticating, Tyre retreading etc.
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2.7 DATABASE

The study is empirical in nature; the empirical data was collected for analyzing growth and performance of Micro, Small and Medium Enterprises by conducting a survey by using an interview schedule. The study is based on both primary and secondary data.

The primary data covering all the aspects of Micro, Small and Medium Enterprises in accordance with the objectives of the study were collected through personal interviews with the entrepreneurs and managers of the sample units with the help of a schedule, which was specially designed for the study. The secondary information was collected from various annual reports of Micro, Small and Medium Enterprises; different issues of Economic Survey Published by the Government of India and other important books and Journals, Internet, Reports, Published Documents of District Industries Centre, Ministry of Micro, Small and Medium Enterprises, Government of India, New Delhi and the Hand Book of statistics, Chittoor District, published by chief planning officer, Chittoor from DIC, Chittoor.

2.8 GEOGRAPHICAL COVERAGE

The present study covers three divisions of Chittoor District Viz, Chittoor, Madanapalli and Tirupati.

2.9 PERIOD OF STUDY

The study has a three year reference period i.e., 2008-09, 2009-10 and 2010-11.

2.10 CONSTRUCTION TOOLS

All the schedules were scrutinized so as to appraise the quantitative and qualitative aspects of the data before each schedule was passed for tabulation. After tabulation of data, the data was analyzed by using statistical tolls like t-test, f-test, CGR, and ANOVA.
2.11 SCOPE AND LIMITATION OF THE STUDY

The present study is based on the reliability of the primary data. To study the growth and performance of Micro, Small and Medium Enterprises at national level secondary data was preferred since this an in depth regional study to analyze the growth, performance and problems of MSMEs is Chittoor District. The focus of the study is category wise rather than on division wise analysis. The conclusions that emerge from the study cannot be generalized as whole.

2.12 CHAPTER DESIGN

The present study is classified into six chapters.

The First chapter Presents the introduction, definition, growth and performance of MSMEs in India, policy initiatives in MSMEs, schemes of financing MSMEs, financing MSMEs in India, facilities for MSMEs, microfinance, Size of the registered MSMEs, sickness in MSMEs and growth of MSMEs in Andhra Pradesh.

The Second chapter Deals with the design of the study, it includes review of the previous studies, objectives of the study, hypothesis, data base, need for the study, sampling design, geographical coverage, period of study, reference period, constriction tools, limitation of the study, scheme of report and references.

Third chapter Comprises brief profile of Chittoor District.

Fourth chapter highlights growth and performance of Micro, Small and Medium Enterprises in Chittoor District.

Fifth chapter Deals with the problems of sample of micro, small and medium enterprises in Chittoor District.

Final chapter Presents the summary of findings and suggestions based on the study and conclusions.