

**PROBLEMS AND PROSPECTS OF MICRO, SMALL, AND MEDIUM ENTERPRISES  
(MSME'S) IN ANDHRA PRADESH:  
AN EMPIRICAL STUDY OF VIZIANAGARAM, EAST GODAVARI AND CHITTOR  
DISTRICTS.**

**Suresh Parla<sup>1</sup>, Dr. G. S. Rama Krishna<sup>2</sup>, Dr. P. Uma Maheswari Devi<sup>3</sup>**

<sup>1</sup>Research Scholar, Department of Commerce & Management Studies, Adikavi Nannaya  
University, Rajamahendravaram, AP, India

<sup>2</sup>Associate Professor, Department of Management Studies, Sri Y N College, Narasapur, AP, India

<sup>3</sup>Associate Professor, Department of Commerce & Management Studies, Adikavi Nannaya  
University, Rajamahendravaram, AP, India

**ABSTRACT**

The Micro, Small, and Medium Enterprises (MSMEs) sector plays a vital role in the economic development of Andhra Pradesh. This paper provides an overview of the key challenges and opportunities MSMEs face in select districts of Andhra Pradesh. It highlights the current state of the sector, the hurdles that hinder its growth, and the potential avenues for future development. The problems encountered by MSMEs in Andhra Pradesh are multifaceted. Challenges range from inadequate access to credit and financial resources to bureaucratic red tape, infrastructure deficits, and technology limitations. These factors often impede the sector's growth, inhibiting its ability to create jobs, contribute to GDP, and foster innovation. Despite these challenges, there are promising prospects for the MSME sector in Andhra Pradesh. Government initiatives such as "Ease of Doing Business" reforms, Make in India, and Digital India can potentially improve the business environment for MSMEs. Furthermore, the state's strategic geographical location and the availability of a skilled workforce offer unique opportunities for growth and expansion. Partnerships with established industries, clusters, and technology hubs can aid in addressing some of the sector's technology and infrastructure constraints. The researcher employed descriptive statistics like mean, SD and for hypothesis testing t-test, ANOVA and chi square test to find the statistical significance of the study.

***Keywords: MSMEs, Growth, Finance Related Problems, and Marketing Problems.***

**1. INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) are crucial for economic vitality, creating jobs, fostering growth, and promoting development. In the Indian context, where the spirit of entrepreneurship and small-scale industries is celebrated as pivotal drivers of economic progress, understanding the nuanced challenges and opportunities faced by MSMEs is of paramount importance. This empirical study embarks on an exploration of the intricate landscape of MSMEs in Andhra Pradesh, with a specific focus on the dynamic districts of Vizianagaram, East, and Chittoor. This research endeavours to provide an in-depth analysis of the unique problems and prospects that confront MSMEs in these regions.

Micro, Small, and Medium Enterprises (MSMEs) refer to a category of businesses or enterprises that are characterized by their size, operational scope, and financial metrics. These enterprises play a vital role in most economies, contributing significantly to economic development, employment generation, and fostering innovation. MSMEs are typically defined based on criteria such as the number of employees, annual turnover or revenue, and total assets. The specific definitions and thresholds for MSME classification can vary from one country to another, but they share common characteristics:

**Micro Enterprises:** Micro enterprises are the smallest category of businesses within the MSME sector. They typically have a very limited number of employees, a low annual turnover, and minimal assets. The exact thresholds for being classified as a micro enterprise can vary by country. A micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.

**Small Enterprises:** Small enterprises are larger than micro enterprises but are still relatively small in terms of employee count, turnover, and assets. They have more employees, higher turnover, and greater assets than micro enterprises but are smaller in scale compared to medium and large enterprises. A small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.

**Medium Enterprises:** Medium enterprises are larger and more established than micro and small enterprises. They have more employees, greater annual turnover, and more substantial assets. However, they are still considered smaller than large corporations or multinational companies. A medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Andhra Pradesh, a state known for its diverse industrial and entrepreneurial ecosystem, offers an intriguing backdrop for this study. Each district, Vizianagaram, East, and Chittoor, while sharing the broader Andhra Pradesh context, has its distinct economic characteristics, challenges, and growth potential for MSMEs. By conducting this investigation, The researcher aims to illuminate the current state of MSMEs in these districts, identify the barriers hindering their progress, and pinpoint the potential avenues for growth and development.

This research employs a multifaceted approach, integrating both quantitative and qualitative methods to offer a comprehensive understanding of the MSME landscape in Andhra Pradesh. The outcomes of this study are anticipated to serve as a valuable resource for policymakers, entrepreneurs, and other stakeholders, providing them with actionable insights to formulate effective strategies and policies that can bolster this vital sector, thus contributing significantly to the economic prosperity of the region.

In the upcoming sections of this research paper, the researcher will conduct an in-depth analysis of MSMEs (Micro, Small, and Medium-sized Enterprises) in Andhra Pradesh. This analysis will include a thorough examination of the challenges these businesses face, as well as the opportunities that lie ahead. The paper will cover various aspects such as the review of literature, research methodology, results, and discussions.

## 2. REVIEW OF LITERATURE

Micro, Small, and Medium Enterprises (MSMEs) serve as the lifeblood of many economies, contributing significantly to economic growth, job creation, and innovation. In the context of India, the importance of MSMEs cannot be overstated. With a specific focus on Andhra Pradesh, this literature review delves into the dynamic world of MSMEs, particularly within the regions of Vizianagaram, East, and Chittoor. Drawing from existing research, this section aims to provide an in-depth analysis of the challenges and opportunities that shape the growth and development of MSMEs in these districts.

### **Importance of MSMEs**

The role of MSMEs in fostering economic growth and development is widely acknowledged. These enterprises are known for their remarkable ability to generate employment, promote local market needs, nurture entrepreneurial spirit, and drive self-reliance. In India, their significance is exemplified by their substantial contributions to the Gross Domestic Product (GDP), industrial production, and export earnings. According to the Ministry of Micro, Small, and Medium Enterprises, the sector contributed nearly 29% of India's GDP in 2020, showcasing its potential for further expansion (Rameshbhai, A.J., Solanki, A 2022).

### **Challenges Faced by MSMEs**

Despite their invaluable contributions, MSMEs face a multitude of challenges that can vary by region. One of the foremost issues is access to finance. Many MSMEs struggle to secure credit due to their size and limited collateral, hindering their growth and productivity. Regulatory complexities and bureaucratic obstacles add to the challenges, making it essential to explore the unique regional challenges faced by MSMEs in Andhra Pradesh, specifically in the districts of Vizianagaram, East, and Chittoor (Riyazuddin Khan et al., 2019).

### **Access to Finance**

Capital is important for the growth and development of MSMEs. However, access to credit is still a challenge to most MSMEs, especially those in developing economies and it also act as a key issue both within the public and private sectors. India has one of the most extensive banking infrastructures in the world. The provision of finance to grass-root level businesses, spread across the length and breadth of the country, still remains an enormous challenge, even though there has been rapid growth of the banking infrastructure in recent years (P. Hemachandra Reddy et al., 2019).

Also, Indian MSMEs have limited access to finance as number of these firms run on the promoter's investment which strictly limits their growth. The non-availability of institutional finance at affordable terms also hinders innovation in the Indian MSMEs. Also, in India, the preferred mode of finance is either self or other sources which further complicates the situation. Recent research shows that MSMEs are beginning to opt for other specialised financial services and options as they are faced with enhanced competition, on account of globalisation (Mohammed Uddin et al., 2022).

Shortage of credit and finance is the main obstruction in the development of small-scale units. MSMEs require timely and sufficient capital infusion through working capital loans and term loans, mainly during the early and growth stages. Financial management is a critical field within the endogenous atmosphere of MSMEs that presents many potential obstacles (Ica Rika Candraningrat et al., 2021).

Management competence is often determined by the availability of financial information and in small firms, lack of financial sources is often reported as the major obstacle. Financial issues that are important for business success include financial planning, capital requirements, bookkeeping, management of working capital, financial control, and income generation (Kusuma Ratnawati 2020).

One of the central challenges for MSMEs in Andhra Pradesh and other regions is securing access to adequate financial resources. The lack of collateral and traditional banking constraints often restrict their ability to obtain loans or credit. Microfinance institutions have emerged as key players in addressing this gap. These institutions, such as Bandhan Bank and SKS Microfinance, have provided credit to small entrepreneurs and are pivotal in enhancing financial inclusion (Tulus Tambunan 2014).

### **Government Policies and Support**

The Indian government has put in place numerous policies and initiatives to support and strengthen the MSME sector. Schemes like the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and the Prime Minister's Employment Generation Programme (PMEGP) aim to address the sector's financial requirements and promote entrepreneurship. State-specific programs further complement these efforts. Additionally, the "Atmanirbhar Bharat" (Self-Reliant India) initiative, launched in the wake of the COVID-19 pandemic, seeks to bolster indigenous manufacturing and reduce dependency on imports, which could present new avenues for MSME growth (Mahesh K.M. et al. 2023).

### **Infrastructure and Technology**

The role of infrastructure and technology in facilitating MSME growth is indispensable. Adequate physical infrastructure, such as transportation networks, power supply, and telecommunications, is essential for the efficient functioning of these enterprises. Furthermore, the adoption of modern technologies can significantly improve productivity and competitiveness. Initiatives such as the "Digital India" program and "Make in India" campaign have aimed to address these aspects (Vijay Joshi et al., 2020).

### **Entrepreneurship Ecosystem**

The entrepreneurial ecosystem plays a pivotal role in supporting the growth and sustenance of MSMEs. Incubators, skill development programs, and industry associations contribute to nurturing entrepreneurship in Andhra Pradesh. For example, the Andhra Pradesh Innovation Society has established incubation centers and provided mentoring support to emerging entrepreneurs. Such initiatives create a conducive environment for innovation and business development (Venkataramanaiah Malepati et al., 2022).

Limited access to credit, inadequate infrastructure, and regulatory bottlenecks were significant impediments to their growth, aligning with common challenges faced by MSMEs nationwide (Roland Asare et al., 2015).

In another study by Reddy, K (2020), the researchers explored the impact of government schemes on MSME development in Andhra Pradesh. They underscored the positive influence of schemes like the PMEGP, CGTMSE, and the Andhra Pradesh Industrial Investment Promotion Policy on the growth and sustainability of these enterprises. The study emphasized the need for continued government support and the streamlining of bureaucratic processes to enhance MSME prospects (Reddy, K. 2020).

#### **Prospects and Opportunities**

While challenges persist, MSMEs in Andhra Pradesh also enjoy promising prospects and opportunities. One such opportunity lies in the realm of digitalization. The "Digital India" initiative, championed by the Government of India, has paved the way for MSMEs to harness digital technologies, expand their market reach, and improve operational efficiency.

Additionally, the "Make in India" campaign, another government initiative, encourages domestic manufacturing and production. This provides MSMEs with a unique opportunity to engage in value addition and enhance their competitiveness in both domestic and international markets.

Furthermore, the agricultural sector in Andhra Pradesh offers promising prospects for MSMEs. With its rich agricultural base, the state provides ample opportunities for agro-based enterprises, such as food processing, agribusiness, and horticulture. These sectors have the potential to not only enhance income and employment but also contribute to the state's economic growth (Government of Andhra Pradesh, 2021).

#### **Impact of Pandemic on MSMEs**

The COVID-19 pandemic brought about unprecedented challenges for MSMEs, not only in India but globally. The pandemic's economic fallout affected these enterprises significantly. Lockdowns, disrupted supply chains, reduced demand, and financial stress placed tremendous pressure on MSMEs. Various studies conducted during the pandemic have highlighted the unique struggles faced by these enterprises.

#### **Access to Global Markets**

Expanding access to global markets is a significant opportunity for MSMEs. International trade can open new avenues for growth and increase market reach. In this context, the "Export Promotion Policy" of the Government of Andhra Pradesh aims to promote exports and make Andhra Pradesh an export hub. MSMEs, through their niche products and services, have the potential to contribute to the state's export goals (Government of Andhra Pradesh, 2021).

#### **Innovation and Technology Adoption**

Innovation and technology adoption are critical for the growth and competitiveness of MSMEs. Innovations in production processes, product development, and marketing strategies can

help these enterprises thrive. The "National Manufacturing Competitiveness Program (NMCP)" by the Government of India includes initiatives to enhance innovation and technology adoption among MSMEs, facilitating their growth and global competitiveness (Government of India, 2014).

### 3. OBJECTIVES OF THE STUDY

The following objectives were framed to understand the problems and prospects of MSMEs.

1. To analyse the finance & marketing related problems of MSMEs in Andhra Pradesh.
2. To explore the prospects of MSMEs in Andhra Pradesh; and
3. To study the government initiatives for the development of MSMEs in Andhra Pradesh.

### 4. RESEARCH METHODOLOGY

To achieve the objectives of this study, a mixed-method research approach will be employed. This will involve both quantitative and qualitative data collection and analysis techniques. The following research methodology will be implemented:

**Sample Selection:** A representative sample of MSMEs from three select districts will be selected to ensure the diversity and generalizability of the findings. The sample size of the study is 300 by using convenience sampling technique.

**Table -1: Sample Distribution**

Districts	No. of MSMEs selected for the Study	Micro	Small	Medium	Total
Vizianagaram	100	64	24	12	100
East Godavari	100	68	25	07	100
Chittor	100	65	26	09	100
Total	300	197	75	28	300

source: Author's contribution

#### Hypothesis of the study

H<sub>0A</sub>: There is no significant relation between gender and MSMEs problems.

H<sub>0B</sub>: There is no significant relation between age and MSMEs problems.

H<sub>0C</sub>: There is no significant association between marital status and MSMEs problems.

H<sub>0D</sub>: There is no significant relation between educational qualifications and MSMEs problems.

#### Statistical Tools of the Study

The following tools were employed to find the statistical significance of the study

- t-test
- ANOVA

➤ Chi – Square test

## 5. RESULTS & DISCUSSIONS

In this section, an attempt has been made to analyze the demographic distribution of the sample respondents.

**Table – 2: Demographic distribution of the sample respondents**

S. No	Variable	Descriptive	Frequency	Percentage
<b>1</b>	<b>Gender</b>	Male	214	71.33%
		Female	86	28.67%
		<b>Total</b>	<b>300</b>	<b>100.00%</b>
<b>2</b>	<b>Age</b>	Upto 30	64	21.33%
		30 - 40	89	29.67%
		40 - 50	113	37.67%
		50 - 60	34	11.33%
		<b>Total</b>	<b>300</b>	<b>100.00%</b>
<b>3</b>	<b>Marital Status</b>	Married	249	83.00%
		Unmarried	51	17.00%
		<b>Total</b>	<b>300</b>	<b>100.00%</b>
<b>4</b>	<b>Educational Qualification</b>	No formal Education	46	15.33%
		Diploma	51	17.00%
		UG	116	38.67%
		PG	87	29.00%
		<b>Total</b>	<b>300</b>	<b>100.00%</b>

Source: field survey

The above table provides a comprehensive snapshot of a sample comprising 300 individuals, categorized across four key variables: Gender, Age, Marital Status, and Educational Qualification. Notably, the data reflects a distinct gender imbalance within the sample, with 71.33% of respondents identifying as male and 28.67% as female. This striking gender disparity suggests the need for women entrepreneurs in the MSME sector.

Age distribution within the sample highlights the diversity of respondents. While the "40 - 50" age group represents the largest segment, comprising 37.67% of the sample, the "30 - 40" group follows closely behind at 29.67%. This variation in age distribution might be indicative of diverse life stages or generational differences among the surveyed individuals. It could be beneficial to explore how these age groups relate to the specific context or research objectives.

Marital status data indicates a significant majority of the sample as married, accounting for 83.00%, while the "Unmarried" category makes up the remaining 17.00%. This high percentage of married individuals may be of interest for studies pertaining to family dynamics, consumer behavior, or even financial planning. Understanding the marital status of the sample can shed light on various sociodemographic factors.

The fourth variable, Educational Qualification, exhibits a multifaceted picture of the sample's educational background. The majority of respondents have completed undergraduate (UG) education, making up 38.67% of the sample, followed by those with postgraduate (PG) qualifications at 29.00%. Meanwhile, 17.00% have diplomas, and 15.33% have received no formal education. These statistics underline the diversity in educational backgrounds within the sample, with a substantial proportion possessing higher education qualifications.

Next, an attempt has been made to analyse the problems related to MSMEs, particularly focused on finance and marketing related issues.

**Table – 3: Finance related problems**

<b>Statement - Financial Problems to MSMEs</b>	<b>Mean</b>	<b>SD</b>
Limited Working Capital	3.85	1.29
Lack of Collateral Security	4.18	1.48
Delayed payments of bills	4.22	1.36
Cooperation from the banks	4.04	1.41
Poor Knowledge of financial management	4.06	1.43
Ignorance of banking procedures and formalities	4.06	1.39

Source: field survey

The table provided presents valuable insights into the financial challenges faced by Micro, Small, and Medium Enterprises (MSMEs). These challenges are categorized into six distinct areas, and each area is associated with two key statistical measures: the Mean (average) and the Standard Deviation (SD). Understanding these statistics is crucial in gauging the overall perception and the level of variability among respondents regarding these challenges.

Firstly, "Limited Working Capital" is perceived as a moderately concerning issue by MSMEs, with a Mean score of 3.85. The Standard Deviation (SD) of 1.29 suggests that there is relatively low variability in the degree of concern among respondents. This indicates that most MSMEs share a similar level of apprehension about their working capital.

In contrast, "Lack of Collateral Security" is seen as a more significant challenge, with a Mean of 4.18. The higher Mean reflects a higher level of concern, and the SD of 1.48 suggests that there is more variability in the responses. This indicates that some MSMEs are significantly more concerned about collateral security than others.

"Delayed payments of bills" emerges as one of the most prominent concerns, with an average score of 4.22. This suggests that, on average, MSMEs consider delayed payments of bills as a substantial issue. The SD of 1.36 signifies some variability in the level of concern, but the overall perception is notably high.

"Cooperation from the banks" is perceived as a moderately concerning problem, with a Mean of 4.04. The SD of 1.41 suggests that there is moderate variability in how MSMEs view this issue, with some finding it more concerning than others.

"Poor Knowledge of financial management" and "Ignorance about banking procedures & formalities" both share an average score of 4.06, indicating that they are moderately concerning



problems. The SD values of 1.43 and 1.39, respectively, suggest that there is moderate variability in the level of concern among respondents regarding these two challenges.

**Table – 4: Marketing Problems to MSMEs**

<b>Statement - Marketing Problems to MSMEs</b>	<b>Mean</b>	<b>SD</b>
Local competition	4.00	1.17
Unfavourable market behavior	4.18	1.38
Inadequate advertising and publicity	4.22	1.18
Lack of sufficient stock of products	4.04	1.36
Poor knowledge of marketing management	4.06	1.22
Poor transport capacity	4.09	1.20
Lack of Negotiating skills	3.98	1.11

Source: field survey

The table provides an overview of the marketing challenges that MSMEs face, with Mean (average) and Standard Deviation (SD) as statistical measures. This data sheds light on the perceived severity and variability in responses regarding these issues.

Firstly, "Local competition" stands out as a concern with a Mean score of 4.00, indicating that MSMEs, on average, perceive local competition as a moderate issue. The relatively low SD of 1.17 suggests that there is less variation in the degree of concern among respondents, signifying a consistent level of awareness of local competitive pressures.

"Unfavorable market behaviour" is viewed as a more significant challenge, with a Mean of 4.18, suggesting that this issue is of higher concern to MSMEs. The SD of 1.38 implies some variability in how businesses perceive unfavourable market behavior, with some experiencing it as a more pressing problem than others.

"Inadequate advertising and publicity" is seen as a substantial challenge, with an average score of 4.22. This high Mean reflects a strong concern among MSMEs regarding their marketing efforts. The relatively low SD of 1.18 indicates that there is limited variation in the level of concern among respondents, highlighting the consensus on the importance of effective advertising and publicity.

"Lack of sufficient stock of products" is considered moderately concerning, with a Mean of 4.04. The SD of 1.36 suggests some variability in the level of concern, indicating that while many MSMEs share similar concerns, others may have different levels of worry regarding stock availability.

"Poor knowledge of marketing management" and "Poor transport capacity" both share an average score of 4.06 and 4.09, respectively, indicating that these challenges are moderately concerning to MSMEs. The SD values of 1.22 and 1.20, respectively, suggest some variability in the level of concern among respondents, with different businesses perceiving the extent of these problems differently.

"Lack of Negotiating skills" is perceived as a moderately concerning issue, with a Mean of 3.98. The low SD of 1.11 indicates that there is relatively low variability in how MSMEs view this challenge, suggesting a consistent level of awareness regarding the importance of negotiating skills.

Next an attempt has been made to test the hypothesis to prove the significance of the study.

### Hypothesis Testing:

**H<sub>0A</sub>: There is no significant relation between gender and MSMEs problems.**

To test the hypothesis students t-test was performed.

**Table - 5: Gender and Problems of MSMEs**

Problems of MSMEs	Gender				t - Value	P - Value	Decision
	Male		Female				
	Mean	SD	Mean	SD			
Finance related issues	4.07	0.21	4.11	0.22	87.43	0.00	Reject Null Hypothesis
Marketing related issues	4.02	0.39	4.09	0.24	96.32	0.00	Reject Null Hypothesis

Source: Primary data; Tested at 5% LoS.

In finance-related issues, the analysis indicates that male participants had an average score of 4.07, with a standard deviation of 0.21. In contrast, female participants had an average score of 4.11, with a standard deviation of 0.22. The high t-value of 87.43, coupled with an extremely low p-value of 0.00, leads to the decision to reject the null hypothesis. This suggests that there is a statistically significant difference in how male and female participants perceive and encounter finance-related challenges within MSMEs. This finding underscores the importance of recognizing and addressing gender-specific disparities in this sector.

Similarly, in marketing-related issues, male participants had an average score of 4.02, with a standard deviation of 0.39, while female participants had an average score of 4.09, with a standard deviation of 0.24. The analysis yields a t-value of 96.32 and a p-value of 0.00, leading to the rejection of the null hypothesis. This implies a statistically significant disparity in how male and female participants view and deal with marketing-related challenges in MSMEs. The data highlights the need to consider gender-specific perspectives and experiences when formulating strategies and policies for the MSME sector.

**H<sub>0B</sub>: There is no significant relation between age and MSMEs problems.**

To test the hypothesis ANOVA test was performed.

**Table - 6: Age and Problems of MSMEs**

Problem s of MSMEs	Age (in years)								F - Value	P - Value	Decisio n
	Up to 30		30 - 40		40 - 50		50 - 60				
	Mea n	SD	Mea n	SD	Mea n	SD	Mea n	SD			

<b>Finance related issues</b>	3.83	0.27	3.85	0.28	3.88	0.28	3.86	0.27	8.20	0.00	Reject null hypothesis
<b>Marketing related issues</b>	3.92	0.31	4.01	0.33	4.02	0.36	3.99	0.40	7.57	0.00	Reject null hypothesis

Source: Primary data; Tested at 5% LoS.

In the context of finance-related issues, the data is categorized into four age groups: up to 30 years, 30-40 years, 40-50 years, and 50-60 years. The mean scores and standard deviations for each group indicate that individuals aged up to 30 years had an average score of 3.83 with a standard deviation of 0.27, while those in the 30-40 years age group scored 3.85 with a standard deviation of 0.28. The analysis continues to show a similar pattern for the 40-50 years and 50-60 years age groups. The F-value of 8.20 with a very low p-value of 0.00 leads to the rejection of the null hypothesis, signifying a statistically significant difference in the perception of finance-related issues among different age groups in MSMEs. This suggests that age plays an important role in shaping the perception of financial challenges within the sector.

Likewise, the analysis for marketing-related issues reveals a parallel pattern. Across the different age groups, the mean scores and standard deviations show variations in how individuals perceive marketing challenges. The F-value of 7.57 with a p-value of 0.00 once again leads to rejecting the null hypothesis, indicating a statistically significant difference in the perception of marketing-related issues based on age. This emphasizes the importance of considering age-specific perspectives and experiences when addressing marketing challenges within MSMEs.

**H<sub>0c</sub>: There is no significant association between marital status and MSMEs problems.**

To test the hypothesis Chi square test was performed.

**Table – 7: Marital Status and Problems of MSMEs**

Problems of MSMEs	Marital Status				Chi - Square Value	P - Value	Decision
	Married		Un - Married				
	Mean	SD	Mean	SD			
Finance related issues	4.21	0.30	4.24	0.31	32.22	0.00	Reject null hypothesis
Marketing related issues	4.31	0.34	4.41	0.36	42.21	0.00	Reject null hypothesis

Source: Primary data; Tested at 5% LoS.

For finance-related issues, the analysis reveals that individuals who are "Married" have a mean score of 4.21 with a standard deviation of 0.30, while those who are "Unmarried" have a mean score of 4.24 with a standard deviation of 0.31. The Chi-Square Value of 32.22, coupled with a very low p-value of 0.00, leads to the rejection of the null hypothesis. This suggests a statistically significant difference in the perception of finance-related issues between individuals who are married and those who are unmarried within the context of MSMEs. Marital status appears to play a significant role in shaping these perceptions.

Similarly, when considering marketing-related issues, the analysis demonstrates a similar trend. Individuals who are "Married" have a mean score of 4.31 with a standard deviation of 0.34, while those who are "Unmarried" have a mean score of 4.41 with a standard deviation of 0.36. The Chi-Square Value of 42.21 and a p-value of 0.00 lead to the rejection of the null hypothesis once again. This indicates a statistically significant difference in how individuals who are married versus unmarried perceive marketing-related issues within the MSME sector. Marital status is a key factor influencing these perceptions.

**H<sub>0D</sub>: There is no significant relation between educational qualifications and MSMEs problems.**

To test the hypothesis chi – square test was performed.

**Table – 8: Educational Qualifications and Problems of MSMEs**

Problems of MSMEs	Educational Qualifications								$\chi^2$ - Value	P - Value	Decision
	No formal Education		Diploma		UG		PG				
	Mean	SD	Mean	SD	Mean	SD	Mean	SD			
Finance related issues	4.04	0.32	4.07	0.32	4.02	0.28	4.21	0.33	106.83	0.00	Reject null hypothesis
Marketing related issues	4.21	0.36	4.18	0.38	4.14	0.41	4.17	0.45	100.32	0.00	Reject null hypothesis

Source: Primary data; Tested at 5% LoS.

For finance-related issues, the data reveals that individuals with different educational qualifications have varying mean scores and standard deviations. The Chi-Square Value of 106.83, coupled with a p-value of 0.00, leads to rejecting the null hypothesis. This indicates a statistically significant difference in the perception of finance-related issues among individuals with different educational qualifications within the MSME sector. Academic qualifications play an important role in shaping these perceptions.

Similarly, for marketing-related issues, individuals with different levels of education also exhibit variations in mean scores and standard deviations. The Chi-Square Value of 100.32 and a

p-value of 0.00 again lead to rejecting the null hypothesis. This suggests a statistically significant difference in how individuals with different educational qualifications perceive marketing-related issues within the MSME sector. Educational qualifications are a key factor influencing these perceptions.

Next, an attempt has been made to analyse the prospects of MSMEs.

**Table – 9: Prospects of MSMEs**

<b>Prospects of MSMEs</b>	<b>Mean</b>	<b>SD</b>
Economic Independence	4.36	1.27
Sourcing of Finance	4.60	1.28
Government Assistance	4.40	1.48
Availability of Infrastructural	4.43	1.33
Market potential	4.46	1.31
Social status	4.34	1.21
Availability of income sources	4.37	1.32

Source: field survey

The table provides an insightful glimpse into the prospects of Micro, Small, and Medium Enterprises (MSMEs) across various dimensions. These prospects are crucial for the growth and sustainability of these businesses. The data is presented in terms of mean (average) and standard deviation (SD), which measures the degree of variation or dispersion in the responses.

Firstly, in terms of Economic Independence, the data suggests that MSMEs hold a reasonably positive outlook. With a mean score of 4.36, it seems that these enterprises have confidence in their ability to achieve economic independence. The relatively low standard deviation of 1.27 indicates a degree of consensus among respondents regarding this aspect.

When it comes to Sourcing of Finance, the picture is even more optimistic. The high mean score of 4.60 indicates a strong belief in their capacity to secure funding. The standard deviation of 1.28 suggests that this confidence is shared by a majority of respondents, with relatively little variability in their responses.

MSMEs also appear to have a moderately positive view of Government Assistance, with a mean score of 4.40. However, the higher standard deviation of 1.48 indicates that opinions vary more widely in this area, possibly reflecting a range of experiences and perceptions regarding government support.

Regarding the Availability of Infrastructural Facilities, the data shows a mean score of 4.43, suggesting a favorable perception of the available infrastructure. The standard deviation of 1.33 indicates some variation in how MSMEs perceive this aspect.

In terms of Market Potential, the mean score of 4.46 signifies a positive outlook. The relatively low standard deviation of 1.31 suggests a fair degree of consensus among MSMEs regarding the market's potential for growth and success.

MSMEs have a moderately positive perception of their Social Status, with a mean score of 4.34. The lower standard deviation of 1.21 implies that opinions on this aspect are relatively consistent among respondents.

Lastly, when considering the Availability of Income Sources, the data shows a mean score of 4.37, indicating a moderately positive view. The standard deviation of 1.32 suggests that there may be some variation in how MSMEs perceive the availability of income sources.

## 6. CONCLUSION

In conclusion, the empirical exploration of the Micro, Small, and Medium Enterprises (MSMEs) landscape in the distinct contexts of Vizianagaram, East, and Chittor Districts within Andhra Pradesh has provided nuanced insights into the intricate interplay of challenges and opportunities characterizing this vital economic sector.

The study has meticulously delineated the formidable challenges faced by MSMEs in the aforementioned districts, notably encompassing limited financial accessibility, and market related issues. These impediments, as illuminated by our research, serve as substantial roadblocks, impeding the holistic development and optimal functioning of MSMEs, thereby thwarting their potential socioeconomic contributions.

However, amidst these challenges, a discerning analysis reveals a landscape imbued with latent prospects and promising avenues for MSMEs. The proactive initiatives undertaken by the state government, such as financial aid disbursement and the implementation of the 'Ease of Doing Business' framework, signify a positive stride toward a more conducive entrepreneurial milieu. Moreover, the digital revolution has ushered in transformative possibilities, empowering MSMEs to enhance operational efficiency, broaden market outreach, and dynamically respond to evolving consumer preferences.

In summation, while the MSME sector in Vizianagaram, East, and Chittor Districts grapples with multifaceted challenges, it is imperative to recognize the sector's inherent resilience and potential. Strategic policy interventions, tailored financial instruments, and infrastructural enhancements are imperative to mitigate existing challenges. Collaborative efforts among policymakers, financial institutions, and industry stakeholders are indispensable in fostering an environment conducive to the sustainable growth of MSMEs. Through such concerted endeavours, the MSME sector can significantly contribute to the socioeconomic fabric of Andhra Pradesh, engendering employment opportunities, driving innovation, and fostering inclusive economic growth.

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