Problems Faced By MSMEs in Hyderabad District of Telangana State: A Rotated Factor Analysis.

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Abstract: *Small businesses often face a variety of problems related to their size. A frequent cause of bankruptcy is undercapitalization. This is often a result of poor planning rather than economic conditions. MSMEs in India face a number of problems – absence of adequate and timely banking finance, non – availability of suitable technology, ineffective marketing due to limited resources, non availability of skilled manpower and Raw Material which leads to production problem. Presently, the Indian MSMEs are facing different types of problems. Hence the main purpose of the study is to analyze five major problems faced by MSMEs in Hyderabad District in Telangana state. The study is empirical in nature as it is based on data collected with the help of schedule. The enterprises were selected at random and include both registered and unregistered enterprises.*
Keywords: *Micro, Small, Medium Enterprises, Problems, Factor Analysis.*

I.   INTRODUCTION

Enterprises are a source for generation of employment in large numbers. Such enterprises are being broadly classified into –
1. Enterprises engaged in manufacture/production of goods pertaining to any industry and
2. Enterprises engaged in providing/rendering of services.

Classification Of MSME Sectors based on the original investment in plant and machinery with regard to Manufacture/production units & original investment in equipment with regard to Services units.

	Investment in Plant and Machinery/ Equipment (excluding land and Building	
	Manufacturing Enterprises	Services Enterprises
Micro	Up to Rs. 25 lakh	Up to Rs. 10 lakh
Small	More than Rs.25 lakhs and up to Rs. 5 crore	More than Rs. 10 lakhs and up to Rs. 2 crore
Medium	More than Rs.5 crore and upto Rs. 10 crore.	More than Rs.2 crore and up to Rs. 5 crore

Small and large – scale enterprises are two legs of industrialization process of a country. Hence, small-scale enterprises are found in existence in every country. Small-scale enterprises have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. Small-scale enterprises have now emerged as a dynamic and vibrant sector for the Indian economy in the recent years. Some of the major problems faced by these units are: Finance, Production, Marketing and Management Problems.

II.   Review Of Literature

Sangitha G Patel, Dr. P.T. Chadudhari, Problems of Small Scale Industries in India. (April, 2014). This paper dealt with Problems of S.S.I in India such as Problem of skilled manpower, Inadequate credit assistance, Irregular supply of raw material, Absence of organized marketing, Lack of Machinery & equipment and Absence of adequate infrastructure, competition from large-scale units and imported articles. All these problems were discussed in general, but not relating to any particular State or Region. Dr. A.S. Shiralashetti (2014), prospects & Problems of MSMEs in India. This paper covered growth, performance and contribution of MSMEs to GDP and also mentioned about the problems faced by MSMEs located in Dharwad district of Karnataka State.

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Dr. Padmasani, S. Karthika (2013), A study on Problems and Prospects of Micro, Small and Medium Scale Enterprise in Textile Exports with special reference to Tirupur and Coimbatore District. This paper has examined the problems of MSMEs in the era of global economy and also has identified the factors affecting MSMEs. A study was also made on the socio-economic conditions of MSMEs. The survey revealed that the problems can be overcome if MSMEs get involved in standardization of the business process, and can also adopt latest technology to improve the productivity. It was said that banks can support the industry by providing

the credit facilities at low interest rate and Government and Institutions relating to Small and Medium Scale industries should take effective measures to improve the export performance of MSMEs in order to develop economy. The study covered the districts of Tirupur and Coimbatore district.

Nishanth P, Dr. Zakkariya K.A. (May 2014) reviewed that "there exists problem in accessing finance from banks and financial institutions and also viewed that this problem may differ from region to region between sectors, or between individual enterprises within a sector. Various barriers faced by these units in raising finance and also tried to identify various sources of finance other than banks. The study was restricted to Kozhikode district in Kerala.

Sobha Rani. B & Koteswara Rao. D (March 2008), "Financing Small Enterprises: Recent Trends". This study said that small and medium enterprises are an engine of growth and are vibrant and dynamic. Banks and Financial institutions have given special attention in financing these enterprises. They have included these sectors in priority sector lending. In spite of special efforts, as per Third All India Census of Small Scale Industries of 2001-02 only 14.3 percent of registered small enterprises have availed institutional credit. In spite of high level of liquidity in the banking system and also initiative taken by the union government and RBI, during 2000 to 2004 the institutional credit for medium and small scale Industries have shown disturbing trend. This study focused on the recent trends in credit flow to these enterprises in a limited way form commercial banks and the SIDBI. This study concluded that the year 2006-07 has shown an encouraging performance by these enterprises and hence need special treatment through devising special instruments for credit for strengthening their competitiveness.

Eniola, Anthony Abiodun, Entebang, Harry, Sakriyau, Olalekan Busra (Jan.11, 2015) Small and Medium scale Business performance in Nigeria: Challenges faced from and intellectual capital Perspective: The paper reviewed the challenges that are confronting the small and medium enterprises (SMEs) performance in Nigeria

NEED OF THE STUDY: Micro, Small and Medium Enterprises play a dominant role in Indian Economy. But there are various problems faced by these enterprises due to which the growth of the enterprises is affected, in turn affecting the growth of the country. Hence the researcher felt a need to study the problems faced by MSMEs.

OBJECTIVES:
1. To study about MSMEs in Hyderabad district.
2. To analyze and interpret problems faced by MSMEs in Hyderabad district in five areas by using rotated factor analysis technique.

METHODOLOGY: Both primary and secondary data are used in the study. The study is empirical in nature as it is based on data collected with the help of schedule. The study focused the collection of data from one region in Telangana. A highly industrial area was selected and almost all the industries in that area were covered. The data was collected from 150 enterprises, which covered micro, small and medium enterprises in that area, though there are registered or unregistered. The data collected was run into SPSS software and factor analysis was used to study the problems faced by these sectors in five different areas.

III. FACTOR ANALYSIS

Factor analysis is a technique which helps to reduce the number of variables and also to detect structure in the relationships between variables, that is to classify variables. Thus factor analysis is applied as a data reduction or structure detection method (the term factor analysis was first introduced by Thurstone, (1931). In order to test the validity of the data for factor analysis KMO (Kaiser Meyer Olkin) and Bartlett's test of Sphericity was conducted. This test is an indicator to know how well the sample data is suited for factor analysis. It is the ratio of the sum of the squared correlations for all variables in the analysis to the squared correlations of all variables plus the sum of the squared partial correlations for all variables. The denominator of this ratio increases with the variation that is unique to pairs of variables (partial correlations), making the value of KMO less than one. These measures suggest that values of 0.9 or higher are great and values below 0.5 are unacceptable. The use of KMO and Bartlett's test of sphericity is essential to measure sample adequacy for using factor analysis.

Kmo And Bartlett's Test

Kaiser Meyer Olkin	Measure of Sampling Adequacy	0.759
Bartlett's test of Sphericity	Approx. Chi-Square	135.806
	DF	10
	Sig	.000

The factor analysis is used to study the problems faced by MSMEs in Hyderabad district. These problems are studied in five areas.
1. Finance Problems
2. Production Problems
3. Marketing problems
4. Managerial problems
5. Pre – Commencement of business Problems

Finance problems contains 15 variables, Production problems contain four sub problems namely Raw Material, Power, labour and Technology. On the whole 17 variables are covered in all the four sub problems. 11 variables are covered in marketing problems, 5 variables are covered in managerial problems and 7 variables are covered in Pre-Commencement of business problems. Hence on the whole 55 variables are covered in five areas. 55 variables were run into SPSS software and the results showed 54 variables. Which are as follows:

I FINANCE PROBLEMS:
1. Grant of loan (GL)
2. Documentation (D)
3. Security (S)
4. Maintain books of accounts (MBA)
5. Budgeting (B)
6. Payment of VAT (V)
7. Payment of CST (C)
8. Payment of Excise duty (ED)
9. Payment of Custom duty (CD)
10. Problem for claiming Input Tax Credit (ITC)
11. Factoring (F)
12. Allowing credit to customers (ACC)
13. Slow collection of debts (SCD)
14. Grant of subsidy (GS)
15. High discount allowed (HDA)

II PRODUCTION PROBLEMS:
(i) Raw Material:
1. Shortage of availability of Raw Material (SRM)
2. High cost of Raw Material (HRM)
3. Increase in ordering cost due to less quantity ordered (OC)
4. Import of Raw Material (IRM)
5. Problems in storage of Raw Material (STRM)

(ii) Power Problems:
1. Power cut (PC)
2. High cost of alternate power (diesel for generator) (AP)
3. Power holiday (PH)
4. High expenditure on power consumption (EPC)

(iii) Labour Problems;
1. High cost of skilled labour (HSL)
2. Non availability of skilled labour (NASL)
3. Frequent absenteeism of labour (FAL)
4. More idle time spent by labour (ITL)

(iv) Technology Problem:
1. Non Availability of Machinery (NAM)
2. Under utilization (UU)
3. Over Utilization (OU)
4. Non – Utilization (NU)

III MARKETING PROBLEMS:
1. Distribution channels (DC)

2. Low Quality (LQ)
3. Improper Positioning (IP)
4. Improper Segmentation (IS)
5. Price fixation (PF)
6. High cost of marketing personnel (HCMP)
7. Sales Promotion (SP)
8. Non-availability of packing material (NAPM)
9. Competitors (COMP)
10. Transportation (T)
11. Export of goods (EG)

IV MANAGERIAL PROBLEMS:
1. Planning (P)
2. Organizing (O)
3. Staffing (St)
4. Controlling (CON)

V PRE- COMMENCEMENT OF BUSINESS PROBLEM:
1. Location of Premises (LP)
2. Seeking permit from Electricity Department (SPED)
3. Seeking permit from Water Department (SPWD)
4. Seeking permit from environment department (SPEnD)
5. Registration (R)
6. Tax related problems (TP)

TABLE :1 COMMUNALITIES

S.No.	Variables	Extraction
1	grant	.763
2	documen	.803
3	security	.787
4	books	.803
5	budget	.801
6	vat	.892
7	cst	.919
8	excise	.956
9	cusdut	.960
10	inputax	.849
11	facting	.678
12	cretoc	.863
13	slowdet	.839
14	subsidy	.730
15	highdis	.725
16	shorage	.976
17	highct	.785
18	ording	.840
19	imporrm	.760
20	storarm	.816
21	powcut	.771
22	altertiv	.924
23	holiday	.917
24	highexp	.856
25	skilled	.901
26	nonaval	.838
27	absent	.992
28	idltime	.886
29	navimac	.898
30	under	.763
31	over	.779
32	nonuti	.958
33	distcha	.972
34	lowqua	.871
35	imposit	.817
36	imsegme	.754
37	higcost	.855
38	salprom	.810
39	nopac	.846

40	comtor	.833
41	transpo	.819
42	expot	.871
43	plang	.782
44	org	.784
45	staing	.777
46	diting	.880
47	ctroling	.809
48	loction	.988
49	permelc	.936
50	perwter	.850
51	evirn	.612
52	registr	.871
53	tax	.876
54	prifixa	.975

Extraction Method: Principal Component Analysis

TABLE: 2 TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	17.348	32.126	32.126	17.348	32.126	32.126	6.820	12.630	12.630
2	5.919	10.961	43.087	5.919	10.961	43.087	6.615	12.250	24.879
3	4.655	8.620	51.707	4.655	8.620	51.707	4.868	9.015	33.895
4	2.901	5.372	57.079	2.901	5.372	57.079	4.658	8.626	42.521
5	2.689	4.980	62.060	2.689	4.980	62.060	4.619	8.553	51.075
6	2.057	3.809	65.868	2.057	3.809	65.868	4.141	7.669	58.744
7	1.913	3.542	69.410	1.913	3.542	69.410	2.686	4.974	63.718
8	1.686	3.121	72.532	1.686	3.121	72.532	2.054	3.803	67.521
9	1.531	2.835	75.367	1.531	2.835	75.367	2.023	3.746	71.267
10	1.460	2.704	78.071	1.460	2.704	78.071	1.944	3.600	74.867
11	1.314	2.433	80.504	1.314	2.433	80.504	1.803	3.339	78.206
12	1.089	2.017	82.522	1.089	2.017	82.522	1.732	3.208	81.414
13	1.056	1.956	84.477	1.056	1.956	84.477	1.654	3.063	84.477

Extraction Method: Principal Component Analysis In order to reduce the number of factors and enhance the interpretability, the factors were rotated. Since the rotation increases the quality of interpretation of the factors. Though there are various methods for rotation in order to obtain simple structure of the data. The varimax rotation is one such method which is used in order to obtain better result for interpretation which is show in the below table.

TABLE: 3 ROTATED FACTOR LOADINGS

S. No	Variables	Factor 1	2	3	4	5	6	7	8	9	10	11	12	13	Communality
1.	GL	.042	.363	-.098	**.718**	.093	.207	-.153	.074	.031	.031	.055	-.136	.036	.763
2	D	.182	.173	-.020	**.808**	.124	.241	-.042	.074	.000	-.029	.021	-.051	.051	.803
3	S	-.134	.030	.060	.131	-.123	-.174	-.100	.041	-.024	-.046	.103	-.820	.064	.787
4	MBA	.114	.304	-.036	**.672**	.063	.236	.340	.109	-.050	.094	.005	-.023	-.213	.803
5	B	.471	.139	.035	**.502**	.165	.268	.228	-.107	.291	.088	-.119	.075	-.179	.801
6	V	.294	-.226	.038	.244	-.147	-.162	-.732	-.009	-.031	-.114	-.050	.279	.126	.892
7	C	**.909**	.106	.119	.113	**.581**	.185	.068	.018	.059	.100	-.002	.037	.030	.919
8	ED	**.932**	.138	.051	-.004	-.057	.180	.025	.042	.059	.141	-.053	.034	-.036	.956
9	CD	**.935**	.138	.067	.010	-.036	.179	.034	.042	.065	.128	-.055	.041	-.029	.960
10	ITC	**.866**	.075	.130	.073	-.068	.164	.135	.061	-.040	-.093	.030	.001	.080	.849
11	F	**.833**	.061	.170	.375	.216	.063	.133	.067	.137	-.228	.208	.142	.119	.678
12	ACC	.416	.093	.074	.048	.022	.214	**.692**	.083	-.039	-.093	-.088	.330	.122	.863
13	SCD	.369	.098	.108	.167	-.078	.128	**.745**	.097	-.014	.014	.048	.208	.143	.839
14	GS	.443	.132	.002	.341	-.186	-.175	.400	.159	.086	.029	.061	.288	.233	.730
15	HDA	.537	.011	.117	.120	-.251	.027	.275	.126	-.038	-.042	.472	.119	.117	.725
16	SRM	**.944**	.072	.075	**.552**	-.059	.113	-.160	.072	.035	-.038	.017	.218	.096	.976
17	HRM	.323	.227	.232	.392	.055	.223	.129	.016	.218	.021	.153	**.529**	.029	.785
18	OC	.341	-.007	.284	.339	.150	.046	.037	-.039	**.555**	.336	.259	.116	-.025	.840
19	IRM	.043	-.154	-.062	-.145	-.080	-.104	.002	.046	-.041	-.052	-.812	.130	.096	.760
20	STRM	.368	.152	.214	.401	.270	.195	-.005	.036	.479	.171	.220	-.084	.155	.816
21	PC	-.018	.324	.291	**.616**	.148	.006	.013	.071	.226	.099	.279	.035	.185	.771
22	AP	.313	.189	.342	**.518**	.207	.111	.083	.024	.430	.202	.255	.178	.142	.924
23	PH	-.056	.051	**.906**	-.023	.039	.096	.239	-.031	-.047	-.006	.102	.094	-.014	.917
24	EPC	.031	.142	**.860**	.157	-.039	-.074	.021	-.065	.184	.119	-.070	-.056	-.057	.856
25	HSL	.163	-.080	**.896**	-.086	.109	-.036	-.039	.085	-.067	-.045	.050	-.020	.160	.901
26	NASL	.215	.065	**.865**	.038	-.054	-.038	-.124	.074	.066	.060	.032	-.013	-.057	.838
27	FAL	.104	.048	**.987**	.022	.015	-.015	.021	.021	.037	.035	.033	.001	.009	.992
28	ITL	-.112	.064	.027	.208	**.858**	.024	-.082	.210	-.150	.055	-.023	-.103	-.018	.886
29	NAM	-.074	.159	-.031	.208	**.851**	.115	-.137	-.011	.137	.093	-.191	-.033	-.022	.898
30	UU	-.025	.108	.026	-.083	**.812**	.069	.211	-.031	.047	.000	.043	.155	-.075	.763
31	OU	-.023	.348	.079	-.042	.479	-.169	-.102	.001	.047	-.252	**.513**	.152	.170	.779
32	NU	-.066	.258	.043	.064	**.905**	-.024	-.046	.038	.038	-.082	.201	.084	.050	.958
33	DC	.072	.110	.039	.036	.030	.078	.026	**.969**	.009	.039	-.046	-.018	-.037	.972
34	LQ	.278	**.527**	.106	.332	.291	.428	.213	.181	.085	-.136	.060	-.121	.069	.871
35	IP	.189	.431	-.017	.409	.311	.465	.255	-.053	.040	-.107	.137	.099	-.081	.817
36	IS	.123	.347	-.015	.176	**.517**	.011	.235	.196	.163	-.274	.257	.051	.237	.754
37	HCMP	.326	**.667**	.024	.240	.250	.254	.134	.064	.185	-.223	.049	.063	.075	.855
38	SP	.119	**.639**	.215	.053	.100	.268	.053	.071	.132	-.475	-.032	.022	.057	.810
39	NAPM	.238	**.523**	.050	.206	.252	.283	.098	.095	.497	-.231	.038	.037	-.078	.846
40	COMP	.300	.376	.117	.158	.234	.326	.133	.222	.480	-.274	.069	.155	-.045	.833
41	T	.313	.230	-.170	-.011	-.063	**.698**	.216	.096	.166	.181	.003	.166	.067	.819
42	EG	.117	.412	-.096	.274	.006	**.715**	.159	.132	.040	.077	.058	.172	.096	.871
43	P	.246	.258	.023	.244	.029	**.731**	.084	.088	.009	.164	-.015	.098	.088	.782
44	O	.263	.273	.035	.245	.111	**.740**	-.042	.066	-.067	-.002	.065	-.006	.069	.784
45	St	.178	.041	.253	.108	-.011	.300	.013	.031	.047	**.745**	-.031	.087	.167	.777
46	D	.061	.028	.013	.015	-.018	.158	.058	-.042	-.005	.073	-.032	-.047	**.915**	.880
47	CON	.271	**.587**	.033	.109	.058	.163	.186	-.024	.167	**.506**	.079	-.049	.142	.809
48	LP	.287	.456	.054	.185	.096	**.561**	.141	.068	.171	.084	.018	.052	**.523**	.988
49	SPED	-.053	**.841**	.199	.144	-.006	.211	.007	.153	-.085	.281	.079	-.063	.024	.936
50	SPWD	.083	**.823**	.158	.194	.205	.152	-.014	.029	-.088	.075	-.009	-.151	-.026	.850
51	Spend	.199	.220	.034	.092	.395	.119	.169	-.015	-.538	.009	.152	-.028	-.045	.612
52	R	.137	**.823**	-.059	.175	.107	.195	.136	.163	-.064	-.052	.107	.168	.012	.871
53	T	.052	**.833**	-.102	.186	.274	.123	.066	.052	.068	.036	.149	.100	.014	.876
54	PF	.159	.315	.042	.186	.228	.211	.146	**.829**	.061	-.065	.048	-.007	.017	.975
	Engen Value	17.348	5.919	4.655	2.901	2.689	2.057	1.913	1.686	1.531	1.460	1.314	1.089	1.056	
	% Of Variance	32.126	10.961	8.620	5.372	4.980	3.809	3.542	3.121	2.835	2.704	2.433	2.017	1.956	
	Cum % Of Variance	32.126	43.087	51.707	57.079	62.060	65.868	69.410	72.532	75.367	78.071	80.504	82.522	84.477	

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 13 iterations.

TABLE: 4 CLUSTERING OF VARIABLES INTO FACTORS

FACTOR	VARIABLES	ROTATED FACTOR LOADING
1	Payment of CST	0.909
	Payment of Excise Duty	0.934
	Payment of Customs Duty	0.935
	Problem for claiming Input tax credit	0.866
	Factoring	0.833
	Shortage of availability of Raw Material	0.944
2	Low quality	0.527
	High cost of marketing personnel	0.667
	Sales promotion	0.639
	Non – Availability of Packing Material	0.523
	Competitors	0.587
	Seeking permit from Electricity Dept.	0.841
	Seeking permit from Water Dept	0.823
	Registration	0.823
	Tax related problems	0.833
3	High expenditure on power consumption	0.860
	High cost of skilled labour	0.896
	Non – availability of skilled labour	0.865
	Frequent absenteeism of labour	0.987
4	Grant of loan	0.718

	Documentation	0.808
	Maintenance of books of accounts	0.675
	Budgeting	0.502
	Shortage of availability of Raw Material	0.552
	Power cuts	0.616
	High cost of alternative power	0.518
5	Payment of CST	0.581
	More idle time spent by labour	0.858
	Non Availability of Machinery	0.851
	Under utilization	0.812
	Non – Utilization	0.905
	Improper Segmentation	0.517
6	Transportation	0.698
	Export of goods	0.715
	Planning	0.731
	Organizing	0.740
	Location of Premises	0.561
7	Allowing credit to customers	0.692
	Slow collection of debts	0.745
8	Distribution channels	0.969
	Price fixation	0.829
9	Increase in ordering cost due to less quantity ordered	0.555
10	Staffing	0.745
	Controlling	0.506
11	Over Utilization	0.513
12	High cost of Raw Material	0.529
13	Documentation	0.915
	Location of Premises	0.523

TABLE: 5 SUMMARY OF FACTORS

Factor	Factor loading mean	Ranking
Factor 1	0.9035	1
Factor 2	0.6959	7
Factor 3	0.902	2
Factor 4	0.6266	9
Factor 5	0.754	4
Factor 6	0.689	8
Factor 7	0.7185	6
Factor 8	0.899	3
Factor 9	0.555	11
Factor 10	0.6255	10
Factor 11	0.513	13
Factor 12	0.529	12
Factor 13	0.719	5

A 0.50 factor loading was used as a cut-off point, therefore the surviving variables with factor loadings of 0.50 or higher are considered further for interpretation and naming. The interpretation and naming of factors implied that the remaining or surviving variables with high factor loadings and common conceptual meanings were grouped together to form a genuine independent factor. Table 3 provides summary of rotated factor patterns. After grouping, naming and interpretation, 13 newly established factors were identified and are considered to be significant factors that influence the selection of problems faced by MSME sector.

Factor 1: Factor 1 accounts for 32.126 percent of the total variance and is derived from six variables, namely: payment of CST (0.909), payment of Excise Duty (0.934), payment of custom duty (0.935), problem for claiming Input tax credit (0.866) factoring (0.833) and shortage of availability of Raw Material (0.944). All these variables refer to financial problems and one problem is relating to Raw Material. Hence of all the five major problems studied by the researcher it is found from the analysis that MSME are facing financial problems. This factor ranked 1 as shown in table 3.

Factor 2: Factor 2 accounts to 10.961 percent of the total variance and is derived from nine variables, namely; low quality (0.527), high cost of marketing personnel (0.667), sales promotion (0.639), non – availability of packing material (0.523), competitors (0.587) seeking permit from Electricity Dept. (0.841), seeking permit from water dept. (0.823), Registration problem (0.823) and tax related problem (0.833) Of all the 9 variables in factor 2, five problems are relating to marketing and four problems are relating to pre-commencement of business. Of these two problems it is found that pre-commencement of business problems are playing a major role. Hence pre-commencement problem and marketing problems are faced by MSMEs. It is ranked 7.

Factor 3: Factor 3 accounts to 8.620 percent of the total variance and is derived from four variables, namely: high expenditure on power consumption (0.860), high cost of skilled labour (0.896), non availability of skilled labour (0.865) and frequent absenteeism of labour (0.987). Of all the four variables, three of the variables are relating to labour problems and one variable is relating to power problems. It ranked 2.

Factor 4: Factor 4 accounts to 5.372 percent of the total variance and is derived from seven variables, namely: grant of loan (0.718), documentation (0.808) maintenance of books of accounts (0.675), budgeting (0.502), shortage of availability of Raw Material (0.552), power cuts (0.616) and high cost of alternative power (0.518) All the seven variables four variables are representing the Problems relating to finance, two are relating to power problem and one problem is relating to raw material. It shows that MSMEs are seriously facing Problems relating to finance. It ranked 9.

Factor 5: Factor 5 accounts to 4.980 percent of the total variance and is derived from six variables, namely: payment of CST (0.581), more idle time spent by labour (0.858) non availability of Machinery (0.851), under utilization of Machinery (0.851), Non-Utilization of Machinery (0.905) and improper segmentation (0.517). All the six variables three variables are relating to Technology problem, one is relating to finance problem and one is relating to marketing problem. It shows that the MSMEs are not only facing problems relating to finance and Labour, but also problem relating to technology. It is ranked 4.

Factor 6: Factor 6 accounts to 3.809 percent of the total variance and is derived from only five variables, namely transportation (0.698), Export of goods (0.715), Planning (0.731), Organizing (0.740) and location of Premises (0.561). two of the variables represent marketing problems, other two represent managerial problems and one of the variable represent pre-commencement of business problem. It is ranked 8.

Factor 7: Factor 7 accounts to 3.542 percent of the total variance and is derived from two variables, namely allowing credit to customers (0.692) and slow collection of debts (0.745). Both these problems are relating to finance. It is ranked as 6.

Factor 8: Factor 8 accounts to 3.121 percent of the total variance and is derived from two variables, namely: distribution channels (0.969) and price fixation (0.829). Both these problems are relating to marketing problems. This factor position is 3rd.

Factor 9: This factor accounts to 2.835 percent of the total variance and is derived from only one variable, namely: increase in ordering cost due to less quantity ordered (0.555). This variable is representing raw material problem. It ranks 11th position.

Factor 10: This factor accounts to 2.704 percent of the total variance and is derived from three variables. Namely: staffing (0.745), Controlling (0.506) and over utilization of machinery (0.513). Of the three variables two variables are representing managerial problem and one is representing technology problem. It is ranked as 10th position.

Factor 11: This factor accounts to 2.433 percent of the total variance and is derived from one variable, namely: over utilization of machinery (0.513). it is ranked as 13th position.

Factor 12: This factor accounts to 2.017 percent of the total variance and is derived from only one variable, namely: high cost of Raw Material (0.529). it is representing the problem relating to Raw Material. It is ranked as 12th position.

Factor 13: This factor accounts to 1.956 percent of the total variance and is derived from two variables, namely: documentation (0.915) and location of Premises (0.523), one variable is representing finance problem and the other is representing pre-commencement problem. It is ranked as 5th position.

IV. CONCLUSION
The main findings of the study have generated some important factors relating to problems faced by MSMEs in Hyderabad district of Telangana. Factor analysis has derived 13 factors. The major problem faced by these MSMEs sector in Hyderabad district is finance problem which is disclosed in Rank 1, Rank 4, Rank 5, Rank 6 and Rank 9. That is factor 1, factor 5, factor 13, factor 7 and factor 4 respectively. The variables of

finance extracted in these 5 factors are payment of CST, payment of excise duty, payment of custom duty, problem for claiming Input Tax Credit, factoring problem, documentation problem, allowing credit to customers, slow collection of debts, grant of loan, maintenance of books of accounts and also budgeting problems. Out of 15 variables studied in finance problem the respondent have responded that they were facing problems in 11 variables. Due to lack of funds they are unable to meet their required budget, unable to pay various taxes. Hence the study revealed that Finance is the major problem which these sectors are facing with.

The second highest problem faced by these enterprises is relating to labor. It is derived in factor 3 and factor 5 which are ranked has the second and fourth position respectively. The variables derived in these factors are high cost of skilled labor, non availability of skilled labor, frequent absenteeism of labor and more idle time spent by labor. All the four variables relating to labor problem are clustered in factor 3 and factor 5. It means that MSMEs are facing serious problem relating to labor, which is in turn affecting their production. The third highest problem faced by these enterprises is relating to marketing. It is derived in factor 8, factor 2 and factor 6, which are ranked as third, seventh and eighth position. The variables derived in these factors are distribution channels, price fixation, low quality, high cost of marketing personnel, sales promotion, non-availability of packing material, competitors and also transportation. Of 11 variables taken for the study, 9 of them were extracted in the analysis. Hence it is proved that MSMEs are facing problems relating to marketing which is one of the five areas of the study.

The fourth highest problem faced by these enterprises is relating to technology. It is derived in factor 5, factor 10 and factor 11, which are ranked as fourth, tenth and thirteenth position. The variables derived in these factors are non-availability of Machinery, under utilization of machinery, non-utilization of machinery and factor 10 and 11 extracted over utilization of machinery. It shows that all the four variables taken under technology have been extracted in the analysis. So these enterprises are also facing the problem of technology which in turn effects the production.

The next major problem faced by these sectors is relating to pre-commencement of business. It was found that MEMEs also faced problems before commencement of business. This is found in Factor 2, factor 6 and factor 13 which were ranked as fifth, seventh and eighth position. The variables extracted were seeking permit from Electricity Department, seeking permit from water department, registration problem and tax related problem. In factor 6 and 13 location of premises was the problem extracted. Out of 7 variables under pre-commencement of business 5 variables were extracted as problem related. Problems relating to power, raw material and managerial problems were extracted in factor 6, factor 9, factor 10 and factor 12. The variables extracted relating to power were: power cuts and high cost of alternative power. Variables relating to Raw Material were: shortage of Raw Material, increase in ordering cost due to less quantity ordered and high cost of Raw Material. Variables relating to Managerial problems were: Planning, Organizing, staffing and Controlling. It is found that problem relating to power, raw material and managerial were minor problems faced by MSMEs

From the above findings it can be concluded that though the researcher has conducted a study on five areas of problems namely, finance, production, marketing, management and pre-commencement of business. The results proved that the MSMEs in Hyderabad District are facing two major problems. 1. Relating to Finance and 2. Relating to Production. In Production the major problem faced by them are relating to labor and next is relating to technology. Minor problems are faced relating to power, raw material. The third major problem faced is relating to marketing and next comes the problem relating to pre-commencement of business. The problem relating to managerial is the least faced problem by these sectors. So Finance is the major problems and next is the Production problems.

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