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INDEX

1. Content
2. MSME
3. Khadi Role's In MSME
4. Importance of MSME
5. Schemes for MSME
6. Schemes for women in MSME
7. Technology and innovation with MSME
8. Sustainable Development Goals and MSME
9. A study on coir industry
10. Conclusion

Definition of MSME:

- The government of India has enacted the micro, small and medium enterprises development (MSMED) act, 2006 in terms of which the definition of enterprises is as under (ministry of law and justice, 2006), enterprise means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the first schedule to the industries (development and regulation) act, 1951 or engaged in providing or rendering of any service or services.

Service sector MSME definition:

- Section 7 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 defines as A Micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
- A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs. 75 Crore;
- A Medium enterprise will be defined as a unit where the annual turnover is more than seventy-five crore rupees but does not exceed Rs. 250 Crore.

Khadi Role's In MSME:

Khadi a Tool for Employment:

- Gandhi introduced this small "machine" in Indian society when the whole world was going for industrialization. Mass production for higher profit was the sold motive behind industrialization whereas for Gandhiji production by the masses was the prime concern. He again and again emphasized that India need not copy the west. He also warned India that we should not misguided by the elites.
- Khadi refers to the national dignity of hand – spun, hand – woven cloth. In simple terms, it is also the cloth manufactured in the country by the countrymen



Gandhi, "khadi to me is the symbol of Indian humanity, of its economic freedom and equality and, therefore, ultimately it is the livery of India's freedom in which decentralization of the production and distribution of necessities of life remain just and fair

themselves with their own raw material

- The khadi philosophy of Mahatma Gandhi is **village economy oriented** and its dedicated to the redemption of villages, the soul of India and eventually to the building of the nation through pure indigenous means and humane way on the strength of basic socio-cultural values, available

KVIC (Khadi and village development commission) is the nodal agency for PMEGP (prime minister employment guarantee programme)

resources and immense manpower. This philosophy is wholly aboriginal- SWADESHI, the most constructive factor for society.

Importance of MSME:

- IT has been accounting more than 80 percent of the industrial enterprises in India
- It produces 45% of manufacturing output and 40% of total exports
- The significance of MSMEs is attributable to their calibre for employment generation, low capital and technology requirement. According to the estimates of the Ministry of MSME, Government of India, the sector generated around 100 million jobs through over 46 million units situated throughout the geographical expanse of the country.
- As per the Report of the working Group on Micro, small and medium Enterprises (MSMEs) Growth for 12th Five Year Plan (2012-2017), the sector accounts for 45% of the manufacturing output and 40 % of total exports of the country.
- The labour to capital ratio in MSMEs and the overall growth in the sector is much higher than that in the large industries. The Geographic distribution of the MSMEs is also more even. Thus, MSMEs are important for meeting the national objectives of growth with equity and inclusion.
- They are also important for promotion of industrial development in rural areas, use of traditional or inherited skill, use of local resources, mobilization of resources and exportability of products.

SABKI YOJANA SABKA VIKAS

To Implement Gram Panchayat Development Plan (GPDP) Effectively, union government campaign on October 2 this year. Under this, more than 250,000 Gram Panchayats of the country will be included. The participation of grassroots people will be ensured in preparing Gram Panchayat Development plans

- Besides the wide range of services provided by the sector, the sector is engaged in the manufacturing of over 6,000 products ranging from traditional to hi-tech items.
- Cutting across all sectors of production and services, MSME sector is truly a strategic asset for the economy of the country. On the one hand, we have the village and rural industries including the Khadi Industry, which are primarily located in the rural landscape and provide an important ingredient in the local eco – system.
- On the other hand, in extreme contrast and the opposite side of spectrum, are the micro, small and medium enterprises which are producing an extremely wide variety of goods which are exported as well as have the reach out to the domestic consumers
- While in a country like India, the Government alone cannot fulfil the employment opportunities, individuals need to come forward to help themselves and take advantage of the viable business atmosphere created by the government. Adam smith, an 18th century economist and author, in his book wealth of Nations has talked about the ‘Invisible Hand’ that individuals pursuing their best self-interest would result in better overall good to the society.
- If India wants to mark its presence in the global arena, the invisible hand would result in greater overall good to the society. The MSME sector as the ‘engine of growth’ for India will be the vehicle of development of the country in terms of creating employment opportunities.

Schemes for MSME:

- Udyog aadhar memorandum is one of the best schemes for MSME development
- Zero defect zero effect
- SFURTI (scheme of fund for up-gradation and regeneration of traditional industries)
- **My MSME: Web based application** module to submit and track online applications under various schemes of the Ministry.
- **Udyog Aadhar Memorandum:** Mobile friendly application for registration of MSMEs on Slef certification basis.
- **MSME Samadhaan:** Empowers MSMEs to resolve the issues of delayed payments:

HONEY MISSION- launched by KVIC (khadi village industries commission) to distribute “bee boxes” to promote apiculture

- **MSME Sambandh:** Disseminates Information on procurements by CPSEs / Government Departments
- **National SC/ST Hub:** An Initiative targeted developing a **supporting eco-system** for SC/ST entrepreneurs.
- **Zero Defect Zero Effect (ZED)** Scheme envisages promotion of Zero Defect and Zero Effect (ZED) Manufacturing amongst MSMEs to **promote adaptation of quality tools / Systems and energy efficient manufacturing.**
- **Stand up India:** to facilitate bank loans between 1 lakh to 100 crore to at least one scheduled caste (SC) or scheduled tribe (ST) borrower and at least one woman borrower per bank branch of all scheduled commercial banks for setting up enterprises, obtaining loans
- Allocation of 20,000 crore **MUDRA (micro units development refinance agency)** bank for MSME sector will enhance credit facility to boost the small businesses and manufacturing units

Schemes for Women in MSME:

- **Trade Related Entrepreneurship Assistance and Development (TREAD)** Scheme for women.
- Micro & Small Enterprises cluster development programme (MSE – CDP).
- **Credit Guarantee fund scheme** for MSEs.
- Support for entrepreneurial and managerial development.
- Exhibitions for women under promotional package for MSEs.

Technology and innovation with MSME:

- **Industry 4.0 Integration (fourth industrial revolution):** It is technical **integration** of cyber – **physical systems (CPS)** in production with application of **internet of things (IOT)**. It improves capacity utilization and focus on **targeted performance objectives**. Smart factory, smart operations and smart products with data – driven services are the mainstay of globally competitive SMEs.
- **Artificial Intelligence (AI) and Machine Learning (ML):** AI based technologies can reduce operational inefficiencies and SMEs can optimally use these solutions for

productivity enhancement. AI and ML can transform the sales mechanism, data mining, data analytics and sales forecasts

- **Virtual Reality (VR) and Augmented Reality (AR):** VR is an artificial, computer – generated simulation of a real-life environment or situation their vision and hearing. VR is manifest through wearable hardware. AR technology creates interactive layers, virtual enhancements on an existing reality. AR is used on mobile devices to blend digital components. Many businesses are using AR technology in robot – assisted surgery, virtual real estate tours, urban planning, map – assisted navigation, simulated training and much more.
- **Blockchain technology:** Block chain or a distributed ledger technology is a network of computers that enable digital transactions. This is a peer-to-peer, anonymous network. It records and stores every transaction that occurs in the network, providing greater transparency; provide quick and secure transactions. SMEs in export and import require capital to acquire raw materials for production and also need capital to ship products to their destination. Access to smooth trade financing is critical for SME growth; delayed payments create huge cash flow problems. Block chain can effectively prevent payments delay for delivered goods. Inventory management and management of warehouses become streamlined using blockchain technologies
- **FinTech:** It is rewriting the rules for access to finance for SMEs. FinTech scientifically evaluates the creditworthiness of SMEs using decision sciences and predictive modelling for making accurate assessment. FinTech is supporting MSMEs in multiple ways like, innovative accounting software, financial management and business valuation services.

Sustainable Development Goals and MSMEs:

- The Critical contribution of MSMEs to broader social economic objectives, including job creation makes them a key priority area for achieving the sustainable Development Goals (SDGs).
- Job creation through MSMEs will often directly benefit the poor and vulnerable, particularly women and youth, thereby directly reducing poverty, increasing income and positively impacting on household investments in education and health over time.

- MSME development has the potential for wide reaching impacts on the SDGs globally, including
 1. SDG 1 (end Poverty),
 2. SDG 2 (Zero hunger),
 3. SDG3 (good health and well – being),
 4. SDG 5 (gender equality),
 5. SDG 8 (Promote inclusive and sustainable economic growth, employment and decent work), and
 6. SDG 9 improve sustainable industrialization and fostering innovation)

A study on coir industry:

- India is the largest coir producer in the world and also the largest consumer of coir and coir products. Over 55 percent of the coir and coir products produced in India is consumed internally.
- Indian coir and coir products are in great demand in domestic and foreign markets for their special features like price, workmanship, quality and charm. India accounts for the 80% of the coir produced around the world.

Geography of the industry:

- Mainly concentrated in Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Goa, Orissa, Assam, Andaman Nicobar, Lakshadweep, Pondicherry

Nature and Advantage of coir:

- It is also **eco – friendly**, decomposable, non- Pollutant natural Resource. Coir is **moth – proof resistant to fungi and rot**.
- It is **resilient in nature** i.e. springs back to original shape even after constant use.
- It is **flame retardant** and unaffected by moisture and dampness.
- Coir is **tough and durable**. It provides excellent insulation against temperature and sound.

Employment Potential:

- The Coir Industry provides employment to about 7 lakh people in the country out of which 80 percent are women.

- The Industry employs about **7 lakhs of coir workers and majority of them are from rural areas belonging to economically weaker sections of the society. Women constitute 70% of the workforce** and primarily engaged in spinning and household industries.
- In organized industries, the **Participation of women is observed to be more than men in permanent, contractual** (Temporary) and as daily wage laborers. The Study reveals, a total of 719883 people are working in the coir industry in the year 2014-15.
- If one compares the data with 2013-2014, the growth rate revolves **around 1 percent**. The same trend is observed (annual growth rate of 1 percent) while comparing the employment data of 2010-2011 and 2011-2012, 2012-2013 and 2013-2014.

Problems of coir Industry:

- The Coir Industry, despite its potential to generate employment in rural areas suffers from the problems which include insufficient finance, inadequate market information, lack of storage facilities, no direct contact with industrial users, insufficient marketing mechanism for coir fibre.

The Way Forward for coir industries:

- The Coir Industry is dominated by the women workers. Possibilities should be explored to establish Women Banks in selected centres to enhance women's empowerment.
- Government enforcing agencies should enforce various rules, regulations, provisions, welfare measures declared by the government from time to time.
- The Government should do some hard thinking on the **removal of transport bottlenecks**, A system of mobile transportation may be introduced in coir markets.
- For enhancing the sales of coir products in the domestic market state and central governments should instruct the public sector undertakings to use coir finished goods for their office purposes. More over directions should be given to the state public Works Department to use cement flooring with coir mats instead of marbles and tiles.
- Central and state Governments should instruct the Railway Board and National Highway Authority of India (NHAI) to use the Geo-textiles in the construction of the slope of railway lines and national highways to prevent soil erosion. It can be effectively be used against soil erosion and sea erosion and to preserve canals.

Conclusion:

- To survive changing times and compete with large and global enterprises, MSMEs need to adopt innovative approaches in their operations. For India to sustain growth rate of 8 – 10 percent for the next decades, **it requires a strong SME sector**. They should be innovative, incentive, international in their business outlook, have a strong technological base, competitive spirit and a willingness to restructure them to withstand the present challenges and come out successfully to contribute about 29 percent to GDP. Indian MSMEs should also look forward to accept and acquire new technologies, new business ideas and automation in industrial and allied sectors. This will help them to become successful and contribute to the Indian economy in the long run.