



## **ROLE OF ENTREPRENEURS TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES**

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### **ABSTRACT**

The role of MSME is to assist the state government in their effort to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSME's in changing economic scenario. Even though government of India has developed many schemes for development of entrepreneurship, many entrepreneurs are in sea of debt. Most of the entrepreneurs are not aware about the services provided by government which push them back of being an entrepreneur. The Study aims to identify the knowledge, attitude and utilization perspective of various schemes of MSME by the Entrepreneurs.

**Key words:** Entrepreneurs, Schemes of MSME.

### **INTRODUCTION**

MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over last five decade. MSME play vital role in the industrialization especially in developing countries. It not only plays crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also helps in development of rural and backward area thereby reducing regional imbalance and ensuring more equitable distribution of national income and wealth. Recognizing the significant contribution of this sector, Government of India has taken good number of initiatives to develop the sector such as definition of MSME was enlarged by increasing the investment ceiling in plant and machineries and trading activities have taken in the ambit of MSME by enactment of Micro Small and Medium Enterprises Development (MSMED) Act from 2006.

### **Profile of Indian MSME Sector**

SI NO	PARTICULAR	VALUE
1	Number of micro and small enterprises	130lakhs
2	Employment	410 lakhs
3	Share in GDP	8-9%
4	Share in manufacturing output	45%
5	Share in exports	40%

### **OBJECTIVE OF THE STUDY**

- ❖ To understand various supports utilized by the entrepreneurs which are provided by MSME.

### **METHODOLOGY OF THE STUDY**

The present study based on extensive study of secondary data collected from various books, National and international journals and public and private publications available on various websites and in libraries focusing various aspects of entrepreneurship.

**DEFINITION OF MICRO, SMALL AND MEDIUM ENTERPRISES:**

The MSME Act, 2006 defines the Micro, Small and Medium Enterprises based

- 1) On the investment in plant and machinery for those engaged in manufacturing or production, processing or preservation of goods and
- 2) On the investment in equipment for enterprises engaged in providing or rendering of Services.

Nature of activity of the Enterprise	Investment in plant and machinery excluding land and building for enterprises engaged in manufacturing or production, processing or preservation of goods	Investment in equipment excluding land and building for enterprises engaged in providing or rendering of services (loans up to Rs. 1 crore)
Micro	Not exceeding Rs.25.00 Lakhs	Not exceeding Rs.10.00 Lakhs
Small	More than Rs.25.00 lakhs but does not exceed Rs.500.00 lakhs	More than Rs.10.00 lakhs but does not exceed Rs.200.00 lakhs
Medium	More than Rs.500.00 lakhs but does not exceed Rs.1000.00 lakhs	More than Rs.200.00 lakhs but does not exceed Rs.500.00 lakhs

**Top 5 Government Schemes for Start-ups And MSMEs In India**

Govt. of India and the Ministry of MSME have launched several unique Government schemes and programs designed to empower Start-ups and MSMEs in India. We have covered the top 5 Government Schemes for Start-ups and MSMEs, which can help them trigger growth, and more business.

**1. Pradhan Mantri Mudra Yojana**

PM Modi launched Pradhan Mantri Mudra Yojana, wherein Micro Units Development and Refinance Agency Bank or MUDRA Banks provide loans at low rates to micro-finance institutions and non-banking financial institutions, who in turn provide low-interest loans to startups and MSMEs. Hence, Pradhan Mantri Mudra Yojana is one of its kind fund of funds, devised and conceptualized to empower Indian entrepreneurs. Loans up to Rs 10 lakh can be availed under the MUDRA scheme.

It was launched in 2015 and within 2 years, more than 1.8 crore jobs were generated due to the loans and business generated via MUDRA. Till August 14th, 2020, more than 67 lakh loans amounting to Rs 48,000 crore have been sanctioned under the MUDRA scheme.

There are three categories of businesses, which can avail loans under MUDRA loan for start-ups:

- **Category 1:** Shishu, which is for new businesses. Loans up to Rs 50,000 can be availed.
- **Category 2:** Kishor, which is a mid-aged business. Loans up to Rs 5 lakh can be availed.
- **Category 3:** Tarun, which is an existing, experienced business. Loans up to Rs 10 lakh can be availed.

**2. Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTSME)**

CGTSME is one of the biggest Start-up Loan Schemes launched by the Ministry of MSME in India. Under this Government scheme, a collateral-free loan of up to Rs 1 crore is provided to eligible start-ups and MSMEs. The loan is dispersed via a trust named Credit Guarantee Fund Trust for Micro



and Small Enterprises (CGTMSE), which is powered by the Ministry of MSME and Small Industries Development Bank of India (SIDBI).

### 3. Financial Support to MSMEs in ZED Certification Scheme

Focussed on existing and new manufacturing units, ZED or Zero Defect and Zero Effect mission is to encourage manufacturers to create better products, with high quality and zero defects. The focus is to enable manufacturers to embrace world-class manufacturing processes, and use technology to ensure that their products are the best in the class.

### 4. Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)

Govt is clearly aware that technology is the tool that can propel Indian start-ups and MSMEs to compete with global . This is the reason for the creation of the Credit Linked Capital Subsidy for Technology Upgradation (CLCSS) Government scheme, wherein Govt provides financial help to MSMEs to upgrade their technology and implement state of an art technological platforms for their business.

Under CLCSS, Govt provides a 15% subsidy for investment up to Rs 1 crore for upgrading technology for start-ups and MSMEs in India. More than 7500 products/services are covered under this Government scheme.

### 5. Design Clinic for Design Expertise to MSMEs

Design and innovation are critical for any sector, and every start-up and MSME should have a design-centric approach to solve the problems of their niche. In order to encourage and inspire small businesses to experiment and try out new designs for their products, the MSME Ministry has created a Design Clinic for inducing design-related expertise for start-ups and MSMEs.

Under this Government scheme, Govt. will provide up to Rs 60,000 aid for attending design seminars and up to Rs 3.75 lakh or 75% of the cost of a seminar, wherein the entrepreneur and/or their team can learn and implement design theories and learn more about them. Via this program, entrepreneurs can know about the latest trends and practices related to designs, interact and network with other designers, entrepreneurs, and learn in-depth about design mentality and theories.

## **STRATEGIES ADOPTED BY THE GOVERNMENT OF INDIA FOR SUSTAINABLE DEVELOPMENT AND ENTREPRENEURSHIP**

After the era of independence, consistent and remarkable efforts were made by the Indian government for the sustainable development. In order to that, policies and strategies were formulated and numerous acts have been enacted to develop the entrepreneurship and employment. Moreover, various skill development programmes and plenty of training and development schemes also offered for the benefit of an entrepreneur in order to enhance their entrepreneurial skill and knowledge. In short, the following steps have been taken or efforts have been made for the entrepreneurship development in India.

### 1. Industrial Policies

The government of India has been continuously revising and declaring the industrial policies. From the year of 1948 to 1991 five times such as 1956, 1980 and 1986 respectively the industrial policy has been revised. According to that the amount of small entrepreneurs were also significantly got increased. In order to that, the government of India has also established many institutions like Small Industries Development Organisation (SIDO), National Small Industries Corporation (NSIC) Entrepreneurship Development Institute of India (EDII) and so on for the development of entrepreneurship in India.

### 2. Liberal Economic Policies

The central government has made its economic policies, like export-import policy, taxation policy, fiscal policy, and monetary policy, etc. excessively liberal, which has resulted in entrepreneurship development in the country.



### 3. Establishment of Development Institutions

Government of India has established various development institutions to provide guidance, training, and facilities for encouraging entrepreneurial development like National Industrial Entrepreneurship Development Centre, National Entrepreneurial and Small Business Development Institute, Entrepreneurship advisory Organisation, State Small Industries Development Corporation, and Small Industries Service Institute and so on.

### 4. Development of Industrial Estates

The Government has developed various industrial areas/estates in various states, wherein private entrepreneurs have established their industries. The government has attracted the entrepreneurs to establish new industries in these industrial areas by providing facilities of land, transportation, banks, warehouses, water, and electricity and so on.

### 5. Development of Training Facilities

The various training institutions have been established by the government of India, banks, financial institutions and management institutions to organize training programmes to develop the capabilities of the entrepreneurs. In addition to it, small industries development organization (SIDO), small industries service institute, district industries centres also provide information to the entrepreneurs about project development, enterprise management, and new production techniques and so on.

### 6. Development of Technical and Vocational Education

The central government, as well as the state government, have also established technical and vocational education centres where vocational education has been provided. The technical and vocational education at the level of schools, colleges and universities have been introduced, where education is being provided relating to entrepreneurial development, entrepreneurial feelings and facilities and procedures for establishment of small industries. In the present education policy, the government of India aims at vocational and technical education by dispensing with the essentiality of degree and for that open universities have also been established.

7. Establishment of Science and Technology Parks Science and technology parks have also been established in India for the development of entrepreneurs. Industrial development bank of India is making efforts for these parks. Bank has established an entrepreneurial park and industrial parks.

8. Organization of Seminars and Workshops Seminars and workshops are organized in India and other countries for entrepreneurial development. Indian industrial entrepreneurial development institute and other popular institutions. studies and project reports were prepared and 261 reports relating to feasibility surveys, market surveys and development surveys were published.

### 9. Development of Women Entrepreneur

In the modern age, entrepreneurial tendencies are developing in women folk also, due to co-education and women education. Women are also getting attracted to technical and management education. Various types of organizations, therefore, are providing cooperation to women entrepreneurs in India for entrepreneurial activities.

### 10 Start-up India

Start-up India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is conducive for the growth of start-up businesses, to drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower start-ups to grow through innovation and design.

Young Indians today have the conviction to venture out on their own and a conducive ecosystem lets them watch their ideas come to life. In today's environment, we have more Start-ups and entrepreneurs than ever before and the movement is at the cusp of a revolution. However, many Start-ups do not reach their full potential due to limited guidance and access. The Government of India has taken various measures to improve the ease of doing business and is also



building an exciting and enabling environment for these Start-ups, with the launch of the “Start-up India” movement

#### **ENTREPRENEURSHIP AND SKILL DEVELOPMENT PROGRAMME**

- Assistance to Training Institutions (ATI)

#### **INFRASTRUCTURE DEVELOPMENT PROGRAMME**

- Micro & small enterprises Cluster Development (CDP)
- Tool Room

#### **CONCLUSION**

MSME development is very important and crucial for the development of industries, achieving sustainable growth and creating inclusive growth for MSMEs in India. It adopts considerable and significant contribution in providing large financial and supporting assistance to the small and medium sized industries. It widened their domain across all the sectors of the Indian industries to develop employment opportunities and entrepreneurship development of the county by fostering entrepreneurship opportunities. In the present study it is very clearly seen that the Central Government and the Ministry are taking keen interest in the upliftment of the MSME sector and promote this sector in a positive direction. The formation of MSME act 2006 is a boon to this sector. It has simplified and clarified many doubts in the mind of the entrepreneurs. With this study, it can be concluded that MSMEs entrepreneurs are more satisfied with financial support and also with the schemes provided by micro ,small and medium enterprises.

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