

# A Role of Entrepreneurs towards MSME Schemes

Swapna.K

Assistant Professor

PG Department of Commerce, Ottapalam, Kerala

**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.

## 1. 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.

## 2. RESEARCH PROBLEM

MSME sector has often been termed as the “engine of growth” for developing economy like India. Based on official figures from Ministry of MSME, MSME through more than 6000 products contributes 8% of GDP, 45% of total manufacturing, 40% of the total export of the country and provide employment to more than 80 million people. The Government of India also ensured a District Industrial Center in each district for providing guidance and assistance to entrepreneur's .This made easy availability of financial assistance and subsidies and influenced many people to start an enterprises. However many units were unable to function due to many reasons .Hence, it is essential to study the role of MSME in development of entrepreneurship and to understand

the utilization of various support provided by MSMEs by the Entrepreneurs

## 3. OBJECTIVES

- To understand various supports utilized by the entrepreneurs which are provided by MSME.
- To measure the level of satisfaction of entrepreneurs toward the schemes and assistance provided by MSME

## 4. SCOPE OF THE STUDY

This study cover the MSME entrepreneurs in the Palakkad District of Kerala .In this study various schemes provided for entrepreneurs are being studied.

## 5. RESEARCH DESIGN

In this research descriptive research is used. It is the research design which is used to describe characteristics of a population or phenomenon being studied.

## 6. SOURCES OF DATA

- 1) **Secondary data:** The required data are collected from various published and unpublished articles, books, journals, reports and websites.
- 2) **Primary data:** Primary data for the study are collected by using structured questionnaire among the MSME entrepreneurs in the Palakkad District of Kerala.

**7. SAMPLING TECHNIQUE**

The sampling technique used in this study is non random sampling. Convenient sampling method is used for taking sample respondents.

**8. TOOL FOR ANALYSIS**

For analytical purpose, statistical measures such as Percentage analysis is used in this study. Likert scale is also used to measure the level of satisfaction of entrepreneurs towards MSME assistance.

**A. 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

**B. Schemes of MSMEs**

Schemes provided by MSME can be divided in to some categories on the basis of purpose for which it has been framed

**9. PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME AND OTHER CREDIT SUPPORT SCHEME**

- Prime Minister's Employment Generation Programme (PMEGP)
- Performance and credit rating scheme
- Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE)
- Interest Subsidy Eligibility Certificate(ISEC)

**10. DEVELOPMENT OF KHADI, VILLAGE AND COIR INDUSTRIES**

- Science and technology scheme
- Market Promotion & Development scheme (MPDA)
- Revamped scheme of Fund for Regeneration of Traditional Industries
- Coir Udyami Yojana (CUY)
- Coir Vikas Yojana (CVY)
- Skill upgradation & Mahila Coir Yojana (MCY)

**11. TECHNOLOGY UPGRADATION AND QUALITY CERTIFICATION**

- A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)
- National Manufacturing Competitiveness Programme (NMCP)
- Credit Linked Capital Subsidy for Technology Upgradation
- Marketing Support (bar code)
- Entrepreneurial and Managerial Development of MSME through Incubators
- Enabling Manufacturing Sector to be competitive through QMS and QTT
- Building awareness on Intellectual Property Rights (IPR)
- Lean Manufacturing Competitiveness for MSMEs
- Design Clinic for design expertise to MSMEs
- Technology and Quality Up gradation support to MSMEs

**12. MARKETING PROMOTION SCHEMES**

- Marketing Assistance scheme
- Marketing Assistance & Technolog Upgradation(MATU)
- Market Development Assistance (MDA)

**13. ENTREPRENEURSHIP AND SKILL DEVELOPMENT PROGRAMME**

- Assistance to Training Institutions (ATI)

**14. INFRASTRUCTURE DEVELOPMENT PROGRAMME**

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

**15. ANALYSIS**

Table 1: DEMOGRAPHIC CLASSIFICATION

Sl. No	Dimensions	Classifications	Number	Percentage	
1	Age group	Below 30	17	34	
		30-45	15	30	
		Above45	18	36	
2	Gender	Male	43	86	
		Female	7	14	
3	Educational Qualification	Up to Higher Secondary	11	22	
		Graduation	21	42	
		Post-Graduation	18	36	
4	Category of Unit	Micro	20	40	
		Small	28	56	
		Medium	2	4	
5	Location of Unit	Panchayath	3	6	
		Municipality	27	54	
		Corporation	20	40	
6	Origin of Enterprise	Inherited	8	16	
		Self-started	42	84	
7	Age of the Enterprise	Below 1 year	18	36	
		1-3 year	22	44	
		3-5 years	4	8	
		Above 5 year	6	12	
8	Nature of Enterprise	Proprietary	38	76	
		Partnership	7	14	
		Self-help group	1	2	
		Others	4	8	
9	Nature of Operation	Manufacturing	21	42	
		Assembling	9	18	
		Processing	2	4	
		Repair and Services	6	12	
		Others	12	24	
10	Source of Finance	Own capital	2	4	
		Loans from Banks	21	42	
		Aid From MSME	20	40	
		Others	7	14	

(Source: primary data)

TABLE 2: LEVEL OF SATISFACTION TOWARDS VARIOUS MSME ASSISTANCE AND PROCEDURES.

Sl. No.	Dimensions	N	Mean Score
1.	Financial Scheme	50	4.16
2.	Training facilities	50	3.96
3	Marketing assistance	50	4.12
4.	Technical assistance	50	3.54
5.	Project Assistance	50	3.06
6.	Timely information	50	3.32

(Source: primary data)

**16. MAJOR FINDINGS**

- It is inferred that the majority of the respondents are male (86%).From this it can be said that MSMEs should concentrate on development of women entrepreneurs.
- It can be inferred that the majority of the respondents are graduates (42%). Hence, the educated people are now preferring their own business rather than a salaried job.
- It can be inferred that the majority of the enterprises are self-started rather than inherited. The majority of the respondents are aware about their schemes provided by MSME for new establishment.
- Majority of the respondents belongs to the category of manufacturing (42%) and very low in the category of processing (2%). It shows that the respondents are aware about the manufacturing schemes provided by MSME.
- It is inferred that the majority of the respondents are using loans from banks, as a source of finance. Even though MSME are providing different financial schemes, the entrepreneurs depends more on borrowed capital which increases their cost of capitals.
- Most of the respondents are having an income level of 50000-100000, and only small portions of entrepreneur are earning an income which is above 500000.
- The entrepreneurs are more aware about the schemes relating to preparation of project, marketing schemes, training program, packing and forwarding, when compared to other schemes.
- The mean satisfaction of the respondents is 4.16, which is higher than 4 it can be assumed that the respondent's satisfaction tend to be positive towards financial schemes.
- The mean satisfaction of the respondents is 3.96, which is higher than 3 it can be assumed that the respondent's satisfaction tend to be positive towards training programs.

- The mean satisfaction of the respondents is 4.12, which is higher than 4 it can be assumed that the respondent's satisfaction tend to be highly positive towards marketing schemes.
  - The mean satisfaction of the respondents is 3.54, which is higher than 3 it can be assumed that the respondent's satisfaction tend to be positive towards technical development schemes.
  - The mean satisfaction of the respondents is 3.06, which is slightly higher than 3 it can be assumed that the satisfaction tend to be positive towards project preparation schemes.
  - It can be inferred that most of the respondents are aware about Udhog aadhar (82%).It can be concluded that the new initiatives of MSME are properly communicated to entrepreneurs.
  - Since the mean satisfaction of the respondents is 3.32, which is higher than 3 it can be assumed that the satisfaction tend to be satisfied towards the availability of timely information
- [8] Kanishka Gupta (2011)-“ MSME cash strapped”international journal of industrial research ,vol.26,no.1,p.3-12
- [9] Gaurav sehgal and Ashok Aima (2011) - “microfinance for SME s prospectus challenges and implication”,management and changes in small industries vol.25 p31-38
- [10] Hawa A G (2012) - “assistance to small industries” economic review ,p.439
- [11] [www.msme.gov.in](http://www.msme.gov.in)
- [12] [www.udyogaadhaar.gov.in](http://www.udyogaadhaar.gov.in)
- [13] [www.sampark.msme.gov.in](http://www.sampark.msme.gov.in)

## **17. CONCLUSION**

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. In order to implement the policies, the central government along with the government of Kerala has started various schemes to benefit the entrepreneurs with regard to finance, marketing, training etc. The facts clearly shows that the number of units in India and in Kerala has increased, and entrepreneurs are much aware and satisfied with the assistance provided by MSME which also has led to the growth in employment and economy

## **REFERENCES**

- [1] Jailal Saaw (2005)-“growth of small scale industries in India”,the journal of finance vol.2 p.66
- [2] Renu Varma (2005)- “performance of small scale industries” book of economic review ,vol.6 p.59
- [3] Veena Pani (2005)- “strategies repositioning of SME for globalizing India”
- [4] India towards globalization ,p.664
- [5]Chopra(2006) - “ Financing for the decentralized sector – SMES” the journal of global business review vol.9 p235-260
- [6] Nambiar(2007) - “Financing for priority sector”south Indian journal of management,vol.15,p.70
- [7] Vijaya Chitra (2009) - “Determining the business success and failure of SSI units international journal of innovative research and economics vlo.7