



Position of MSME's in Chhattisgarh

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Abstract This paper throws the light on the position of micro, small and medium
enterprise which is popularly known as MSME's in Chhattisgarh.

ABSTRACT

This paper throws the light on the position of Micro, Small and Medium enterprise which is popularly known as MSME's in Chhattisgarh. After the agriculture MSME's is one of the largest sectors which provide large number of employment. It is pertinent to note that MSME's contributed almost 40% of India gross value of output produced in the manufacturing sector and the generation of employment by MSME's is more than 5 times to that of the large scale sector. MSME's Industries have various advantages and opportunities for investment like they got tax benefit and rebate from government, it is less capital intensive and it receive financial support and funding very easily. Almost half of the total export is from MSME's which increases our foreign income also. Chhattisgarh Government has come out with a policy of development of MSME's in the state and it is pride of Chhattisgarh that it got second position in India for MSME'S development. Many schemes were launched by Central and State Government to promote and motivate MSME's in Chhattisgarh. The paper also examines the various policies adopted by Chhattisgarh Government from the point of view of sustainable development. In a developing country like India the role and importance of MSME's is very remarkable towards poverty reduction, employment generation, rural development and growth of various developmental activities. All because of these importance MSME's are also known as the backbone of the country.

KEYWORDS

Rural Development, Employment, MSME's.

INTRODUCTION

After attainment of Independence India adopted the regime of economic planning with a glorious vision of a resurgent India. It aimed to marching firmly on the path of progress while ensuring an equitable distribution of the nation wealth. The economy of India is developing mixed economy. It is the world 7th largest economy and 3rd largest by purchasing power parity (PPP). In a developing country like India the role and importance of SSI is very significant. It is estimated that this sector has been contributing about 40% of the gross value of our produced in the manufacturing sector and the generation of employment by MSME's is more than 5 time to that of the large scale sector. The Micro, Small and Medium Enterprises comes under Development Act 2006 of Government of India. The Central Government has the authority to determine capital investment of MSME's. In India the enterprises have been broadly classified in two categories:

1. **Manufacturing**

- a. Micro Scale : Up to 25 Lakh investment in plant and machinery
- b. Small Scale : 25 Lakh – 5 Crore investment in plant and machinery
- c. Medium Scale : 5 Crore – 10 Crore investment in plant and machinery

2. **Service enterprise**

- a. Micro Scale : Up to 10 Lakh investment in plant and machinery
- b. Small Scale : 10 Lakh – 2 Crore investment in plant and machinery
- c. Medium Scale : 2 Crore – 5 Crore investment in plant and machinery

India has approx 6.3 Crore MSME's as per Ministry Data on 16th May 2021. The Indian MSME's sector contributes about 29% towards the GDP through its national and international trade. In India Uttarpradesh has highest share in Small Scale Industries with 14%, Maharashtra 6%, Tamilnadu 8% and Karnatak 5%. In Uttarpradesh there are 89.99 lakh units and in Chhattisgarh 8.48 lakh units are working. According to the data maximum number of employee in Small scale enterprise in European Union is 250, united state 500, other country 200 and in Small firm less than 50. In micro enterprise generally 10 or in some cases only 5 people were employed. In the third census it was found that these tiny units occupy an important place.

It is important to note that the small scale industry employs more people than all industries after agriculture. Almost 4 people can get full employment if Rs. 10 lakh are invested in fixed asset of MSME's Industries sector. Consequently this distributes employment pattern in all parts of the country and prevent unemployment crises. So, now a day's MSME's industry is the very important for employment generation in India economy. According to report in rural area 51% and in urban 49% people got employment through MSME's and total employment in this sector is 110909 lakh. Some of the examples of MSME's units are Agarbatti making, Paper cup making, Food processing, medical and surgical equipment, candle making, Textile and garment, Gems and Jewellery, Sports Goods and many more.

MSME's Industries offer several advantages and opportunities for investment:

1. They receive many tax benefit and rebate from Government.
2. Procuring man power and raw material is also relatively easier for them.
3. MSME's Industries are less capital intensive.
4. They receive financial support and funding easily.
5. Almost half of total export is from MSME's Industries which comprises 35% from direct export and 15% from indirect export.

6. Location wise mobility.
7. Technology oriented.
8. High contribution to domestic production.
9. Capacities to develop appropriate indigenous technology.
10. Source of employment reduce poverty and income inequality and raise standard of living poor people.

In Chhattisgarh the role of MSME's Industries is very significant. Nature has blessed Chhattisgarh state with abundance of precious minerals and forest resources. By Government special efforts are made to promote the manufacturing of herbal medicines and forest product based manufacturing industries. In Chhattisgarh new Industrial policy was made which was effective from 1st November 2019 to 31st October 2024. In it high priority is given to the industries of herbal, medicinal plant, minor forest product based industries, processing industries of flower, fruits, Vegetable and other horticulture produce in the state. To build a self reliant and ever progressing economy in the state through an integrated inclusive and sustainable industrialization a vision of "गढ़बो नवा छत्तीसगढ़" (Creating new Chhattisgarh) was made by Chhattisgarh Government. To attain this dream special efforts are made by Chhattisgarh Government, like it made provision for assistance for state industries to participate in various national and international exhibition and trade fairs to explore new market for their products. Further Government develop effective ecosystem for promoting startup and MSME's and co-ordinations were done with national level institutions to promote export of Gramodhyog products. In Chhattisgarh total 798403 people were engaged in MSME's and out of it male % is 1.50 and female 0.57%. During the year 2020-2021 village production their MSME's is 76582.43 crore.

To promote the MSME's units in Chhattisgarh central Government and state Government has launched many schemes like P.M. Mudra Yojana, Start-up India, Pradhan Mantri Rojgar Srijan Karyakram, Mukhyamantri Yuva Swarojgar Yojana. Besides this in village Ravabhata which is 12 Kilometer away from Raipur, Metal park was established which was spread in 22.618 Hec. land to provide land for tiny and small scale in which 25% land was reserved for ST/SC category. Further more Central Institute of Plastic Engineering and Technology (CIPET) was established in which plastic industry training was given. Under Mukhyamantri Kaushal Vikas Yojana people got training and approximately 77% got employment.

In Raipur, Bhilai and Rajnandgaon Aperial training and design center was established and Jems and Jewellery park in Raipur in 10 acres. For experiment and test of small scale product, in the village Borai 25 Acre land was given by Chhattisgarh Government for establishment of tool room with the cost of 100 crore. In this center training was also given to people. To test the production quality, test lab was established in Bhilai in which approx 3500 MSME's Industries units are given the facility to check the quality of their products.

Handicraft industry also have an important part in Small Scale Industries. In Chhattisgarh there are 19265 spinning mill and approx 57795 spinners were working on it. Further more Khadi cloths, bamboo work, Kosa, silk cloths, pot making, bronze work etc are also an important part of handicraft industries. To promote handicraft industries state Government has launched many schemes like it provide raw material at concessional rate, market facility and also give subsidy for it establishment of Small Scale Industries. Government also provide various finance facilities are provided by RBI, SBI, SIDBI, Co-operative bank, NABARD and many more banks.

CONCLUSION

In Indian economy a large number of poor and marginalize sections of the population depend on MSME's industries for their livelihood. These industries not only reduce poverty and income inequality but they also increase standard of living of poor people. It enables people to live with dignity. MSME's industries are the big source of economic transition from traditional enterprises to modern industries. It plays a crucial role in a developing economy like India, that's why it is also known as the back-bone of the country.

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