

A Study of Central Sector Schemes of MSME

Mayuri Bhusari¹, Priti Rai²

¹MBA Student, Department of Management Studies, G.H. Rasoni College of Engineering, Nagpur, India

²Assistant Professor, Department of Management Studies, G.H. Rasoni College of Engineering, Nagpur, India

Abstract: MSME plays a very big role in Indian financial sector which help in the development of country. The Youth of the country gets more opportunity related to their business ideas as well as startup of new business, therefore government launches various schemes so that entrepreneur know about it and aware about basic information. In KVIC scheme the Coir Vikas Yojna has various schemes under it. Government also launch the new Budget where various new schemes are launched. Government also provides various facilities for those who are starting their new business. Facilities like bank loans, interest etc.

Keywords: MSME, KVIC, Coir Udyam Yojna, Coir Vikas Yojna, Loans to Khadi Village and Coir Industries.

1. Introduction

A. MSME

MSME stands for Micro Small and Medium Enterprises. In accordance with the provision of micro, small and medium enterprise development (MSMED) Act,2006 the micro, small and medium enterprises(MSME) are divided into two parts. Government provides various options like different scheme for developing and promoting MSME according to the MSME Act. For all MSME benefits registration is mandatory. MSME Enterprises is the base and very helpful for the growth of the company. After doing MSME registration we get various advantages from the central government like sanction of loans, interest rate and various benefits available according to the scheme.

In MSME there are two different sector

- Manufacturing & Service

Manufacturing Enterprises:

In Manufacturing enterprises, enterprises which is related to manufacturing of goods concern to industries which comes under the development and regulation Act 1951 where we make the investment in long term assets like machinery.

1) Manufacturing Sector

Enterprises	Investment in terms of Plant and Machinery
Micro enterprises	Not more than twenty five lakh rupees
Small Enterprises	More than 25 lakh but not greater than 5 crore
Medium Enterprises	More than 5 crore but not greater than 10 crore

2) Services Enterprise

The service enterprises which engaged in providing or rendering of services and are defined in terms of investment in equipment or we can say that investment should be done in terms of equipment.

Enterprises	Investment in Equipment
Micro Enterprises	Not more than ten lakh rupees
Small Enterprises	greater than ten lakh rupees but does not exceed two crore rupees.
Medium Enterprises	More than two crore rupees but not greater than 5 crore rupees.

B. KVIC

Khadi and Village Industries Commission scheme (KVIC) is decided by law having an arrangement for doing or to advertise, encourage, ease, arrange or to help in the growth of khadi and village industries in the rural area. The talk is considered to be the best company under the ministry of medium, micro and small and enterprises. Interest subsidy plan should be relevant to different loans provide by financial agencies.

C. Market Promotion and Development Assistance

The MDA plan of KVIC which has been slightly changed as Market Promotion and Development Assistance. MPDA project is devise as a combined project by amalgamate various strategies and tactics of different head to start using the 11th plan named as market, promotion, advertisement, development assistance, publicity. For increasing and expanding the marketing of Khadi &VI products Khadi plazas are included net worth of khadi VI products. Financial assistance increasing in producing institution and artisans but in selling institution there is decrease in percentage.

	MDA	MPDA
Producing institution	30%	40%
Selling institution	45%	20%
Artisans	25%	40%

D. Coir Udyami Yojna

The coir board is to start using a plan of central sector scheme of revive, reengineer, redevelop, improving the technology and updating of coir industry. In this schemes, monetary assistance is given for the exchanging of old cloth making machine and for the building of work sheds. Money that government pays will not consider under working capital. In Coir units the project cost is 10 lakh or more and the cost of project should not more than 25% of total cost of project.

E. Coir Vikas Yojna

The coir committee is decided by law accepted in Act of Coir Industry (1953) for advertising the evolution of the coir

industry and making positive changes in standard of living of worker. The board do different-different activities for the development of coir industries among other things including technological, profitable research and implementation of various new products and new design and marketing those products.

F. Coir Industry Technology Upgradation Scheme (CITUS)

Development of production infrastructure should be replaced by Coir Industry Technology Up-gradation Scheme. The financial contribution shall be 25% of the cost of the permissible item or thing of Business unit and Equipment get by the Coir section. The upper limit of amount of money per project is Rs. 2.50 crore. The main aim is to provide infrastructure facilities for the growth in the production and also new coir processing unit of "state of art". Making changes in existing coir unit and also create new entrepreneur and focus on women entrepreneur. The main aim is pollution free industry and eco -friendly production and also advance in technology like installing the ERP.

G. Science and Technology Scheme (S&T) for Coir

The two research institutes innovate Research and Development activities. The Science and Technology activities implemented the programme for the period of 2017-18 to 2019-20 under the following components:

Modernization of Production Process

The main aim is to modernized and improve the quality of products, for larger production by using biochemical and enzyme treatments and removing of drudgery. Making various products using a higher quality fibre such as Janata Mattress, superior quality of coir floor covering. Extract good quality of fibre using Mobile Fibre Extraction Machine.

- Upgradation of Machines and Equipment.
- Making of Product and diverse it.
- Making Environmentally safe Technology.
- Exchange of technology, incubation, checking transfer, incubation, testing and maintenance facility.

H. Skill Upgradation & Mahila Coir Yojana (MCY)

In coir industry more than seven lakh (80%)workers are women. Without training of spinners, weavers and artisans they faces the problem in the quality of product. Skilled manpower in coir industry is the major activity. National Coir Training and Design Centre (NCT&DC) provides a training to enthusiastic worker. These training programme shall be as per NSQF norms. Trainee gets stipend upto 3000/- per month and trainer get 15,000/- per month. Provides training on latest technology for MCY worker. Merge the MCY TRAINING with LBI to make trainees more entrepreneurial.

I. Domestic Market Promotion Scheme (DMP)

The task done by the Committee for the reason of exposure, involving in national show, maintenance of various things like showroom, sales depots, participation in other exhibition

organized by others. The annual sales turnover of MDA is granted at the rate of 10% of coir products including coir fibre, pith, pith block, pith products, coir pith organic manure, coir yarn and many others.

J. Export Market Promotion (EMP)

EMP is basically for improving the export performance using promotional activities like attending seminars, organize international meet and presenting awards on annual basis for performance.

K. Trade and Industry Related Functional Support Services (TIRFSS)

As getting the result connects to production, productivity, raw material, marketing HRD program can be utilized for taking the feedback for their betterment which combined with the modern technology for the development.

L. Welfare Measures (Pradhan Mantri Suraksha Bima Yojana (PMSBY))

This plan was started in the year 1998 for the health insurance for the accidental death, disable or partially disable. The scheme for coir worker provides a accidental insurance scheme which held in 31st May 2016 which meet to Pradhan Mantri Suraksha Bima Yojna (PMSBY) which implemented on 1st June 2016.

M. Scheme of Fund for Regeneration of Traditional of Industries (SFRUTI)

The main objective of these scheme is:

- To arrange the standard industries and craftsperson into cluster to make them ruthless and to give support for their continuing sustainability.
- The main aim of SFRUTI is to organize the traditional industries like machine used for weaving in hands, handicrafts, fiber, cashew, beedi, tiles and bricks and other family activities and artesian gather them to make ambitious and give assistance for long term ability to maintain certain level and Also provides various jobs for classical industry artisans and rural businessman.

2. Objectives of study

- Examine the government schemes of the KVIC.
- Analysis on KVIC scheme budget provided by government in year 2016-17, 2017-18.

3. Literature review

Ujjal Bhuyan (2016) "A Study on the Performance of Micro, Small and Medium Enterprises (MSMEs) in India" He said that as per CSO, the MSME manufacturing sector GDP in 2012-13 was 7.04 which was 37.54%. In this sector the total jobs above eight hundered lakh. From year 2001-15 the total working enterprises and employment increases rapidly and also the number of idea should be approved, maximum ideas approved in 2009-10. Sathish Kotte Dr. K. Ramulu," Government

Table 1
Central Sector Schemes, Development of Khadi, Village and Coir Industries, (Value in crores)

Sr.no	Schemes	BUDGET 2016-17			BUDGET 2017-18		
		Revenue	Capital	Total	Revenue	Capital	Total
1.	Khadi Grant	315.35	...	315.35	315.00	...	315.00
2.	VI Grant	34.37	...	34.37	34.00	...	34.00
3.	K VI Coir	9.00	...	9.00	5.00	...	5.00
4.	Khadi Reform Development Package	5.00	...	5.00	101.39	...	101.39
5.	MPDA	341.63	...	341.63	340.00	...	340.00
6.	SFRUTI	75.00	...	75.00	75.00	...	75.00
7.	Coir Vikas Yojna	45.45	...	45.45	50.00	...	50.00
8.	Coir Udyami Yojna	20.00	...	20.00	10.00	...	10.00
9.	Loans to Khadi Village and Coir Industries	...	0.55	0.55	...	0.60	0.60
	Total Development	845.80	0.55	846.35	930.39	0.60	930.99

Source: No.64/Ministry of Micro, Small and Medium Enterprises.

Sr.no	Schemes	BUDGET 2018-19			BUDGET 2019-20		
		Revenue	Capital	Total	Revenue	Capital	Total
1.	Khadi Grant	415.00	...	415.00	308.51	...	308.51
2.	VI Grant	110.00	...	110.00
3.	K VI Coir	5.00	...	5.00
4.	Khadi Reform Development Package	80.03	...	80.03	0.01	...	0.01
5.	MPDA	340.00	...	340.00	103.33	...	103.33
6.	SFRUTI	125.00	...	125.00	125.00	...	125.00
7.	Coir Vikas Yojna	80.00	...	80.00	70.50	...	70.50
8.	Coir Udyami Yojna	10.00	...	10.00	2.00	...	2.00
9.	Loans to Khadi Village and Coir Industries	...	0.57	0.57	...	0.42	0.42
10.	Solar Charkha Mission	50.00	...	50.00	143.50	...	143.50
11.	Khadi Vikas Yojana				396.46	...	396.46
12.	Gramodyog Vikas Yojana				102.92	...	102.92
	Total Development	1215.03	0.57	1215.60	1252.23	0.42	1252.65

Source: No.66/Ministry of Micro, Small and Medium Enterprises

Policies and the Development of MSME's in India" (2017) Entrepreneurial activities depends on government policies, from year 2007-08 to year 2017-18 the medium enterprises increases slightly as compared to micro and small by 4% in Compound annual growth rate. Also the total working enterprises increases in 2015-16 as compared to 2006-07 and also from the last eleven year the employment is increased. Swapna. K (2019), "A Role of Entrepreneurs towards MSME Schemes" The various schemes provided by government for entrepreneurs but sometimes they are not aware or not get proper information regarding the schemes. Therefore, government also make sure a District Industrial Centre in each district and providing the information related schemes. Government and ministry mostly take interest in MSME sector and also make some policies and various schemes to get benefits related to marketing promotion and financial sector. Dr. S. Manikandan He studied on "A study on startup and its impact on MSME in India with special reference to Maharashtra state". We see that MSME not only provide huge job opportunities but also give assistance to automation of rural and undeveloped area and therefore equal allocation of national money and prosperity.

4. Research Methodology

The study is based on secondary data. Official website of Ministry of Micro, Small and Medium Enterprises, Government of India, guidelines related to schemes are browsed through during the study where we see the central sector scheme budget

is increasing in every year.

5. Data Analysis

- The Budget of Khadi Grant and in 2016-17 and 2017-18 is same. Similarly, the Budget of Village Industries Grant also same.
- From table 1 we see that the Budget of Khadi, VI and Coir (S and T) in decreased by 4 crores in 2017-18 as compared to previous year Budget 2016-17. But in Khadi Reform Development Package (ADB Assistance) there is highly difference in increasing the Budget of 2017-18 as compared to 2016-17. In 2016-17 the Budget was 5 crores but in 2017-18 the Budget was 101.39, it was the larger increment in Budget.
- Otherwise the Budget of MPDA and SFRUTI is near about same but in Coir Vikas Yojna the Budget is increased by 5crores and in Coir Udyami Yojna the Budget was decreased by 10 crores.
- But overall we see the Budget of 2016-17 and 2017-18 there is increment in the budget in this scheme but the total investment in public enterprises is same.

6. Findings

- Khadi Grant &VI Grant the Actual Budget in 2015-16 is 380.45 is maximum as compared to 2016-17 & 2017-18.
- Khadi budget in year 2016-17 is maximum as compared to previous 2015-16 and next 2017-18 year.
- MPDA was not launched in 2015-16 but in year 2016-17 it

was 341.63 slightly change in year 2017-18.

- Khadi Reform Development Package budget was maximum in 2015-16 as compared to 2016-17 but in 2017-18 it was increased by 87%.
- The government launches the new schemes such as solar charkha mission, khadi vikas yojna, gramodyoj vikas yojna in 2018-19 Budget.
- KVIC and VI Grant Budget was zero in 2019-20.
- The budget comparison of 2018-19 and 2019-20 is increase by 37 crores.

7. Conclusion

MSME sector gives a valuable contribution to Indian economy. The government launch various schemes in Khadi and village industries commission(KVIC). The overall Budget

of these scheme is increased therefore development in Khadi sector increases. Many peoples get employment in these sector therefore increase in employment and various schemes are launched entrepreneur must aware about the schemes and also some government policies according to that entrepreneur activities are based.

References

- [1] Msme official pdf
- [2] <https://www.indiaflings.com>
- [3] dcmsme.gov.in
- [4] paisabazaar
- [5] No.64/Ministry of Micro, Small and MEDIUM Enterprises
- [6] <https://msme.gov.in/development-khadi-village-and-coir-industries>
- [7] operational guidelines for cvy