

Making Micro Small Medium Enterprises the Future Growth Engine

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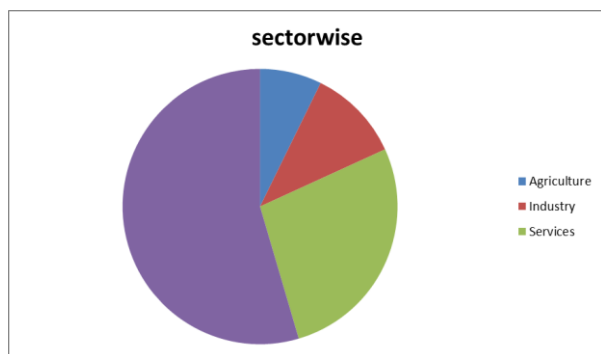
Abstract: Indian Micro Small and Medium Enterprises (MSME) sector has appeared as a highly vibrant and dynamic sector of the Indian economy over the last four decades. The Sector through more than 5,000 products contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from the country. Approach of this paper to know the various Government schemes and how the common man can have benefited by these schemes in long run. Researcher found that by boosting this sector common people get job and purchasing power, in present study we took one of project of solar charkha which can run on the bases Prime minister employment guarantee yojana. Which create demand. Doing so we accelerate engine of growth.

Keywords: GDP, MSME, Economy, Sector, Vibrant employment.

1. Introduction

India is country of 1.3 billion people with more than 3000 odd languages and many more culture and tradition. That is why here doing business is also very unique since very ancient time Indians are habitual to live in combined mega families and so the business also run by family heads in the form of family firms. During me dual time our business grow very rapidly. In colonial era this kind of business hurtled a lot in other word it was killed and ruined to end. After 1947 we had thought to revive this sector in successive Industrial policies 1948, 1956.

2. Structure of Indian Economy



Services sector is the largest sector of India. Gross Value Added (GVA) at current prices for Services sector is estimated at 92.26 lakh crore INR in 2018-19. Services sector accounts for 54.40% of total India's GVA of 169.61 lakh crore Indian rupees. With GVA of Rs. 50.43 lakh crore, Industry sector

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Khadi & Village Industries Commission			
Project at a glance - Top sheet			
1	Name of the Entrepreneur		
2	Constitution (legal Status)	Individual	
3	Father's/Spouse's Name		
4	Unit Address :		
		Block:	
		District :	
		Pin:	State:
		Phone:	
		E-Mail:	
5	Product and By Product	SOLAR CHARKHA SPINNING, WEAVING, PROCESSING & GARMENTS MANUFACTURING UNIT	
6	Cost of Project	Rs.	24,87,694
7	Means of Finance		
	Term Loan	Rs.	22,38,925.00
	KVIC Margin Money	Rs.	6,21,924.00
	Own Capital	Rs.	248769.00
8	Debt Service Coverage Ratio	:	2.39
9	Pay Back Period	:	5 Years
10	Project Implementation Period	:	12 Months
11	Break Even Point	:	47.66%
12	Employment	:	47
13	Power Requirement	:	1 KW
14	Major Raw materials	:	Sliver/Roving
15	Estimated Annual Sales Turnover	:	Rs.8000000.00

3. Production Process

The project captioned "Production of Solar Charkha cloth" envisages deployment of 25 solar power operated charkhas and 10 looms (5 new and 5 old) to one composite unit. The Khadi institutions already possesses infrastructure for production of

1	ABOUT THE PROMOTER:	Khadi institutions / Entrepreneurs		
2	COST OF PROJECT :			
	A. Fixed Capital Investment			
	Land and Work shed	Rental Work shed	Own	
	The requirement of area will be around 2500 sq.ft. (covered-2000, uncovered-500) with rent of Rs.5/- per sq.ft. per month.			
	B. Machinery	Qty.	Rate	Amount (in Rs.)
	8 Spindle Charkha	25	13500.00	337500.00
	Solar Panel, Battery, Motor, Etc.	25	18000.00	450000.00
	Improved Looms (5 new and 5 owned by weaver)	5	40000.00	200000.00
	Garments Machine & Equipment Set	1	375000.00	375000.00
	Total			1362500.00

Breakeven point and ratio analysis:

Particulars	0 Year	1st Year	2nd Year	3rd Year	4th Year
Fixed Cost		978533	959675	943350	922720
Variable Cost		3546998	3981503	4417371	4383515
Total Cost		4525530	4941178	5360721	5306236
Sales		5600000	6400000	7200000	7200000
Contribution (Sales-VC)		2053002	2418497	2782629	2816485
B.E.P in %		47.66%	39.68%	33.90%	32.76%
Break Even Sales in Rs.		2669155	2539561	2440900	2358822
Break Even Units		2669155	2539561	2440900	2358822
Current Ratio		1.19	1.03	0.85	0.62
Net Profit Ratio		21.62%	24.71%	27.08%	27.68%

Khadi using hand spinning and hand weaving process and arrangement for processing the grey cloth.

The raw material supply for the solar charkhas will be ensured through KVIC's departmental Sliver / Roving plants situated at 6 locations in the country. Beside KVIC's departmental units the few Khadi institutions also possess the sliver / roving production facilities. They will also cater the need of raw material to the solar power operated charkhas. However, entrepreneurs will have option to procure sliver/roving from textile manufacturing units.

The yarn produced out of solar charkhas will be converted into cloth using the weaving implements available with the weavers and subsequent processing for dyeing, finishing etc. The units will utilize the garmenting capacity available in the vicinity to convert the cloth into readymade particularly shirts etc.

4. Market Potential

The change of climate has caused major concern about conservation of ecology and nature. Therefore, Government of India is encouraging to use non- conventional energy such as solar energy wherever possible. The products such as towels, bed sheets, pillow covers, duster cloth etc. produced using solar yarn will

Be sold to Government departments, Railways etc. with the support of KVIC.

5. Production planning

The instant project envisages for introduction of minimum of 25 Nos. solar power operated charkha each having 8 to 10 spindles (per charkha) in each unit with 10 weaving implements and Garment Unit containing 5 single needle locked stitch machine, one over locking machine and automatic fabric cutting machine with allied accessories.

The cost of charkha and minimum cycle of working capital will be provided to the Khadi institutions/entrepreneurs through PMEGP Scheme by Banks. The yarn produced through these solar charkhas will be taken-up for further production of garment especially men shirts by the Khadi institutions. It is estimated that around 60 shirts will be produced each day. Therefore, the annual production of the unit will be around 18000 for 300 days operation and the average price of each shirt comes around Rs.445/-.

The unit will also have the option to produce finished products such as bed sheets, towels, pillow covers, duster cloth, uniforms, dungri cloth etc. KVIC through its Marketing Directorate will assist the Khadi institutions for extending support to market their shirts through KVIC Departmental Sales Outlets and also facilitate supply of solar charkha cloth to Government departments, Railways etc.

6. Financial Assistance

Financing of Solar charkha units to be set by Khadi Institutions under PMEGP will receive financial assistance as per the provision of PMEGP with Margin money assistance as provided under PMEGP scheme.

7. Conclusion

India economy as you know is mixed nature with very unstable structure of sectors contribution. Being developing country most of our people still living in rural India with very low income and very little education so we require very robust manufacturing units where less educated people can be employed for very purpose answer is to focus on MSME. This project has tremendous potential to provide jobs and benefits to project holder if he can pay entire loan in 3 years get 35% subsidy and re -loan of 1.5 Cr by which one can provide jobs to at least 50 odd individual and handsome amount of profit

because interest required is only 4% which is lowest in Asia.

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