

## REMEDIES AND SUGGESTIONS OF MICRO, SMALL AND MEDIUM ENTERPRISES IN RAJASTHAN

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Subodh Prakash\*

### ABSTRACT

*The merger sector in Rajasthan has made subtle progress during the last three decades. Although the number of micro, small and medium enterprises in Rajasthan is very high, but they have not developed wealth and adequately, due to many of the above problems and are facing industrial sickness. The sector continues to increase its contribution to the economic development of India, which requires further strengthening and ordering of organizations operating in the state for the development of micro, small and medium enterprises, so it has given them any need for efficiency. Able to work with degree. The main objective of this paper is to study the remedies in the field of global economy, and effort has also identified the factors affecting MSMEs.*

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**Keywords:** MSME's, Issues, Remedies, Global Economy, Economic Development.

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### Introduction

In the last few years, the importance of Micro Small and Medium Enterprises has been recognized everywhere in various economies, whether it is a developed economy or a developing economy. Industrial development is essential part for the economic growth of any country. The MSME sector is a central pillar of the industrial growth of any country. Micro, small and medium enterprises play an important role in the development process of any country and promote economic prosperity by broadening the meaning of entrepreneurship using local raw materials and local skills. MSMEs work on the industrial scenario in the country with high labor force and increase the export potential of any country. Along with the economic development of the country, the MSME sector also promotes regional development.

In India MSMEs play an important role in economic development and contribute 29.7% of the GDP of India and 49.66% of the total exports in India. MSME sector provides employment to about 60 million urban and rural people of the country through 28.5 million enterprises followed by agriculture sector in India.

MSMEs have always played a vital role in the Indian economy. This sector can stimulate economic activities and is interested with the responsibility of realizing various objectives generation of more employment opportunities with less investment, reducing regional imbalances. This study provides types of facilities for these enterprises for examples providing information about latest techniques training facilities. The study facilities market assistance and machinery equipment.

### Objectives of Study

- To find out the problems and hurdles faced by Micro, Small and Medium Enterprises in Rajasthan.
- To give suggestions and proper remedies for the growth of Micro, Small and Medium Enterprises sector in Rajasthan.

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\* Research Scholar, Raj Rishi Bhartrihari Matsya University, Alwar, Rajasthan, India.

### Literature Review

Different aspects interconnected to MSMEs have been exercised by various scholars in India. Attempted have been made by the researchers to examine the relevant literature on MSMEs from a microscopic level. Following are some important studies.:

**Sen, Salim (2016)** conducted a study to address the problems of various regional disparities in the development of micro, small and medium enterprises. Realizing the importance of this sector, the Government of West Bengal along with the Government of India launched some schemes to address the issues of high cost of credit, staffing, planning and inadequate framework.

**Vasa (2016)** directed a research on some specific industries of chemical, pharmaceutical and textile of India and China and their results on the production of Enterprises of these fields. However, till now there are some problems associated with MSMEs, such as lack of capital adequacy, lack of penetration in the global market, high cost of credit, problems of staffing, planning and product performance, and inadequate infrastructure etc.

**N. Aruna (2015)** told that there are many problems faced by the Enterprises due to these problems the performance of Enterprises gets affected which hinders the progress of the sector. In addition, the data collected has shown that India's overall globalized business environment has been conducive to the growth of micro and small scale industries. Simple and clear policies and acts should be made so that these enterprises can understand them and use and implement them in business for compliance and secure profits. There are many government schemes but it has been seen from the study that most of these enterprises are not aware and do not understand how they can benefit from them.

**Ministry of Micro, Small and Medium enterprises, 2013** issued the Inter Ministerial Committee for Accelerating Manufacturing in MSMEs' paper describing slow down in the comprehensive growth of MSMEs in recent years, especially past 2009. It focused on the consequence of the MSMEs, changing the tendency in employment growth in this sector and addressed covers regarding setting up an enterprise and sustained it successfully. It also commended support systems for uplifting start ups, doing and enlarging business and ease of closure and exit and also drew light on the need to do so. It also suggested changes in labour laws and gives product specific recommendations.

**Abdul Naser.V, 2013** desperately assessed the contributions made by the micro, small and medium enterprises in the balanced growth of the Indian economy. The study says that since 55% of the total enterprises set off in the rural areas they promote inclusive growth and regional equity. They play a very critical function in employment generation and contribution to the GDP, manufacturing output and export of the country. The paper also call attention to the issues faced by the sector and its need for framework support.

**Export-Import Bank of India, 2012** studied and documented the current scenario of MSMEs and support structures setup for them in India along with select countries of Europe, Asia, Latin America etc. It studies MSMEs in the Indian as well as global atmosphere. It explains the advancement of Indian MSME policies over time. During 1948-1990 the purpose was to enlarging employment opportunities and balanced allocation of national income, and to make MSMEs more competitive in the event of liberalization during 1991-1999 and the objective has been development and promotion of the sector by addressing challenges relating to credit, infrastructure, marketing and technology. It also initiated the present issues faced by the Indian MSMEs and the approaches for their growth based on past experiences of India and other countries such as China, Japan, Malaysia, Thailand, Mexico, Philippines etc. It propose that Indian MSMEs must have obtain additional origins of capital like angel funds/risk capital etc, the existing legislatures need to be toned up to handle insolvencies and bankruptcies; the ceiling limits need to be redefined to encourage MSMEs to move up the value chain; the strategies need a cluster development approach to increase the level of competitiveness; contending, Japan, Korea and Malaysia technological innovation and R&D must be encouraged among MSMEs and entrepreneurship must be encouraged via skill formation and learning mechanisms.

### Major Remedies Adopted by the MSMEs area

- **Equitable Allocation of Raw Material**

The MSMEs units should be given adequate degree of priority in the allocation pattern of essential but is Raw materials imported components and equipment.

- **Improving Infrastructures**

Infrastructure's facilities can be improved by setting up industrial estates common testing centers etc. Infrastructural problems can be solved by improving the roadways, waterways and airways facilities, establishing Systems.

- **Financial Assistance**

Lending agencies need to relax their lengthy process and other norms for extending credit to the MSMEs to concert the incidence of sickness financial institutions should grant credit without delay to MSMEs sector. Promoters capital in the MSMEs unit is Generally small and generation of interval resources small and slow. Therefore they depend on the external sources of finance in a substantial measure.

- **Marketing Assistance**

Marketing of their products at remunerative price is the major problem of MSMEs units. Many of times, it becomes difficult for MSMEs to sell their products, due to lack of proper marketing facilities and publicity. Marketing assistant may be provided to entrepreneurs for marketing the goods produced by them. Government and non government organizations can come forward for marketing the goods produced by the MSME sector.

- **Liquidation**

It is better to wind up the business when there is no possibility to revive the unit.

- **Industrial Education and Training**

A proper environment must be created where an entrepreneur will be educated and will have a proper knowledge, skill and external environment of business to complete with large scale industries and multinational companies with full advantage of changing technique of production, dispensation of technical knowledge, both to the MSMEs entrepreneur as well as their workers should form an essential elements of the overall strategy.

- **Technology Up-Gradation**

Funds may be provided the financial institutions for adoption advanced to technology updating the methods and techniques of productions of quality goods contouring to standards. The role of the government in this respect is quite significant the quality of products should be guaranteed and malpractices like adulteration, misrepresentation etc. need to be curbed drastically.

### **Suggestions for Improvement**

The above mentioned problems suggest their own remedies for hedge purpose. The following suggestions are made to flourish the MSME sector.

- **Techniques**

Equipment and imported SE series may be insured by suitable measures. The supply of good raw material should be regular and at reasonable rates.

- **Marketing Support to MSMEs**

Marketing is the most important in business development that leads a product from creation to customer through different channels. Marketing is a fabulous activity that requires constant update on the marketing intelligence and new tools of marketing.

- **Skill Development**

Lack of Skilled Manpower and Information as well as lack of reaching to the modern technology are the issues affecting the growth of MSME sector. The ministry conducts a large number of short term as well as long term' cause it's to trained employed youth to self employment to provide necessary skill to the youth to make their eligible for wage employment and also the upgrade the skill level of existing workers and entrepreneur of MSMEs sector.

- **Improvement the Quality**

The Micro Small and Medium Enterprises units should improvement the quality and aesthetics of the packaging in order to attract to the customers.

- **Rate of Interest**

The Bank should provide Short Medium and long term loan at the lower rate of interest to Units.

- **Support from the Government and the Bank**

The proper support from the government and bank two face cut throat Competitions should be given to utilized the production capacity to fulfill the objectives of the organization. MSME's need to be supported by central and state government and financial institutions.

- **Effective National Economic Planning**

Government should have effective national economic planning where intense competition among MSME units will lead to continuous improvement in productivity national cohesion and solidarity.

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