

# Analysis Of Modern Trends Of Msme In Raipur Division Of Chhattisgarh

Manvi Sharma<sup>1\*</sup>, Dr. Sampda Bhav<sup>2</sup>

<sup>1\*</sup>Researcher, MSBS Department, MATS University Raipur (C.G.)

<sup>2</sup>Associate Professor, MSBS Department, MATS University Raipur (C.G.)

\*Corresponding Author: Manvi Sharma

\*Research Scholar Department, MSBS, MATS University, Raipur Chhattisgarh India, Email: smanvi2012@gmail.com

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## ARTICLE INFO







## ABSTRACT

The concept of MSME Development Act 2006 is a resolution brought by the government which focuses on industrialization because the development of these industries (micro, small and medium) is the only way to make the country's sustainable and economic development possible. Industrialization means the socio-economic transformation of the country, which has to increase manufacturing dependence along with focusing on agriculture. Through the presented research, an attempt has been made to analyze the growing trends of micro, small and medium industries in Chhattisgarh, business challenges and their related solutions.

**Key-words** – MSME, Chhattisgarh, Industrial Policy.

**Introduction** – Chhattisgarh is counted among the leading states of India. Chhattisgarh state currently has a total of 33 districts and 5 divisions. One of them is Raipur division which is one of the industrially developing divisions. Due to the abundance of natural resources, it is a suitable place to set up MSME industry. The industrial policy of the state plays an important role in the successful operation of any enterprise. The main focus of the industrial policy is to create awareness about the safe use of incentives and financial assistance. When the state develops industrially, an increase is also seen in the production, capital structure, employment and income of that state. As a result, the standard of living, tolerance, education and health system of the people of that state also develops. The primary responsibility of the promotion and development of MSME lies with the state government through various initiatives. The needs, capacity, challenges and problems of micro, small and medium industries not only vary with the nature of the activity but also their organizational structure and size. Micro and small industries in the state also include small, cottage, rural and modern industries. These industries manufacture different types of products.

**Classification and definition of MSME** – According to the MSME Development Act 2006 in India, micro, small and medium industries are classified on the basis of investment of plant and machinery in these industries. During the global pandemic, the Government of India redefined MSME to increase the economic progress of the country. According to the new definition, the classification of MSME will be decided on the basis of the criteria of investment in the industry and total sales (turnover).

Manufacturing sector	service	Investment	Total sale
Micro		Up to 1 Crore 	Up to 10 Crore 
Small		Up to 10 Crore 	Up to 50 Crore 
Medium		Up to 50 Crore 	Up to 250 Crore 

It is clear from the above table that the new definition of MSMEs combines manufacturing and service sectors and allows them to avail the same benefits. The new definition has expanded the investment and turnover Criteria for MSMEs. Micro industries include those industries whose investment is up to Rs. 1 crore and turnover is up to Rs. 10 crore. Industries with investment up to 10 crore and turnover of up to 50 crores falls under the category of small industries. The investment and turnover limits of medium class industries are

higher than small industries. Industries with investment of Rs. 50 crore and turnover of Rs. 250 crore fall under the category of medium industries.

### Research Reviews –

1. Das. P. (2017) has focused on the huge potential and opportunities for development of the MSME sector in India. In the presented research paper, he has identified the key issues and challenges of MSME and has also given suggestions related to these, for which the researcher used secondary data. The researcher found that this sector has shown enough resilience to help itself.
2. Unni. J. (2020) The presented research paper looked at the impact of the COVID-19 pandemic on the informal economy and MSMEs. He pointed out the need for macro level forecasting of employment and GDP loss in the country. This will help in policy making and implementation of the plan in the short term.
3. P. (2018) The presented research paper focuses on the performance and growth prospects of MSMEs. The researcher has used exploratory research and secondary data in the presented research paper. It has been found through research that the MSME sector contributes significantly to the destiny, employment and manufacturing of the country.

### Research Objectives -

1. To analyze the performance of MSMEs in development in Raipur division of Chhattisgarh.
2. To study the challenges faced in MSMEs by Raipur division of Chhattisgarh.

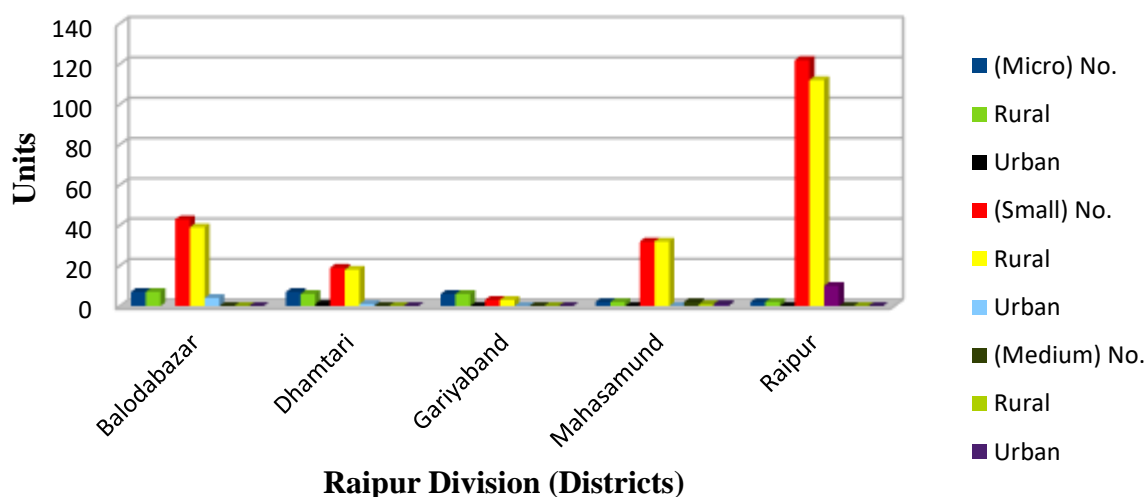
**Research Methodology** – The present study is based on a descriptive analytical approach. This research data is based on secondary data taken from various reports of Chhattisgarh, Industry Department, MSME report.

**Analysis** – In the presented research study, the trend of MSME industries in all the districts (Raipur, Mahasamund, Gariyaband, Dhamtari and Baloda Bazar) under Raipur division for 3 years has been shown through information which is as follows -

### Session (2018-19)

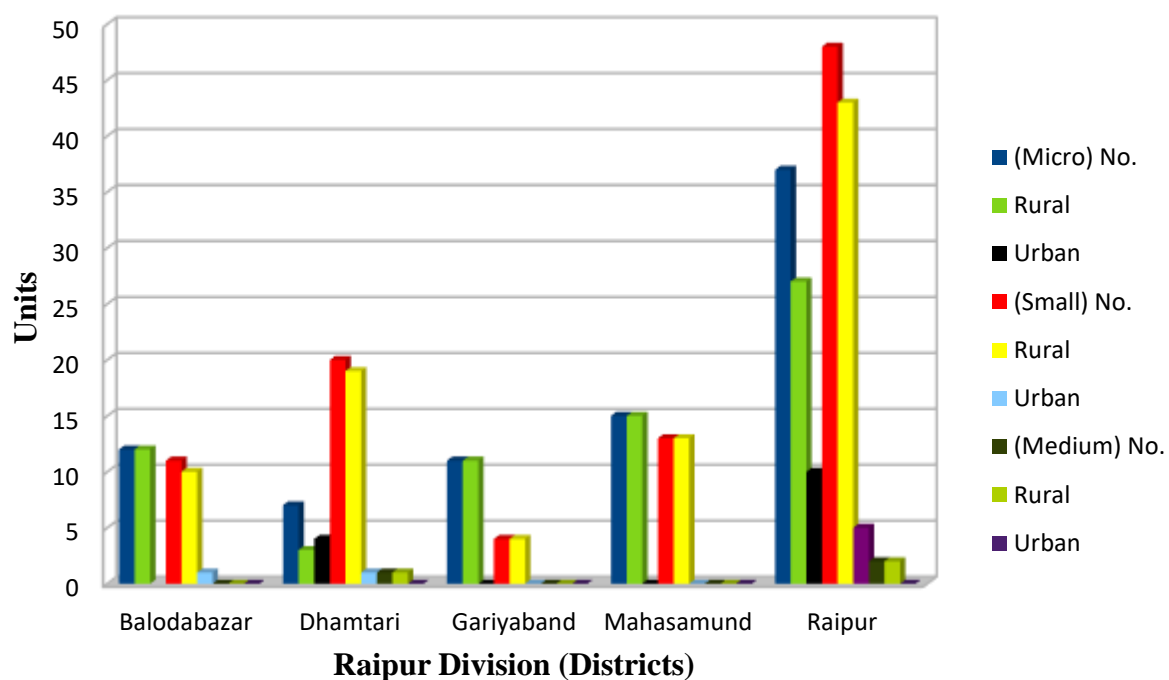
Raipur Division (Districts)	(Micro)			(Small)			(Medium)		
	No.	Rural	Urban	No.	Rural	Urban	No.	Rural	Urban
Balodabazar	7	7	0	43	39	4	0	0	0
Dhamtari	7	6	1	19	18	1	0	0	0
Gariyaband	6	6	0	3	3	0	0	0	0
Mahasamund	2	2	0	32	32	0	2	1	1
Raipur	2	2	0	122	112	10	0	0	0

### Session (2018-19)

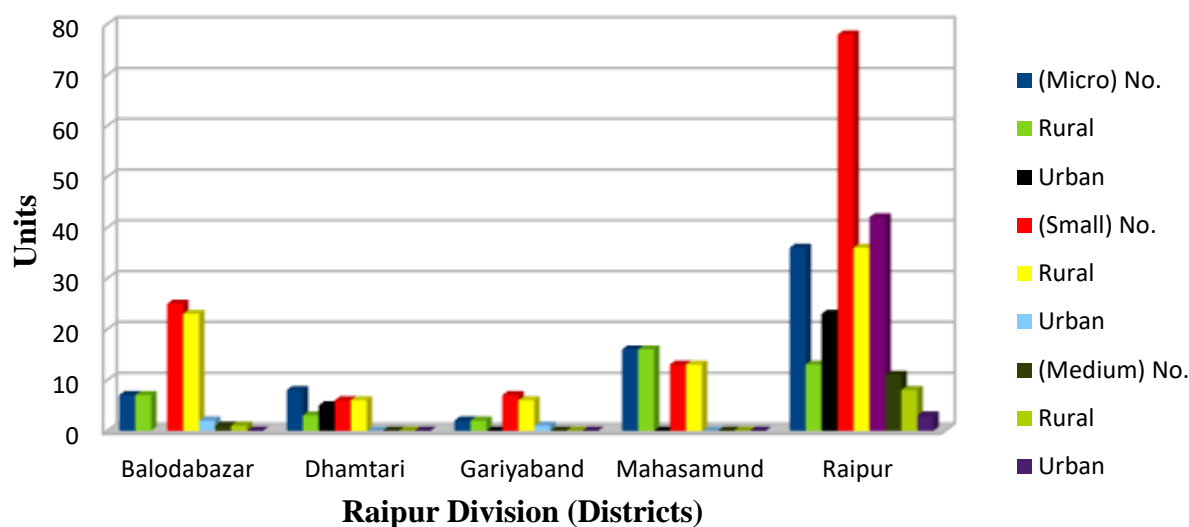


**Session (2019-20)**

Raipur Division (Districts)	(Micro)			(Small)			(Medium)		
	No.	Rural	Urban	No.	Rural	Urban	No.	Rural	Urban
<i>Balodabazar</i>	12	12	0	11	10	1	0	0	0
<i>Dhamtari</i>	7	3	4	20	19	1	1	1	0
<i>Gariyaband</i>	11	11	0	4	4	0	0	0	0
<i>Mahasamund</i>	15	15	0	13	13	0	0	0	0
<i>Raipur</i>	37	27	10	48	43	5	2	2	0

**Session (2019-20)****Session (2020-21)**

Raipur Division (Districts)	(Micro)			(Small)			(Medium)		
	No.	Rural	Urban	No.	Rural	Urban	No.	Rural	Urban
<i>Balodabazar</i>	7	7	0	25	23	2	1	1	0
<i>Dhamtari</i>	8	3	5	6	6	0	0	0	0
<i>Gariyaband</i>	2	2	0	7	6	1	0	0	0
<i>Mahasamund</i>	16	16	0	13	13	0	0	0	0
<i>Raipur</i>	36	13	23	78	36	42	11	8	3

**Session (2020-21)**

Source : Directorate of Economics & Statistics  
(descg.gov.in)

From the analysis of the above table, it is Known that in the last 2 years, there has been an increase in the trends of MSME industry in Raipur division. But in the year 2020-21, the number of these industries has decreased. ON the basis of information of 3 year, it has been seen that there has been a continuous increase in the number of small industries in Raipur division. Most small industries are located in Raipur district. The least small industries are in Gariyaband district. These small industries have been found more in rural area. The number of micro industries is continuously increasing in the last 3 years, the maximum micro industries are in Mahasamund and raipur districts. At the same time, the least micro industries are in Gariyaband. The condition of medium industries is much worse than micro and small industries, no significant increase is seen in the number of medium industries under 3 years. In the year 2020-21, more medium industries have been established in Raipur district as compared to the previous year, but these figures are not satisfactory. From the past years, it is known that Raipur division has the least number of medium industries, in the year 2020-21, a total of 11 medium industries were established, out of which 8 are in rural and 3 in civil area, these figures are only of Raipur district, in other district of Raipur division (Mahasamund, Gariyaband, Dhamtari) the number of medium industries was zero in the year 2020-21, only in Baloda Bazar district one medium industry was established in the year 2020-21 which is in the rural area.

Analysis shows that the weakest position is of medium industries. There is a need to focus more on “medium industries” in Raipur division. There is a need to find out the reasons for the lack of medium industries and the challenges they are facing.

**Challenges** – There are various challenges faced by MSME industries, especially medium industries in Raipur division, which are hampering the growth of medium industries-

1. Infrastructure – Infrastructure is essential for the smooth functioning of MSME industries. MSMEs located in rural area often have inadequate infrastructure and inadequate infrastructure affects not only their capacity but also their ability to compete globally, further limiting the growth potential of MSMEs.
2. Lack of technological change and innovation – Most MSMEs are dependent on old technologies and lack of entrepreneurs who accept new equipment and new technologies. Due to which their productivity and competitiveness are being affected.
3. Lack of financial availability – Unavailability of finance is also an important challenge faced by MSME sector. Even today, timely financial assistance is not received to start an industry in the state, due to which MSMEs have to use their own resources, which further reduces the possibility of growth of MSMEs.

**Suggestion** – A successful policy strengthens the economy by ensuring the development of the state. It gives guidance and direction to the state. The state government needs to develop new programs and new technology to promote micro and small industries at both urban and rural levels. Old technology prevents industries from growing to their potential.

Infrastructure development is necessary to establish medium industries rapidly. Medium industries, especially in rural areas, should include ample infrastructure facilities such as road, railway, proper channel,

telecommunication, adequate supply of electricity, design center, tool room, training laboratory etc. In the current scenario, the most affected MSME is the medium industry, which needs low cost loans, better research and development support to establish and encourage it. A strong base can be provided to MSME by successfully and systematically implementing the rules in the policy. A scheme is considered successful only when the information and benefits of that scheme reaches the last person in the society.

**Conclusion** – MSME of Raipur division has a significant contribution in the economy of Chhattisgarh. In the last few years, MSME has seen growth, but at the same time it is also facing many problems. The government needs to take corrective measures to solve the problems faced by MSME industries. For this, the government should implement appropriate policy measures.

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