



## Role of Msme In The Development of Tamil Nadu

### KEYWORDS

MSME Growth, employment opportunities, MSME EM filling.

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**ABSTRACT** MSME sector has a major contribution to economy of Tamil Nadu. In recent Yrs, the MSME sector has consistently registered higher growth rate compared with the overall industrial sector. The MSME sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products & services and levels of Technology. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of large enterprises. This paper focuses on the Role of MSME's in the Development of Tamil Nadu.

#### INTRODUCTION

MSME's play an essential role in the overall industrial economy of the country, MSME form the backbone of the Indian economy and have become engine of economic growth in India. It provides employment to about 58.83 lakh persons. T.N. has 8.44 lakh registered MSME's. MSME's in T.N. produce over 8000 varieties of products including engineering products, electrical, electronics, Chemicals, plastics, Paper, Textiles, Readymade garments and Steel.

MSME's usually operate in the former sector of the economy and employ mainly wage-earning workers. The sector not only plays a critical role in providing employment opportunities but also helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income and wealth.

#### OBJECTIVES OF THE STUDY

- To analyze the growth of MSME's in Tamil Nadu.
- To find out the opportunities for entrepreneurs in MSME's.
- To critically examine the opportunities of employment greater by the MSMEs.

The Micro, Small, Medium enterprises development (MSMED) Act 2006,

#### Classification of enterprises:

The earlier concept of "Industries" has been changed to "Enterprises".

Enterprises have been classified broadly into:

1. Enterprises engaged in the manufacture / production of goods pertaining and industry.
2. Enterprises engaged in providing / rendering of services.

#### Manufacturing enterprises:-

Have been defined in terms of investment in plant & machinery (Excluding land & Building) and further classified into:

- |                   |   |   |
|-------------------|---|---|
| Micro Enterprise  | - | investment upto Rs. 25. lakhs                       |
| Small Enterprises | - | investment upto Rs. 25. lakhs and upto Rs. 5 Crores |

Medium enterprises-		above Rs.5 crores and upto Rs.10 crores.
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#### Service enterprises :

Have been defined in service enterprises terms of their investments in equipment (excluding land and building) and further classified into:

- |                     |   |  |
|---------------------|---|--|
| Micro Enterprise    | - | investment upto Rs. 10 lakhs                       |
| Small Enterprises   | - | investment upto Rs. 10 lakhs and upto Rs. 2 Crores |
| Medium enterprises- |   | investment above Rs.2 crores and upto Rs.5 crores  |

The major advantage of the sector in its employment potential at low capital cost.

The labour intensity of the MSME sector is much higher than that of large enterprises. MSME's constitute more than 90% of total enterprises in the more of the countries.

#### MSME EM PART I FILING

MSME EM part I filing (Entrepreneur memorandum) is one of the main documents for recognition to obtain incentives and concessions from government & government agencies. Initially once a person thinks of starting an industry he should determine the activity the location. Then he has to file for an EM part I (Provisional registration) to District Industries centre. This filing helps the entrepreneur to get the priority in getting the power connection from TNEB. Also the financial institution needs this certification wherever, the bank goes for refinances with major financial institution such as SIDBT, ICICI, IDBI NABARD etc.,

#### MSME EM PART II FILING:

After commencing the production, EM part II filing and getting acknowledgement from DIC is essential. This acknowledgement helps the entrepreneur in getting all the incentives & subsidies eligible to them, further concession in duty while importing capital goods etc.,

#### ADVANTAGES OF FILING:-

1. Priority in getting the electricity power connection telephone connection.
2. While competing in tenders, EMD & S.D exemption are eligible for SSIs and tender forms may be given

free of cost.

3. Power tariff will be charged under III-A and III-B only.
4. Single window clearance facility is available to get various clearances from government departments to set up industry.
5. Orders have been issued for exclusive procurement of reserved items from SSI units only by government department.

#### FILING OF MEMORANDUM BY MSME'S :

- Process of two-stage registration for micro and small enterprises dispensed with and replaced by filing of memoranda.
- Filing of memorandum optional for all micro and small enterprises.
- Filing of memorandum in optional for all service sector medium enterprises.
- Filing of memorandum mandatory for manufacturing sector medium enterprise.

**TABLE – 1 GROWTH OF MSME SECTOR OVER THE PLAN PERIODS IN TAMIL NADU.**

Period	No of registered SSI (MSME) units	Investment (Rs. in Crores)	Production (Rs. in Crores)	Employment Nos
End of IX five year plan	4,19,524	12166.19	83904.80	3,104,477
End of X five year plan	5,30,552	16819.82	10597951	3703,408
End of XI five year plan	7,60,269	39,438,13	166951.19	5299,875

Source : Policy note : 2013-2014, Demand no.44

This table indicates the growth of the MSME sector out the five year plan periods in Tamil Nadu.

#### CONCLUSION

MSME as a major contributor towards growth of domestic economy and employment generation, should also get adequate support for its growth and development in the terms of policy framework and increase in financial aids to entrepreneur. Even though governments taking an increased interest in promoting the growth of entrepreneurial development, subsidies and incentives should be increased and individuals encouraged to form new business by motivation campaign.

#### REFERENCE

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