



## IMPACT OF ATMANIRBHAR BHARAT ABHIYAN ON MSME'S

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### ABSTRACT:

*Atmanirbhar Bharat Abhiyan which decrypt to " self-reliant India", "self-dependent India" and is the main goal of "making in India" and vital part of this mission enhance the global economy of India and key vision of Atmanirbhar Bharat lies in sustainable development, self-sufficient and promoted only dependent on our nation product and resources and promoting eco-environment lifecycle of production. Atmanirbhar Bharat main agenda is to support MSME and create good infrastructure for them and encourage MSME for domestic value addition product by all products produced in our country and reduce in use of imported goods. This mission also promoted to MSME produce import substitution goods in our nation. The MSME sector is the most-demanded vibrant dynamic and important pillar of the Indian economy. This sector contributes highly employment generation opportunities, socio-economic development and also the development of nation backward and rural areas. The Government of India promoted MSME through various Atmanirbhar Bharat schemes to make the MSME sector attractive and competitive advantage in the national as well as international level by providing skilful entrepreneurs and many types of credit facilities for MSMEs.*



**KEY WORDS:** *Atmanirbhar Bharat, MSME, Scheme, Economy, Entrepreneurship, Economic development/ Growth, Empowerment.*

### INTRODUCTION

Atmanirbhar means 'self-reliant'. On 12<sup>th</sup> May 2020, Prime Minister Narendra Modi announced in his address to the nation an economic package of Rs. 20 trillion to tide over the Corona Virus Crisis under the Atmanirbhar Bharat Abhiyan. It is an initiative started by the Government of India on 13<sup>th</sup> May, 2020 towards making India Self-reliant. Hon'ble Prime Minister of India, Shri. Narendra Modi announced an economic package of INR 20 lakh crore as aid to support the country in the times of pandemic. Self-reliant India is based on the five pillars. Economy, Infrastructure, Technology driven system, Vibrant Demography and Demand.

The aim of the Aatmanirbhar Bharat Abhiyan is to make the country and its citizens independent and self-reliant in all aspects. Aatmanirbhar Bharat Abhiyan promises to provide benefits to everyone from every sector. It aims to be self resilient to face the competition with the global supply chain. The package will support the poor, labourers and migrant workers from both organized as well as unorganized sectors. Long-term modifications in critical sectors keep them globally competitive and

attractive. Substantial growth in the e-commerce in industrial sector. Boost in the supply chain logistics industry. Lots of employment opportunities soon in the country.

Three critical aspects for the success of MSMEs are Availability of Skilled Labour in MSME clusters, Financial Stability, and Market Competitiveness of their products to both achieve import substitution as well as exports. The aim is to make the country and its citizens independent and self-reliant in all senses. He further outlined five pillars of Aatma Nirbhar Bharat. Economy, Infrastructure, Technology driven system, Vibrant Demography and Demand. On 1<sup>st</sup> June, Monday, the Union Cabinet headed by Prime Minister Narendra Modi officially revised the MSME definition. The recent changes in the definition of micro, small, and medium-sized enterprises made as a part of the Atmanirbhar Bharat Abhiyaan relief package were approved.

### Five pillars on which Atmanibhar Bharat is to be based:

India's self-reliance will be based on five pillars

1. Economy
2. Infrastructure
3. Technology driven system
4. Vibrant demography
5. Demand

The mission has focused on the supply chain of other countries in India and the goal of the Government of India is to reduce the supply chain of import goods in India by the other country. The supply chain first broke from China being the first state to get affected by the COVID epidemic. China is a manufacturing hub and hence a crucial link in the supply chain. Since the Pandemic began there, the supply chain across the world has been affected, and countries like India are finding it difficult to make products and services available across. India imports 85 per cent of pharmaceutical ingredients, 55 per cent of electronics, and 27 per cent of automotive parts from China but now the Country is looking for manufacturing local production and local supply chain to come out of this challenging period by initiative Atmanirbhar Bharat.

### REVIEW OF LITERATURE:

**Dubey & Sahu (2020)** noted that the government had announced Atma Nirbhar Bharat Abhiyan for developing all the entrepreneurs but it has mainly focused on the MSME sector. This mission has taken the step for agriculture base manufacturing activity for the promotion of MSME. However, it will help to create more employment in India and improve their business that's using a natural resource for making their product. The study is based on secondary data and data is collected through articles, websites and news. This is descriptive in nature and qualitative data gathered by the researcher.

**Mehta & Awasthi (2021)** indicated that MSME has been playing a significant role in the Indian economy for financial growth and development. Moreover, about 36.1 million units of micro small and medium enterprises are putting their efforts into making products and it would assist in Indian export for improving. The study has been dependent on secondary data and correlation and regression methods have been used to complete the objectives. Ultimately, MSME engages roughly 6.11% of the manufacturing GDP that is helping to grow the economy.

**Majumder & De** concluded that the government has decided to implement EXIM policy for MSME to enlarge the opportunities and move forward to worldwide level by Atma Nirbhar Bharat Abhiyan and make in India scheme. It would create more awareness and education among people for remaining competitive from another country and promote to take participate in the foreign trade fair. The study is based on secondary data and data is collected by research papers, articles, newspapers etc. with the implementation of EXIM policy helps to step forward from traditional to non-traditional items like MNCs and e-commerce.

**Lal, et al. (2020)** observed that the government of India implemented Atmanirbhar Bharat mission mainly for two significant issues, which are to the advancement of MSME and more dependent

on domestic products. The study has been based on secondary data such as websites, articles and research papers. It was based on descriptive in nature and qualitative studies have been used to complete the objectives. The government has taken the step to construct new jobs and improving in export which would help to contribute to GDP.

**Sheikh (2020)** concluded that the government has moved towards a self-reliant India and for achieving the mission MSME was there to maintain economic employment. Indeed, small scale industries are facing credit requirements so the government has launched several schemes to fulfil their necessities. We studied the banking industry had provided various services about to financial for developing to MSME and Indian government are trying to hold the opportunity as FDI and export shifted from China to India.

**AMENDED DEFINITION OF MSME:**

The definition of MSME itself travelled hoops in the COVID scenario. The definition of Micro, Small and Medium enterprises in terms of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as under:

**OLD DEFINITION OF MSME SOURCE:**

Earlier MSMEs Classification			
Criteria: Investment in Plant & Machinery or Equipment			
Classification	MICRO	SMALL	MEDIUM
Manufacturing Enterprises	Investment < Rs. 25 lakhs.	Investment > Rs. 25 lakhs to < Rs. 5 crores	Investment > Rs. 5 crores to < Rs.10 crores
Service Enterprises	Investment < Rs. 10 lakhs.	Investment > Rs. 10 lakhs to < Rs. 2 crores	Investment > Rs. 2 crores to < Rs. 5 crores

**Source:**Notification by Ministry of Small-Scale Industries dated 5th October 2006.\*

Following the old definition of MSMEs which was based on law threshold limits of investment but in general plant and machinery or equipment. This low threshold limit does not reproduce the present rise in the price index of plant and machinery or equipment which formed a panic behind the benefits enjoyed by the units enclosed under MSME definition on expansion. A new definition has been welcomed by businesses and industries under the criteria of investment and annual turnover, which is also the same for both the manufacturing and service sector. The revised definition is as follow:

Amended MSMEs Classification effective from 1st, July , 2020			
Composite Criteria: Investment and Annual Turnover			
Classification	MICRO	SMALL	MEDIUM
Manufacturing and Service Enterprises	Investment < Rs. 1 crore and Turnover < Rs. 5 crores	Investment < Rs. 10 crores and Turnover < Rs. 50 Crores	Investment < Rs. 50 crores and Turnover < Rs. 250 Crores

**Source:** Notification by Ministry of Micro, Small and Medium Enterprises dated 1st June 2020.

In the mission to provide safety MSMEs from overseas competition, global tenders of up to Rs.200 crore has been prohibited in government procurement tenders.

**MAIN OBJECTIVES OF REVISION OF THE CLASSIFICATION OF MSME'S:**

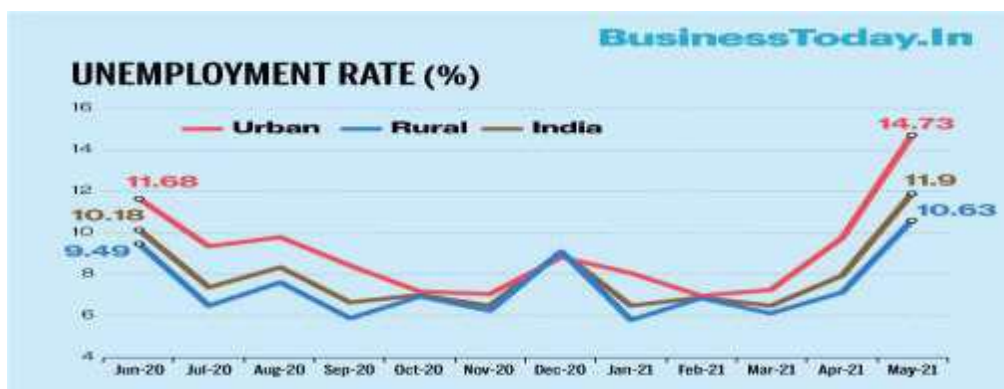
- ✓ To smooth the progress of credit flow to MSME units.
- ✓ To improve their competitiveness.
- ✓ To progress their industrialized foundation through hi-tech up-gradation
- ✓ To employ come together support promotions for MSMEs
- ✓ To supply marketing support to MSMEs and offer Skill-development and entrepreneurship-development training.

**BENEFITS ARISING FROM THE AMENDED DEFINITION:**

- ✓ The amended definition of MSME's resolve verify to be a boon to this sector and will start in liquidity in them.
- ✓ Units under this category with turnover up to Rs. 100 Crores and outstanding credit up to Rs. 25 Crores would have been eligible to have a loan of up to 20% of their whole outstanding credit since of 29<sup>th</sup> February 2020". this liquidity would assist such units to meet up their working capital requirements. auxiliary, these loans are collateral-free of charge which over again support the easement to MSME units.

**ATMANIRBHAR BHARAT ABHIYAN – A MOVEMENT TOWARDS SELF-RELIANCE:**

The epidemic has been infected the Indian people in the early 2020s and that is being continued in 2021 has formed a sense of insecurity in the nation. A large section of the residents belongs to the middle class and lower classes of the society. The rural India who has previously stressed to grow up amongst diverse difficulties and India is believed to have hit a low on the employment rate in 2020-21 owing to the complete lockdown. The Unemployment rate of the country was 11.9% in May 2021 which is extremely high compared to the 6% in September 2020.



It is believed that more than 1 crore persons have lost their jobs and the income got by most of the households in the country have radically reduced and therefore persons are forced to discover alternate sources of living. Self employment is the most excellent option to facilitate the citizens can choose for at present.

**ATMANIRBHAR BHARAT – SPECIAL SCHEME FOR INDIAN MSME'S:****Collateral-free automatic loans for businesses scheme**

The government of India has decided to collateral-free credit available to every micro, small and medium enterprise and they are providing facilities without collateral required up to Rs. 3 lakh crore with a 100 per cent credit guarantee. Every old and new business sector are availing this benefit in this scheme.

**EMERGENCY CREDIT LINE GUARANTEE SCHEME (ECLGS):**

- ✓ Under this scheme, the government of India had announced an emergency credit facility to the small scale industry and this facility has been provided by private sector banks and 31 non-banking financial companies (NBFC). By this scheme grants extra benefits such as credit amounting to Rs. 2.06 lakh crore has been certified to concerning 80 lakh borrowers, whereas Rs 1.58 lakh crore has been distributed to 41 lakh borrowers which are reported by public sector banks.
- ✓ Banking and non-banking financial companies (NBFC) have provided Emergency Credit Line Guarantee Scheme (ECLGS) to the businesses or MSMEs up to 20% of the complete outstanding credit as of 29.2.2020 and giving Rs. 20,000 crore for subsidiary debt for stressed MSMEs.

**OTHER MEASURES:**

- ✓ An e-market association has been promoted to substitute trade fairs and exhibitions and it would assist the Small scale enterprises in overcoming marketing troubles in the epidemic condition.
- ✓ FinTech is being used to augment transaction-based lending and using the data which is created by the emarketplace.
- ✓ The MSME obtainable by the government and Central Public Sector Enterprises would be free in 45 days Making sure the liquidity in the hands of MSMEs. Indeed it will lead to the soft performance of the business and help to grow the economy.

**CONCLUSION:**

Under the atmnibhar bharat abhiyaan the government revised the MSME classification criteria of both investment and turnover also so that the MSME can further expand their operations. This scheme provided various benefits like a collateral-free automatic loan, fund of fund facility, e-market linkage etc. Atmnibhar bharat abhiyan has given the importance of MSME for the revival of the Indian economy and booting the self-reliance of domestic products and decrease in the use of imported products. The import of 101 lists of products has been stopped in India. The Unemployment rate of the country was 11.9% in May 2021 which is extremely high compared to the 6% in September 2020. Through this mission, three critical aspects for the success of MSME are provided availability of skilful labors in MSME cluster, financial stability and market competitiveness of their product to both achieve import substitution as well as export. The MSME sector is the most-demanded vibrant dynamic and important pillar of the Indian economy. This sector contributes highly employment generation opportunities, social-economic development and also the development of nation in backward and rural areas.

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