

# An Empirical Study on Problems and Prospects of Micro, Small and Medium Enterprises (MSMEs) in Madhya Pradesh

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## Abstract

When it comes to economic and social development of a country, mention of Micro, Small and Medium Enterprises (MSMEs) is unavoidable. No discussion on economic development is complete without the mention of the contribution of MSME sector. In a developing country like India with a population count of over 130 crores; the MSME sector plays a vital role in economic development. The Indian state of Madhya Pradesh is known as the 'Heart of India' and possesses all the ability to grow as an industrial hub of the country. It is the second largest state by area and fifth largest state by population. The state is rich in natural resources and is the second most preferred states for corporates to setup their businesses. Despite all the geographical advantages, MSMEs in the state have not been flourished to their full potential. In this paper, an attempt has been made to study the problems and prospects of MSMEs in the state of Madhya Pradesh.

**Keywords:** Micro Enterprises, Small Enterprises, Medium Enterprises, MSMEs, Madhya Pradesh.

## Introduction

The role of MSMEs in the economic growth of a country is undebatable irrespective of the economic status of any country. Whether it is a less developed, developing or a developed country, the contribution of MSME sector in the economy cannot be neglected. This is because they have a sizeable Contribution in employment generation, manufacturing output, exports and Gross Domestic Product (GDP) of the country (Saluja, 2012). The MSME sector ensures the economic growth of the country with a vast network of 6.3 crore MSME units spread throughout India. The sector contributes around 30 percent of the nominal GDP of the country and the share of MSMEs in total manufacturing output is nearly 45 percent. The sector also plays a significant role in exports from India. In 2018-19, out of total merchandise exports from India, the MSME sectors contribution accounted for 48 percent (Reserve Bank of India, 2020). This indicates that Indian MSMEs are competitive in the globalized environment and are capable of manufacturing quality products that are being accepted by consumers all over the world. MSMEs generate large scale employment and provide entrepreneurial opportunities to the people in both rural and urban areas. Currently, around 11 crore people are being employed in these MSMEs. MSMEs are complementary to large enterprises and are an important component of secondary and tertiary sectors. As per the MSME annual report of 2018-19, it was revealed that 97% of the total employment in MSMEs is provided by micro enterprises which signifies the employment generation potential of micro enterprises (Ministry of Micro, Small and Medium Enterprises, 2019).

The state of Madhya Pradesh is called the 'Heart of India'. It is the second largest state by area and fifth largest state by population. The state is rich in natural resources and is the second most preferred states for corporates to setup their businesses. The state is the only diamond producing state of the country and diamond production in the state reached 25,603 Thousand tons in 2019-20 (India Brand Equity Foundation, 2021) Madhya Pradesh State Industrial Development Corporation (MPSIDC) is nodal agency for industrial growth in the state and it has setup seven growth centers in the state to ensure growth and development of industries across the state. In recent years, a total of 189 industrial areas and 19 industrial development parks have been established in the state. Also,

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there are twelve formally approved Special Economic Zones (SEZs), 7 notified SEZs and five operational SEZs in the state (Abhipedia, 2021).

Two major institutions that look after problems, growth and development of MSMEs in Madhya Pradesh are MSME- Development Institute (MSME DI), Indore and Department of Micro, Small & Medium Enterprises (MSME). MSME-DI Indore was established in 1954 and provides a wide range of services to the MSMEs which include testing facilities, entrepreneurship development training, preparation of project and product profiles etc. Department of Micro, Small & Medium Enterprises (MSMEs) was formed in the state in 2016 to strengthen the MSME ecosystem in the state. The MSME department nurtures rural entrepreneurship and empowers the rural population by ensuring employment opportunities for them. The geographical advantage with the state is that it is located at the center of the country and the state also has good road connectivity all over the country. If the required infrastructure was developed initially after the

independence, the state would have surely become an industrial hub today. The abundant natural resources and finished goods produced in the state can be transported easily to any part of the country. Despite this huge geographical advantage, the MSMEs in the state are struggling to survive.

#### Definition of MSMEs

The definition of MSME has been continuously changing since independence. The major change in the definition was made in 2006 when it was first defined as manufacturing and service enterprises under MSME Act, 2006. The Act defined manufacturing and service enterprises separately according to investment in plant & machinery and equipment respectively. This criteria of definition are now changed since July 2020. As per the latest definition, both manufacturing and service enterprises are defined under the same limits according to the thresholds of investment and turnover. The definition of MSME is as follows

**Table 1: Definition of MSMEs in India**

Source: (Press Information Bureau, Government of India , 2020)

MSME Classification as per the MSME Act 2006			
Criteria: Investment in Plant and Machinery or equipment			
Classification	Micro	Small	Medium
Manufacturing Enterprise	Investment < ₹ 25 lakh	Investment < ₹ 5 crore	Investment < ₹ 10 crore
Service Enterprise	Investment < ₹ 10 lakh	Investment < ₹ 2 crore	Investment < ₹ 5 crore
MSME Classification w.e.f July 2020			
Criteria: Investment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Service Enterprise	Investment < ₹ 1 crore and Turnover < ₹ 5 crore	Investment < ₹ 10 crore and Turnover < ₹ 50 crore	Investment < ₹ 20 crore and Turnover < ₹ 100 crore

Table 1 shows the classification of MSMEs as per MSME Act and MSME Classification as of July 2020. According to MSME Act, manufacturing enterprises with an investment of less than ₹25 lakhs were considered micro enterprises. Whereas, if the investment was between ₹25 lakhs to ₹5 crores it was considered as small enterprises and enterprises with an investment of ₹5 crores to ₹10 crores were classified as medium enterprises. For service enterprises, the limit was a bit lower as they do not require huge initial investment like manufacturing enterprises. Service enterprises with an investment upto ₹10 Lakh were considered micro enterprises followed by enterprises with an investment between ₹10 Lakhs to ₹2 crores which were referred to as small enterprises. Lastly, enterprises with an investment of upto ₹5 crores were referred to as medium enterprises. In June 2020, the Finance Minister announced that this definition will no longer be valid and a new definition was announced which came into effect from 1<sup>st</sup> July 2020. According to this new definition, there are no criteria to differentiate between manufacturing and service enterprises. Both are defined within the same limits according to the thresholds of investment and turnover. Investment upto ₹1 crore and turnover upto ₹5 crores are put into the category of micro enterprise. Enterprise upto investment upto ₹10 crores and turnover upto ₹50

crores are put into the category of micro enterprise. Medium enterprises are those which have an investment of upto ₹20 crores and turnover upto ₹100 crores.

#### Review of Literature

(Kumar & Kumar, 2018) studied the problems and prospects of MSMEs in Coimbatore district. They identified that problems of MSMEs were both internal and external and were related to safety, production and lack of capital, inadequate working capital, unavailability of raw material, competition etc. they surveyed 25 MSMEs and found that there was no relationship between educational qualification/age and problems faced by MSME. They concluded that labour laws were needed to be amended. They also found that most of the MSME entrepreneurs were not aware of the government schemes which were being run by the government.

(Pazir & Hussain, 2013) in their study titled 'Problems and Prospects: Micro, Small and Medium Enterprises (MSMEs) in Rajouri and Poonch districts' studied the major problems of MSMEs in two districts and found that in contrary to popular beliefs and observations, it was not the financial problem which was the major problem of MSMEs. The major problem of MSMEs in the studied districts was lack of managerial capacity. They opined that even if an entrepreneur gets all the funding from the word but

lacks managerial capacity, it will all go in vain. They concluded that problems in the area can be handled only with the multidimensional and concerted approach by all the stakeholders including government, entrepreneurs, employees etc.

(Aruna, 2015) surveyed 50 MSMEs from Vishakhapatnam district of Andhra Pradesh and studied five major problems faced by those MSMEs in the district. The researcher pointed out that MSMEs were operating at 50% of their capacity due to power shortage. She found that the globalized business environment was favorable for MSMEs and labor laws were needed to be amended as per the recent globalized scenario.

(Kalyan & Babu, 2017) Identified major problems faced by MSMEs in Chittoor, Madnapalli and Tirupati district. They surveyed 192 MSMEs from the three districts and found that non-availability of adequate finance, stiff competition from other firms, unavailability of skilled labour, poor marketing of the products, unavailability of water, lack of strong infrastructure and location of the units were the major problems faced by the MSMEs.

(Suneetha & Sankaraiah) Studied the financial problems of women owned MSMEs in Kadapa District. Researchers surveyed 156 women entrepreneurs out of which 109 were micro, 43 were small and 4 were medium enterprises. Among the number of financial problems, they found that shortage of working capital was the main financial problem of MSMEs in Kadapa district. They suggested that it is essential to solve the financial problems to improve the entrepreneurship development of women.

After an extensive literature review and pilot survey, we found that the majority of Problems of MSMEs include

#### **Lack of finance for Working Capital and Capital Investments**

From incorporating a business to running its day to day activities, finance is needed every day to keep the unit alive. financial problems like lack of working capital, lack of financial help from banking institutions, inadequate cash flow etc. hampers all activities of any unit. MSMEs usually lack creditworthiness, due to which banks hesitate to extend loans to them. They are mostly run on borrowed capital from family relatives and moneylenders.

#### **Lack of Marketing Opportunities and Assistance**

MSMEs do not have enough funds to market their products. Unlike big enterprises that can spend tons of money on advertisement and promotional activities, MSMEs are less competent in terms of marketing. Though trade fairs and exhibitions are being organized, they are not sufficient as the involvement of the public is very low in such fairs and exhibitions.

#### **Irregular Water, Electricity Supply and Machinery Breakdown (Halts in Production)**

The production process is a lengthy process. From procurement of raw materials to conversion of raw material into finished goods, it is a cumbersome and technical process. Irregular supply of raw

material, shortage of water & electricity, delay in procurement of raw material or breakdown in the machine can delay and hamper the production process. The conventional production processes in MSMEs is not sufficient to sustain in this competitive business environment.

#### **Unavailability of Skilled Labour**

Skilled labour is the ultimate asset for any organization. Skilled labours could make a lot of difference in the operations and profitability of any unit. Also, If the labours are unsupportive and do not treat the organization as their own, they do not give their best.

#### **Lack of Technological Upgradation and IT Enabled Services**

Deploying updated technology in the business is a boon as it eases and strengthens the operational efficiency of any organization. Big companies can afford new technology and adopt to this rapidly changing technological environment. On the other hand, it is very difficult for MSMEs to keep pace with the continuous changes in the technology as these MSMEs do not have enough funds to afford those new technologically advanced machines and equipment.

#### **Lack of Robust Infrastructure**

Most of the MSMEs are located in rural and semi-urban areas. Limited access to public infrastructure and a less developed infrastructure in rural and semi-urban areas are major problems of MSMEs. Intermittent power cuts, poor transportation facilities, lack of warehouse, water supply, communication problems etc. add to their pain.

#### **Stringent Rules and Regulations of the Government**

The rules and regulations formed by the central and state government affects the growth and development of these MSMEs. Favorable policy which helps small units to survive is very important in this competitive environment. It is very difficult for MSMEs to survive without government support.

#### **Objectives of the Study**

The study is conducted with the following objectives:

1. To study the major problems of MSMEs in Madhya Pradesh.
2. To study the major prospects of MSMEs in Madhya Pradesh.

#### **Methodology**

The study is based on both primary and secondary data. The primary data is collected through a well thought-out questionnaire which was prepared after an extensive literature review and pilot survey. The secondary data has been collected from annual reports, books, magazines, websites etc. Convenience sampling method was adopted for the study and four major districts of Madhya Pradesh i.e. Bhopal, Indore, Jabalpur and Gwalior were chosen for the study.

#### **Data Analysis**

The study was aimed at finding out the major problem and prospects of MSMEs in Madhya Pradesh. The data was collected in the form of 5

points Likert Scale ranging from Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. Data is analysed with the help of Relative Importance Index(RII), a tool that is useful for studying the intensity of importance of items in a Likert scale

response, the items are ranked according to their relative importance. The Relative Importance Index ranges from 0 to 1. (Odeh & Battaineh , 2002), (B & A, 2016).

The formula of Relative Importance Index is

$$\text{Relative Importance Index (RII)} = \frac{\sum W}{A * N}$$

$$= \frac{(5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1)}{5n}$$

Where,

W = weight given to each factor by the respondent, ranging from 1 to 5,

n1=number of respondents for weight 1,

n2= number of respondents for weight 2,

n3=number of respondents for weight 3,

n4= number of respondents for weight 4,

n5=number of respondents for weight 5).

A = is the highest weight (i.e 5 in the study)

N = is the total number of samples.

### Results and Interpretation

Responses were collected with the help of a questionnaire and analysis was done using Microsoft

Excel and SPSS. The analysis of the collected response is as follows:

**Table 2: Profile of Surveyed MSMEs**

Category	District				Total
	Bhopal	Indore	Gwalior	Jabalpur	
Micro	22	31	22	17	92
Small	16	17	11	13	57
Medium	5	6	2	3	16
<b>Total</b>	<b>43</b>	<b>54</b>	<b>35</b>	<b>33</b>	<b>165</b>

**Source:** Primary data collected by researcher

From table 2 we can observe that out of 165 MSMEs surveyed, 92(55.80%) were Micro enterprises, 57 (34.60%) were Small enterprises and 16(9.60%) were medium enterprises respectively. Similarly, if the district-wise number of MSME is observed it can be observed that 43 (26.06%) enterprises were from Bhopal, 54 (32.73) enterprises were from Indore, 35 (21.21%) were from Gwalior and 33 (20%) were from Jabalpur.

### Problems of MSMEs

We listed seven problems with the help of literature review and pilot survey literature review which were faced by MSMEs and collected the responses in a 5 points Likert scale. For a better explanation, the identified seven problems have been named as P\_1 to P\_7 in chronological order.

**Table3: Likert Scale Response for Problems of MSMEs in Madhya Pradesh**

ID	Problems	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	TOTAL
P_1	Lack of finance for working capital and capital investments	69	55	23	13	5	165
P_2	Lack of Marketing opportunities and assistance	27	20	50	43	25	165
P_3	Irregular water, electricity supply and machinery breakdown (halts in production)	24	38	39	34	30	165
P_4	Unavailability of skilled labour	32	39	31	35	28	165
P_5	Lack of Technological upgradation and IT enabled services	40	35	42	27	21	165
P_6	Lack of infrastructural facilities	66	40	21	18	20	165
P_7	Stringent rules and regulations of the government	40	41	25	32	27	165
	<b>TOTAL</b>	<b>298</b>	<b>268</b>	<b>231</b>	<b>202</b>	<b>156</b>	<b>1155</b>

**Source:** Primary Data collected by Researcher

Table 3 shows the number of responses received for each problem under each Likert scale value. Most respondents were strongly agreed on

P\_1:Lack of finance for working capital and capital investments (69) and P\_6: Lack of infrastructural facilities(66). The highest responses for Agree were

received for P\_1: Lack of finance for working capital and capital investments (55) and P\_7: Stringent rules and regulations of the government (41). The responses which remained neutral were most for P\_2: Lack of Marketing opportunities and assistance (50) and P\_5: Lack of Technological upgradation and IT enabled services(42). A high of 43 respondents disagreed for P\_2: Lack of Marketing opportunities and assistance followed by 35 disagreed responses for P\_4: Unavailability of skilled labour. The response count of Strongly disagree remained high for P\_3:

Irregular water, electricity supply and machinery breakdown (halts in production) with 30 responses and P\_4: Unavailability of skilled labour with 28 responses.

The above responses were analysed as per the criteria of the Relative Importance Index. Strongly Agree was assigned the weight of 5, Agree was assigned 4, Neutral was assigned 3, Disagree was assigned 2 and strongly disagree was assigned the weight of 1. The following results were obtained after the calculation of Relative Importance Index.

**Table 4: Ranking Results of the Problems based on Relative Importance Index**

ID	Problems	RII	Rank
P_1	Lack of finance for working capital and capital investments	0.806	1
P_2	Lack of Marketing opportunities and assistance	0.577	7
P_3	Irregular water, electricity supply and machinery breakdown (halts in production)	0.590	6
P_4	Unavailability of skilled labour	0.615	5
P_5	Lack of Technological upgradation and IT enabled services	0.656	3
P_6	Lack of infrastructural facilities	0.738	2
P_7	Stringent rules and regulations of the government	0.642	4

**Source:** Calculation done by the researcher on the basis of Table 3

From the table 4, it can be observed that P\_1: Lack of finance for working capital and capital investments is having the highest RII score of 0.806 hence it is ranked first. It infers that despite various measures being adopted to quench the financial thirst of MSMEs, the financial problem remains the major problem for MSMEs. The majority of respondents feel that the financial assistance provided by the government is not enough. Finance is required in every phase of the growth of an enterprise. Lack of required fund at any stage means a missed opportunity and one step below the ladder. And if finance is not arranged timely, all other operations gets affected directly. The second most important problem is P\_6: Lack of infrastructural facilities with an RII of 0.738. This indicates that infrastructure facilities for MSMEs are not enough and they are still lacking basic infrastructural facilities to run their business. This was followed by P\_5: Lack of Technological upgradation and IT enabled services, the RII score of which was 0.656. Technological upgradation in the production process and IT enabled

services to fasten other processes is very necessary to compete with large enterprise. The top three problems were followed by P\_7: Stringent rules and regulations of the government (0.642), P\_4: Unavailability of skilled labour (0.615) and P\_3: Irregular water, electricity supply and machinery breakdown (halts in production) (0.590). The last ranked item was P\_2: Lack of Marketing opportunities and assistance (0.577) shows that survival is necessary first. The question of marketing will only arise if the MSMEs can protect their existence. The only problem whose importance score was 'High' (0.81) is the Lack of finance for working capital and capital investments.

**Prospects of MSMEs**

We listed seven major prospects from the literature review and pilot survey which are most promising prospects of MSMEs in near future and collected the responses in Likert Scale. For a better explanation, the identified seven prospects have been named as Pr\_1 to Pr\_7 in chronological order.

**Table 5: Likert Scale Response of Prospects of MSMEs in Madhya Pradesh**

ID	Prospects	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Pr_1	Financing Schemes like MUDRA and 59 Minute loan window will serve the financial needs of MSMEs	28	34	30	38	35	165
Pr_2	Access to capital market will improve the financing capabilities of MSMEs	33	25	26	41	40	165
Pr_3	Cluster development and Industrial area development will boost the MSME infrastructure	43	55	30	20	17	165
Pr_4	MSMEs will contribute more to Exports if government provide sufficient export promotion	38	34	33	34	26	165

	measures						
Pr_5	Make in India scheme will ensure the Growth of MSMEs by providing them with more opportunities	50	41	31	23	20	165
Pr_6	Programs like Skill India, ESDP etc. will improve the performance and productivity of MSMEs	47	42	35	21	20	165
Pr_7	An increase in purchase of reserved products will prove beneficial for MSMEs	26	28	39	41	31	165
	<b>Total</b>	<b>265</b>	<b>259</b>	<b>224</b>	<b>218</b>	<b>189</b>	<b>1155</b>

**Source:** Primary data collected by researcher

Table 5 depicts the response counts of respondents for each prospect. The five points Likert scale was prepared from ranging from 1 to 5. The highest number of people strongly agreed on Pr\_5: Make in India scheme will ensure the Growth of MSMEs by providing them with more opportunities (50) and Pr\_6: Programs like Skill India, ESDP etc. Will improve the performance and productivity of MSMEs (47). Most Agree response were received on Pr\_3: Cluster development and Industrial area development will boost the MSME infrastructure (55) and Pr\_6: Programs like Skill India, ESDP etc. will improve the performance and productivity of MSMEs (42). A highest of 39 responses were received for neutral on Pr\_7: An increase in the purchase of reserved products will prove beneficial for MSME followed by Pr\_6: Programs like Skill India, ESDP etc. will improve the performance and productivity of

MSMEs. Most disagree responses were received on Pr\_7: An increase in the purchase of reserved products will prove beneficial for MSMEs (41) and Pr\_2: Access to capital market will improve the financing capabilities of MSMEs (41). 40 responses were received for Strongly Disagree on Pr\_2: Access to capital market will improve the financing capabilities of MSMEs followed by Pr\_1: Financing Schemes like MUDRA and 59 Minute loan windows will serve the financial needs of MSMEs with 31 responses.

The above responses were analysed as per the criteria of the Relative Importance index. Strongly agree was assigned the weight of 5, Agree was assigned 4, Neutral was assigned 3, Disagree was assigned 2 and strongly disagree was assigned the weight of 1. The following results were obtained after applying the Relative Importance Index.

**Table 6: Ranking Results of the Prospects based on Relative Importance Index**

ID	Prospects	RII	Rank
Pr_1	Financing Schemes like MUDRA and 59 Minute loan window will serve the financial needs of MSMEs	0.578	5
Pr_2	Access to capital market will improve the financing capabilities of MSMEs	0.564	7
Pr_3	Cluster development and Industrial area development will boost the MSME infrastructure	0.705	1
Pr_4	MSMEs will contribute more to Exports if government provide sufficient export promotion measures	0.629	4
Pr_5	Make in India scheme will ensure the Growth of MSMEs by providing them with more opportunities	0.695	2
Pr_6	Programs like Skill India, ESDP etc. will improve the performance and productivity of MSMEs	0.691	3
Pr_7	An increase in purchase of reserved products will prove beneficial for MSMEs	0.572	6

**Source:** Calculation done by the researcher on the basis of table 5.

Table 6 shows the results of the Relative Important Index on Prospects of MSMEs. The analysis shows that Pr\_3: Cluster development and Industrial area development will boost the MSME infrastructure (0.705) is ranked highest as to what brings the best prospects for MSMEs. This infers that the respondent MSMEs believe that Cluster development and Industrial area development will boost the MSME infrastructure and will ultimately help MSMEs thrive. It is also equally important that most of the benefits of cluster development and industrial area development are provided to micro and small

enterprises. Pr\_5: Make in India scheme will ensure the Growth of MSMEs by providing them more opportunities (0.695) is ranked second which means that the MSMEs are looking at Make in India an opportunity for themselves to grow and expand. If the participation of MSMEs in Make in India will be ensured via ancillarization and vendorisation, then it would prove beneficial for MSMEs to strengthen their order book and cash flows. Pr\_6: Programs like Skill India, ESDP etc. will improve the performance and productivity of MSMEs (0.691) is ranked third which emphasizes why skilled manpower is essential

despite all the physical resources. The managerial competencies and individual performance of every personnel are critical to the success of MSMEs. They cannot afford to waste their resources due to a lack of competencies. Pr\_4:MSMEs will contribute more in Export if government provide sufficient export promotion measures,Pr\_1:Financing Schemes like MUDRA, 59 Minute loan window will serve the financial needs of MSMEs and Pr\_7:An increase in the purchase of reserved products will prove beneficial for MSMEs were ranked third, fourth, fifth and sixth respectively.The lowest rank was given to Pr\_2 which means that respondent MSMEs do not believe that access to the capital market will improve the financing capabilities of MSMEs. This may be because it looks very cumbersome process to get listed and do other formalities (especially for micro enterprise). Though it is a very good option for fundraising for MSMEs, it does not look feasible for MSMEs to do the formalities of maintaining books of accounts, hiring professionals etc.

#### Findings

With the help of RII,the most important problems and prospects were identified. Lack of finance for working capital and capital investment (0.806) was found to be the most important problem followed by lack of infrastructure (0.738). The prospects of MSMEs are high with cluster development program and Cluster development and Industrial area development (RII 0.075) and Make in India scheme will ensure the Growth of MSMEs by providing them more opportunities (0.695). These problems and prospects must be given more importance in policy making. Also, if these problems and prospects are ranked high, it does not mean that other problems and prospects should be neglected. Every problem must be dealt with but most important problems must be tackled first and most important prospects must be given more grabbed first.

#### Suggestions and Conclusion

Most of the MSMEs in Madhya Pradesh are micro enterprises, hence, micro enterprises should be provided more support with the regard to the major identified problems. We found that MSMEs has many prospects like new opportunities under Make in India, improved productivity through Skill India, unprecedented entrepreneurial opportunities with industrial area development etc. which are big positives for MSMEs in the state. But it must be remembered that Emerging prospects can only be grabbed if the MSMEs get rid of their own problems. We cannot take new endeavours if we are not healthy. Problems must be dealt first and then we must go for grabbing the new opportunities i.e. it is unrealistic for an enterpriset to grab the opportunity of exporting its products overseas if it continuously faces production stoppages due to power cuts.

To provide better infrastructure to MSMEs in the state, the government should collaborate with private sector under Public-Private Partnership (PPP) model. The rules and procedures for registrations and getting other approvals must be simplified to improve the ease of doing business. The actual benefit of industrial areas must reach Micro and Small

enterprises e.g. MSME Engineering units that supply components to large enterprises must be accommodated in industrial areas. Also, as stated in the MSME Development Policy 2019, the state government must strictly provide handholding support to MSMEs through Business Facilitation Centre (BFCs) in each district. Training programs for workers and Entrepreneurship Development Programs (EDPs) must be organized with the help of District Industrial Centers (DICs). Also, DICs must collaborate with educational institutions in respective districts to take the advantage of institutional infrastructure for imparting training to workers. Finally, we conclude that there is no magic wand that would erase all the problems of MSMEs in one blow but coordinated efforts from all government agencies including DIC's, MPSIDC, Department of MSME (Directorate of Industries, M.P.) MSME-DI and other state level organizations could steadily help the MSMEs to nurture and flourish in the state.

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