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MSME: The Way Ahead To Revive Indian Economy

Sakshi Bahadur

MSME, or small scale industry as a layman may term it, has been a vital contributor to the Indian economy ever since its introduction in the country. Small scale enterprises have been an integral part of the Indian economy since ancient times in the form of cottage industries, handicrafts, and other forms of traditional industries. The success of such industries can be largely attributed to the demographic composition of our country where a significant proportion of the population dwells in the rural areas with inequitable distribution of income. The MSMEs have played a major role in bridging the urban-rural divide by providing for great employment opportunities and mitigating poverty, thus transforming the socio-economic system of our country. In the agricultural dominant economy of India, where over 70 percent of the population was engaged in this sector, with prevalent disguised unemployment, the MSMEs have been a ray of hope, especially for the unemployed youth. However, what started as a sector for employment opportunities, peculiar to the rural areas, the concept is no longer limited to that.

The very nomenclature suggests that MSMEs are those industries or units which are characterized by lower capital investment but it has been characterized differently by different institutions and economies in the world, in contexts best suited for them. The World Bank has defined MSME in terms of employee strength, annual sales, and asset size.¹ The concept of small scale industries was quite different earlier from what it is now. In the pre-independence era, small scale industries and cottage industries were almost deemed alike. The National Planning Committee, in 1938, under the chairmanship of Pt. Jawaharlal Nehru defined SSI as “an enterprise or series of operations carried on by a workman skilled in the craft on his own responsibility the finished product of which he markets himself. He works in his own home with his own tools and materials and provides his own labor or of most the labor of such members of his family as being able to assist. These workers work mostly by hand labor and personal skill with little or no aid from modern power-driven machinery and in accordance with traditional techniques. Such supplementary energy as is provided by animal power may add to the economy and efficiency of the industry. He works finally for a market in the immediate neighborhood that is to say in response to known demand concerning the quality as well as quantity”² The cottage industries and small scale industries were categorized to include textiles, leather goods, processing of food, forest industries, dairy farming toy making, perfumery, and

¹ Parthajeet Das, *Micro, Small and Medium Enterprises (MSME) in India: Opportunities, Issues & Challenges*, 11 Great Lakes Herald, 77, 79 (2011).

²*History of Small Industries of the Country*, SHODHGANGA,
https://shodhganga.inflibnet.ac.in/bitstream/10603/67563/6/06_chapter%202.pdf.

miscellaneous group, etc. The post-independence period witnessed a shift in the SSI concept by categorizing it into sectors auxiliary to large scale industries, repair services, and manufacturing products like brass, copper, coir rope, pickles, paper, and so on. Further, a Central Board on SSI gave it a more lucid and scientific approach. The new definition delineated an SSI Unit as a Unit employing less than 50 persons if using powers and less than 100 persons without use of power and with capital assets not exceeding Rs 5 lakh. This ceiling of the number of workers and capital investments gradually increased as the development of SSI took pace. The resultant success of SSI in various sectors in terms of employment, output, and overall contribution to the economic prosperity of the country led to the development of over 30 lakh SSIs spread all over around the 90s. They created around 167.20 lakh employment opportunities with a significant boost in exports as well.³ It was realized that SSIs should not be contemplated in terms of the number of persons employed to make it more labor-intensive and thus the ceiling of the number of workers was done away with. SSIs have been the bulwark of the Indian economy. This is evident from the very fact that the New Economic Policy of 1991 incorporated the promotion of SSIs. This was the time when India was moving towards globalization and opening its industries for global competition. It strived for a competitive SSI sector with up gradation in its technology and resources.

MSMED ACT

When the SSIs started gaining momentum and capturing the large part of our economy, the need to regulate and further promote the sector was felt. The result was the enactment of the MSMED (Micro, Small & Medium Enterprises Development) Act of 2006 when SSI was replaced with the term MSME. A ministry of MSME was also formed on 9th May 2007 which was a merger of the Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries.⁴ While the other legislations on business and trade mostly impose compliances and regulations, the MSMED Act is comprehensive, ensuring benefits facilitating business in a less rigid business environment. The MSMEs have been categorized into two sectors: manufacturing and service; and further categorized as micro, small, and medium in terms of investment in plant and machinery or equipment:

- Microenterprise is one with a maximum investment of Rs. 25 lakh in case of manufacturing and Rs. 10 lakh in case of service

³ Id.

⁴Annual Report 2018-19, Government of India Ministry of Micro, Small and Medium Enterprises (<https://msme.gov.in/sites/default/files/Annualrprt.pdf>).

- Small, investment above Rs. 25 lakh up to Rs. 5 crore and Rs. 10 lakh up to Rs. 2 crores in the manufacturing and service sectors respectively.
- Medium enterprises are those with investment between Rs. 5 crore and 10 crores in the manufacturing sector and between Rs. 2 crores and 5 crores in the service sector.⁵

However, this categorization does not hold because of the recent changes brought up by the Ministry of Finance which will be discussed later.

BENEFITS UNDER THE ACT:

While the Act does not mandate an enterprise to be registered, it is advisable to get the registration done to avail the numerous benefits and have government support. Since the Act is more of a facilitating one, the registration process is also not cumbersome. It is a single-window system which merely requires filling of a certain document called the 'Udyog Aadhar Memorandum' and attaching identity proofs along with giving some basic required information. This can also be done through an online portal. Upon fulfilling these requirements satisfactorily, a registration number is issued for the enterprise.⁶ Any type of enterprise is eligible to be registered as MSME, whether sole proprietorship, HUF, partnership, cooperative society, limited liability partnership, company, or any association of persons.⁷ The registration of an enterprise will provide with following benefits under the Act:

- The unit will be covered under various programs, schemes and initiatives introduced by the government from time to time to ensure the development and promotion of such enterprises.
- The government along with the RBI shall ensure progressive credit facilities for such enterprises to facilitate a smooth flow of credit and minimize the chances of sickness and enhance competitiveness.
- There will be procurement preference policies by the government where its ministries, departments, and aided institutions shall give preference to the goods and services of these enterprises.
- The government shall ensure the flow of funds and grants to these units, from time to time for their enhancement.

⁵ Section 7, Micro, Small and Medium Enterprises Development Act, 2006.

⁶MSME Registration in India: Procedure, Documents Required, CLEAR TAX (Apr 27, 2020), <https://cleartax.in/s/msme-registration-india>.

⁷Ashima Thakur, *Introduction to MSME Sector*, SLIDE SHARE (Apr, 22, 2015), <https://www.slideshare.net/AshimaThakur/introduction-to-msme-sector>.

- The buyers of such units shall be under a liability to make the payment within the stipulated time of maximum forty- five days, the non- payment of which shall attract liability to pay interests.
- Lastly, to ensure the smooth and uninterrupted working of these enterprises, there shall be an appointment of the MSME Board and Facilitation Council to oversee their functioning.

The government, witnessing the significant contribution of MSMEs in the national economy, and commensurate with the above-facilitating provisions of the Act, has come up with various schemes, programs, guidelines, and other provisions to boost this sector. With the type of population composition and the urban-rural divide in wealth distribution, MSME has far more potentialities to offer to our economy. These potentialities can be exhausted only when they are properly incentivized. Following are some dynamic incentives provided to boost the functioning of MSME:

1. SIDBI

Small Industries Development Bank of India was set up in the year 1990 under parliamentary legislation, for the exclusive purpose to serve as the principal financial institution for promotion, financing, and development of the MSME sector and to coordinate ancillary activities. Its primary objective is to ensure smooth cash flow in the MSME sector.⁸ To further its objectives, SIDBI has the following key initiatives for MSMEs in place:

- Providing cumulative assistance of around INR 5.40 lakh crore channelized into the MSME sector.
- Extending loans, equity, quasi-equity totaling to INR 13.689 Crore for the benefit of 356 lakh disadvantaged people, prioritizing women, under its microfinance operations.
- Deepening its reach to evolve more than 100 Microfinance intermediaries.⁹
- There are six direct loan schemes provided by SIDBI namely, SIDBI Make in India Soft Loan Fund for MSME (SMILE), SMILE Equipment Finance, Loans under Partnership with OEM, Working Capital, SIDBI Trader Finance Scheme, Loan for Purchase of Equipment for Enterprise's Development (SPEED).¹⁰

⁸*Small Industries Developmental Bank of India (SIDBI)*, PAISA BAZAAR (May, 13, 2020), <https://www.paisabazaar.com/business-loan/sidbi/>.

⁹Nayakwadi Yadaiah, *What is SIDBI and its Functions*, CREDIT MANTRI (Dec 10, 2019), <https://www.creditmantri.com/forum-what-is-sidbi-and-its-functions/>.

¹⁰ *Supra* note 8.

- Setting up of Credit Guarantee Fund Trust for MSE (CGTMSE), which is a trust, providing a guarantee to lending institutions for loans granted to first-generation entrepreneurs, setting up MSEs and help them acquire collateral-free loans without any hassle.¹¹
- Setting up of Micro Units Development and Refinance Agency (MUDRA). MUDRA was set up under Pradhan Mantri Mudra Yojana as NBFC, with the primary objective of refinancing the MSEs and monitoring and coordinating with MFIs and other banks financing the MSE trade.¹²
- Launching of MSME Pulse and CriSidEx, to give insights to MSMEs to take policy decisions by providing timely and important information.

2. SFURTI

Scheme of Fund for Regeneration of Traditional Industries targets the unorganized traditional industries and artisans to organize them into clusters and provide them long term support and sustainability and make them competitive by enhancing their marketability. It mainly focuses on khadi, coir clusters, village industries, and others, to provide them with upgraded equipment and other resources along with training and capacity building. Financial assistance of up to INR 8 crore is provided for a particular project. It may be provided to applicants from NGOs, institutions of the Central and State governments and semi-government institutions, field functionaries of State and Central government, Panchayati Raj institutions (PRIs), private sector bodies by forming cluster-specific special purpose vehicles/entities (SPVs) and corporate social responsibility (CSR) foundations with the expertise to undertake cluster development. The success of SFURTI was highlighted by MSME Minister Nitin Gadkari, remarking that a total of 34,791 artisans have benefitted with an assistance of Rs 143.15 crore during 2018-19 by this scheme"¹³

3. ASPIRE

A Scheme for Promotion of Innovation, Rural Industries, and Entrepreneurship is an initiative, the objectives of which are generating employment, promoting entrepreneurship, and thus innovation. It focuses on grassroots economic development. It assists in the form of setting up

¹¹ *About CGTMSE*, https://www.cgtmse.in/About_us.aspx.

¹² *Genesis & Role of MUDRA*, MUDRA, <https://www.mudra.org.in/AboutUs/Genesis>.

¹³ Rishab Mansur, *5 MSME Schemes for Reviving Traditional Industries and Rural Entrepreneurship*, SMB STORY (July 09, 2019), <https://yourstory.com/smbstory/msme-rural-entrepreneurship-government-schemes>.

business incubators and promoting business ideas. The 2019 budget aspired to set 80 livelihood business incubators and 20 technology business incubators will in 2019-20 under this scheme.¹⁴

4. ESDP

Entrepreneurship & Skill Development Programmes are organized regularly to foster young talent in the field of industrial development and its related aspects specifically for setting up MSME. This initiative was taken up by the MSME Ministry. These programs are generally conducted at technical institutions for skill development and motivate them for self-employment. 20% of these programs are exclusive for weaker sections such as SC/ ST/ Women with a stipend of Rs. 500. It allocates 10% of the annual budget towards training and infrastructural development to ensure quality training.¹⁵

5. CLCSS

Credit Linked Capital Subsidy Scheme is yet another scheme targeting to strengthen the MSME sector by facilitating technology up-gradation and moving to a more tech pro work environment in the MSMEs. Under this scheme, 15% upfront capital subsidy up to a maximum of INR 15 lakh will be provided to MSE units including tiny, khadi, village and coir industrial units on institutional finance availed by them for induction of state-of-the-art or near state-of-the-art technology for up-gradation of the present technology level to a substantially higher one involving improved productivity, and/or improvement in the quality of product and/or improved environmental condition including work environment. It would also include the installation of improved packaging techniques as well as anti-pollution measures, energy conservation machinery, in-house testing, and on-line quality control.¹⁶ It would bring efficiency and competitiveness and ensure standardization in production and like activities.

6. SIP- EIT

Support for International Patent Protection in Electronics and Information Technology is a scheme managed by the ministry of Electronics & Information Technology, to provide financial

¹⁴ Id.

¹⁵ *Entrepreneurship Skill Development Programme (ESDP)*, INDIA FILINGS, <https://www.indiafilings.com/learn/entrepreneurship-skill-development-programme-esdp/>.

¹⁶ *Credit Linked Capital Subsidy Scheme*, MY MSME, https://my.msme.gov.in/MyMsme/Reg/COM_ClessAppForm.aspx.

assistance to MSMEs and Technology Start-ups for international patents and thus encourage innovation and help them get global recognition and capture vast opportunities.

The above-enlisted schemes and initiatives are some of the basic ones to ensure that more people get involved in the MSME sector and these MSMEs are able to set their foot in the competitive economy along with continuous development and up-gradation. Yet, these schemes are neither enough nor exhaustive. There are various other incentives provided by the government to ensure composite and holistic growth in this sector. There are various tax rebates provided by both central and different state governments which are very lucrative and attractive incentives a business person can get. There have been numerous efforts to ensure that the process of setting up and running a micro, small, or medium enterprise is undemanding. This would help India to improve its rank in the world in ease of doing business index, where it stands at 63rd position in the world.¹⁷ When we talk of MSME, we get the conventional idea of a cottage or village industry requiring little or no technology, modernizing the concept is an integral part of various government schemes to cross this normative threshold. Training, skill development, quality control, efficiency, and making these industries technological pro is what some schemes are exclusively directed to.

MSME: A HOPE TO REVIVE ECONOMY IN THE POST COVID ERA

The nationwide lockdown for more than two months, with almost nil economic activity, not only in the country but worldwide led the economy to slump to such levels from where the revival seemed impossible. The reverse migration of the workers and laborers posed a greater challenge and led to a dichotomy of threat. On one side, the increase in population at the places such as the state of Uttar Pradesh and Bihar was concerning due to lack of employment, the other side the problem prevailed in those places from where the reverse migration took place. These workers no longer intend to return to their place of work due to the fear of a pandemic, which kept them away from their homes, jobless, homeless, starving, making them walk hundreds of kilometers to reach their hometowns. While the corona fear is real and is not going to retreat anytime soon, these workers need to be employed at their place of residence, in villages, small towns, and cities to ensure the flow of income and revival of the economy and their livelihood. This challenge of economic slowdown

¹⁷World Bank. 2020. Doing Business 2020. Washington, DC: World Bank. DOI:10.1596/978-1-4648-1440-2, <http://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf>.

and resultant recession is not only before India, but the whole world, but, India will have to tackle it the way its socio-economic and political structure.

In this time of economic slowdown, various suggestions have been made to get the pace back. Nobel laureate economist, Abhijeet Banerjee, suggested providing cash to 60% of the poorest population of India to increase the spending power and thus create demand and revive the economy.¹⁸ However, with people losing their jobs and thus their livelihood on such a large scale, only by providing cash would not suffice. This would create demand for some time but not create a flow of demand in the long run. What the situation demands is that the unemployed get jobs to earn their livelihood which would ultimately create a flow of demand in the economy. The development of MSMEs is the most efficient way to deal with this situation. Not only would it provide employment being labor-intensive, but with the MAKE IN INDIA and VOCAL FOR LOCAL campaigns picking up steam, this development will help the local industries to become competitive and self-reliant and ultimately achieve the goal of “Atmanirbhar Bharat”.

While each successive government budget proposed an enhanced system and strategy to boost the MSME sector, the 2020 budget and subsequently the Atmanirbhar Bharat packages resulting from the corona crisis somewhat changed the whole face of it. The INR 20 lakh crore package announced by Finance Minister Smt Nirmala Sitharaman, has made significant amendments and brought benefits for MSMEs. A very significant amendment is the modification of the meaning of MSME itself. While the earlier definition defines MSMEs only in terms of investment, the modified one encompasses a limit of turnover as well. The new definition says:

- A micro-unit is one with an investment to a maximum of INR 1 crore and turnover to a maximum of INR 5 crore.
- A small unit is one with an investment to a maximum of INR 10 crore and turnover to a maximum of INR 50 crore.

¹⁸Sukanya Roy, *Eight Suggestions from Abhijit Banerjee to Revive the Covid-19-Hit Economy*, BUSINESS STANDARD (May 5, 2020), https://www.business-standard.com/podcast/economy-policy/eight-suggestions-from-abhijit-banerjee-to-revive-the-covid-19-hit-economy-120050501529_1.html.

- A micro-unit is one with an investment to a maximum of INR 50 crore and turnover to a maximum of INR 250 crore.¹⁹

The revised definition has done away with the distinction in the criterion of the manufacturing and service sector unlike the earlier one. The earlier definition was a restrictive one in the sense that the investment limit did not allow the investors to expand their enterprise and increase their productivity due to the fear of not getting the benefits for MSMEs. The revised criteria will give an incentive to outgrow along without foregoing the benefits available to MSMEs. This would help expand the scope of this sector. With the complete halt on the economic activities owing to nationwide lockdown, the resumption in the panicked environment is not easy unless proper incentives are in place. The revival can be assured only when certain basic requirements are fulfilled. For this very reason, under the relief package to boost MSME sector which is a hope for economic prosperity in this pandemic, following encouragements have been provided in the form of fiscal support by the government:

- INR 3 lakh crore credit guarantee to MSMEs: This announcement was the key highlight and most significant incentive for any business. A business requires funds to start and with the cessation of activities in the market. There was a cash crunch all over. Credit guarantee would provide the MSMEs that have an Rs.25 crore outstanding loan or less than Rs.100 crore turnover, to resume their operations. These loans will have a four-year tenure and moratorium of 12 months. The cherry on the cake is the part that these loans will be collateral-free and will have a 100% guarantee cover.²⁰
- MSMEs with distressed accounts or non-performing assets will get the benefit of subordinate debts. A provision of INR 20,000 crores has been made in this behalf to be given to promoters of MSMEs which will be infused by them in their enterprises as equity.²¹

¹⁹*Govt Changes Definition of MSMEs, Revises Investment Limit*, TOI (MAY 13, 2020), <https://timesofindia.indiatimes.com/business/india-business/govt-revised-definition-of-msmes-additional-criteria-of-turnover-introduced/articleshow/75716872.cms>

²⁰*Covid 19: Relief Measures to Small Businesses in India. Atmanirbhar Bharat Abhiyan*, MONDAQ (June 08, 2020), <https://www.mondaq.com/india/operational-impacts-and-strategy/949802/covid-19-relief-measures-to-small-businesses-in-india-atmanirbhar-bharat-abhiyan>.

²¹Simran Saria, *MSME- Benefits and Aatmanirbhar Bharat*, TAX GURU (MAY 15, 2020), <https://taxguru.in/corporate-law/msme-benefits-aatmanirbhar-bharat.html>.

- Fund of Funds: A fund of INR 50,000 crore has been created for MSMEs with “growth potential and viability”, which will be infused as equity by government and its institutions and government-owned units like SBI and LIC.
- Global tenders will be disallowed in Government procurement tenders up to Rs 200 crores so that these units are insulated and capture the market where they faced rigorous foreign competitions.
- Government of India and Central Public Sector Enterprises to clear all receivables due to MSMEs in the next 45 days.
- A reduction of 25% on the existing rate on the Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) from May 14, 2020, to March 31, 2021.²²
- SBI, in the latest development, is planning to invest INR 1K crore, through its e-commerce platform YONO, to set up a business-to-business (B2B) marketplace exclusively for MSMEs. This initiative would help in providing funds to MSMEs based on the transactions that take place through this platform.²³

The stimulant package with MSMEs as the focal point for the revival of economy definitely highlights the importance of this sector especially in a developing country like India with the world's second-highest population. The incentives to infuse cash in the sector would make India a manufacturing powerhouse. An EU study revealed that there will be significant disruption in the supply chain in the post-pandemic era. However, with achieving self-reliance through higher productivity of MSMEs, building a local supply chain would not be a distant dream. This would also increase the resilience of our economy and make us pandemic proof.²⁴ The states of Uttar Pradesh and Bihar have seen the maximum reverse migration due to COVID, which is being seen as a boon by these states, adopting the old adage, ‘Never waste a good crisis’. They are grabbing the opportunities to survive and thrive to become leading global markets of goods in which they specialize, utilizing the thousands of migrants returning home. These include the makhana industry, cottage industries with women entrepreneurs being encouraged to make pickles, papad, sattu, spices, and even herbal products. Handicraft and handlooms industries are also being encouraged to

²² *Supra* note 20.

²³ Mayur Shetty & Sidhartha, *SBI readies Rs. 1k- cr B2B e-market only for MSMEs*, TOI, July 08, 2020, at 17.

²⁴ Gajendra Singh Shekhawat, *How the Big Bang Financial Package is the Silver Lining at the end of the Country's Stormy Night*, TOI, May 19, 2020.

increase their productivity. The rising demand for self-hygiene has provided opportunities to manufacture and market products like masks, gloves. Honey business and tea cultivation have also gained momentum.²⁵ As per the latest reports, the contribution of the MSME Sector in the Indian economy has been up to 28.9 % in the financial year 2016-17²⁶, which is envisioned to be brought up to over 50% as announced by the Union Minister of MSME, Mr. Nitin Gadkari.²⁷ According to the National Sample Survey, the contribution of MSME in employment has been significant, creating over 11.10 crore jobs during the period 2015-16,²⁸ which is aimed to increase to 15 crores. The contribution to exports is also aimed to be increased to a whopping 75% from 50%.²⁹

This impetus in the form of economic packages will help MSMEs and ultimately the Indian economy but with the present scenario of the economy, the challenges are also soaring. Though efforts for the development of MSMEs have been made in rural areas, such entities are highly unorganized. An estimated 90 percent of the MSME sector falls in the unorganized sector.³⁰ This also implies that they lack the required knowledge in technology, both to run their units and to be aware of the latest developments in the field. All the benefits announced for this sector would go in vain if the real beneficiaries are not aware of them and thus not able to make use of it. For this very reason, the formalization of MSMEs in the unorganized sector is the need of the hour. Instead of looking MSMEs as components of sociocracy, we must now consider them in light of today's corporate culture as well. This requires that they are made organized and tech-savvy. It implies that people with qualifications in different professions should be appointed like managers, managing different operations, the legal professional for overseeing compliances and regulations, accountant, etc. It also requires that some good corporate governance practices should be put in place to help in the adoption of a dynamic market. This would increase the overall efficiency as any qualified professional would do a work of his profession in the most efficient way which would be lucrative for the enterprise. These professionals would also help avail the benefits provided by the

²⁵ Archi Rani & Faryal Rumi, *Local Industries Gear up to Explore Global Market*, TOI, May 17, 2020 at 2.

²⁶ *Supra* note 4, at 27.

²⁷ Neha Dewan, *Vision is to increase MSMEs contribution to GDP to 50%: Nitin Gadkari*, ECONOMIC TIMES (Jun 28, 2019), <https://economictimes.indiatimes.com/small-biz/sme-sector/vision-is-to-increase-msmes-contribution-to-gdp-to-50-nitin-gadkari/articleshow/69978436.cms#:~:text=Union%20Minister%20for%20MSME%20Nitin,MSME%20sector%20will%20be%20crucial.>

²⁸ *Supra* note 4 at 32.

²⁹ *Supra* note 27.

³⁰ *Formalisation, Need of the Hour*, BUSINESS LINE (Jan 09, 2018), <https://www.thehindubusinessline.com/specials/formalisation-need-of-the-hour/article9975617.ece>.

government for MSMEs of which the units in the unorganized sector are generally not aware of. This would also increase employment opportunities especially in the present corona crisis where the economy has been so badly hit. The migrants who had returned to their homes, demanding employment in their hometowns would get a livelihood. While the flow of cash and other fiscal benefits have been provided by the government, this recruitment should also be encouraged by the government only for the businesses registered as MSMEs in the unorganized sector, to increase efficiency and bring professionalism.

CONCLUSION

The MSME sector has witnessed drastic changes ever since the independence of India till now. The contribution of this sector is significant to the economy, all the changes have only helped it to burgeon. From the conventional small scale industry, dealing in basic products, with simplified ways of production, this sector has come a long way in the manufacturing and service sectors, where almost any kind of business entity can get itself registered as MSME and avail the benefits. Our country, and in fact the whole world is facing one of the biggest crises in history, the corona crisis. For India, this crisis poses a greater challenge due to the vast population. The total lockdown of our country for more than a month has created innumerable hardships for its population. However, the loss of jobs of thousands due to the pandemic is the worst fear for our country where there already is a paucity of employment opportunities. MSMEs can be said to be one of the most significant saviors in such times of crisis because of its eligibility to provide large scale employment which is the need of the hour. The government also has understood the importance and contributions which MSMEs can make in the present time and thus, has provided numerous incentives for these entities to grow and contribute to helping bring the economy back to its pre-corona pace and help further in making India self- reliant.