



Role of Micro, Small and Medium Enterprises in Indian Economy

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ABSTRACT

The Micro, Small and Medium Enterprises (MSME) are crucial for the economic development of any country and play a pivotal role specifically for developing countries as they regulate economic activity and generate employment thus significantly contribute in poverty reduction. After agriculture, this sector is the second largest employer in India. Indian MSME sector has emerged as dynamic and highly vibrant sector of the economy. MSME, not only play significant role in generating large employment by investing less capital as compared to large industries but also help to develop non-farm sector by increasing industrialization in rural areas. The sector acts as the instrument of inclusive growth empowering the most vulnerable and marginalized groups. The main objectives of the paper are to explore the growth in the number of MSME units, GDP contribution, employment and exports of Indian MSME sector, to analyse the relationship between growth of MSME sector and fulfilment of Sustainable Development Goals (SDGs) 2030, to see the contribution of MSME sector in creating green jobs in India and to highlight the problems of MSME sector. This paper is based on the secondary data extracted from various reports and research papers related to MSME. The time period from 2006-2007 to 2016-2017 has been taken into consideration. MSME sector is the significant contributor in GDP, employment generation, total exports, achieving SDGs and green development which in turn act as backbone of the Indian economy.

Keywords: Micro, Small and Medium Enterprises, Green Jobs, Sustainable Development Goals, Economic Development, Inclusive Growth

JEL Classifications: O120, Q560, Q01, O100, O400

1. INTRODUCTION

The MSME sector of India is a significant driving component for the development of Indian economy. These Micro, Small and Medium Enterprises help in lowering the unequal income dissemination among the individuals by the method of providing more employment opportunities and industrialization of these areas (Syal, 2015). These MSMEs contribute undoubtedly in the growth of Indian economy through export and domestic production, operational adaptability, and technology and innovation oriented undertakings etc. The contributions made by these MSMEs in the fair development of the Indian economy are huge. 55% of the total companies operate in the agrarian areas encourage comprehensive development and regional equity.

Further, they play a pivotal role in reducing unemployment and contribute a creditable part to the GDP, industrial management and country's export (Naser, 2013).

MSME provides enormous opportunities for personal and compensation work. MSME is associated with prevalent pace of economic development, building inclusive and reasonable populace in many ways through encouraging equality in general public and gender, non- agrarian occupation at low cost, impartial local development and ecologically persistent up development. About 20% of the MSMEs in India are established in the rural territories and keep on providing employment opportunities to about 40% of the Indian work force (Mukherjee, 2018). The MSME sector consists of more than 5.1 crore companies

employing more than 11.7 crore people during the period 2015-2016 (Reserve Bank of India, 2017).

The concept of Make-in-India was propelled with a great deal of prosper to inculcate new strength in the manufacturing sector (Vibhuti and Barki, 2016). "Make in India" is an endeavor to bridge the gap between the Indian and Chinese market. This initiative needs dynamic support of all partners from all the corners of the nation. Developing skills and improving competencies for giving input support is very significant for happening of the very strong-willed initiative of Indian Government, which is guaranteed at grass root level from association of MSMEs (Gade, 2013). The Ministry of MSMEs of Indian Government has the primary responsibility of framing and successful execution of policies, plans, projects and schemes for the growth and promotion of these MSMEs. Primarily, the state government has the obligation of growth and promotion of these MSMEs and their endeavors are strengthened by the central government (Kumar, 2017). The main role of the MSME Ministry and its organisations is to help the states in their continuous efforts to strengthen employment, entrepreneurship and livelihood opportunities and raise the competitiveness of these MSMEs in the changing economic dimensions of the country (Srinivas, 2013). The MSMEs have been providing significantly contribution to the development of entrepreneurial efforts through business advancements (Drishti, 2020). The Micro Small Medium Enterprises are expanding their domain across various sectors of Indian economy, offering different range of services as well as products to satisfy needs of domestic and worldwide markets. According to the data accessible with Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation, the contribution of MSME Sector has contributed in Gross Value Added (GVA) in the year 2015-2016 is 32.03% in India while MSME sector contribution in Gross Domestic Product (GDP) during the year 2015-2016 is 29.20% (Ministry of Micro, Small and Medium Enterprises, 2019).

From 1st July, 2020, new definition of MSME as well as new criterion to define these have come into existence. On 13th May, 2020, new MSME definition has been announced in package of Atmnirbhar Bharat which are as follows:

According to revision of MSME definition on 13 th May, 2020		
Category	Investment	Turnover
Micro Enterprises	Rs. 1 crore	Rs. 5 crore
Small Enterprises	Rs. 10 crore	Rs. 50 crore
Medium Enterprises	Rs. 20 crore	Rs. 100 crore
According to revision of MSME definition for medium enterprises on 1 st June, 2020		
Category	Investment	Turnover
Medium Enterprises	Rs. 50 crores	Rs. 205 crores

According to above table, investment and turnover of micro units have increased to Rs. 1 crore and Rs. 5 crore, respectively, definition of small units has increased investment to Rs. 10 crore and turnover to Rs. 50 crore and investment and turnover of medium enterprises have enhanced to Rs. 20 crore and Rs. 100 crore, respectively. On 1st June, 2020, government again revised the MSME definition for medium enterprises i.e. investment of Rs. 50 crores and turnover of Rs. 205 crores.

1.1. Objectives

The main objectives of the paper are:

- To explore the growth in the number of MSME units, GDP contribution, employment generation and total exports of Indian economy.
- To analyse the relationship between growth of MSME sector and fulfilment of Sustainable Development Goals (SDGs) 2030.
- To see the contribution of MSME sector in creating green jobs in India.
- To highlight the problems faced by Indian MSME sector.

2. RESEARCH METHODOLOGY

This paper is based on the secondary data extracted from reports of Reserve Bank of India (RBI), ministry of MSME, khadi and village industries commission, coir board, silk board and various research papers related to MSME. The time period from 2006-2007 to 2016-2017 has been taken into consideration. The Compound Annual Growth Rate (CAGR) of employment generation, export contribution and green job creation has been calculated to analyse the growth of MSME sector. To calculate, green jobs in MSME sector three sectors has been taken into consideration i.e. Khadi and village industry, coir industry and sericulture industry. Broadly, the paper has been divided into three parts in which first part deals with performance of MSME sector, second with SDGs and MSME sector, third with green jobs and MSME sector and fourth with problems faced by MSME sector.

2.1. Performance of Micro, Small and Medium Enterprises (MSME)

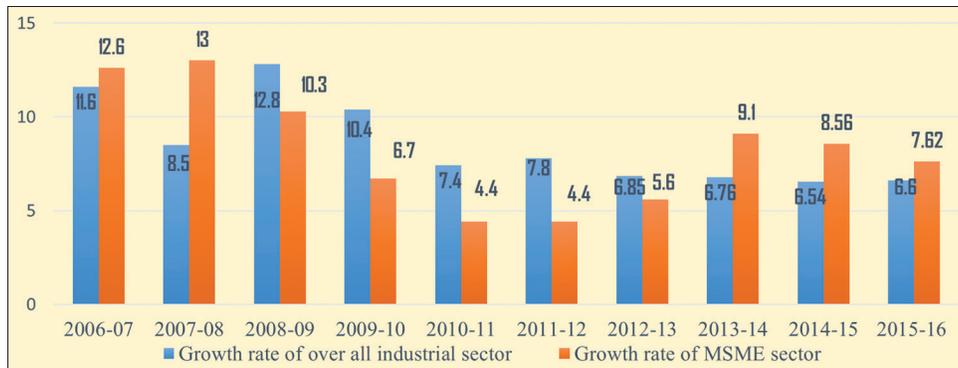
Presently, India is regarded as one of the fastest growing economies at the global level. In Indian economy, Micro, Small and Medium Enterprise (MSME) sector has made significant contribution in employment generation, total exports and economic growth which in turn has led to the emergence of this sector as the crucial sector of the economy. This sector can provide immense benefits if it able to realise its full potential by providing good support systems and conducive framework (Reserve Bank of India, 2019). Figure 1 depicts growth rate of Micro, Small and Medium Enterprises (MSME) sector and overall industrial sector during 2006-2007 to 2015-2016. Growth of industrial sector is the highest in 2008-2009 with 12.8% and the lowest in 2014-2015 with 6.54%. The growth of MSME sector is the highest in 2007-2008 with 13% and the lowest in 2010-2011 and 2011-2012 with 4.4%. The figure has explored that growth of MSME sector is higher than industrial sector in 2006-2007, 2007-2008, 2013-2014, 2014-2015 and 2015-2016. The growth of MSME sector in 2008-2009 is 10.3% which declined to 4.4% in 2011-2012 due to the adverse impact of global economic crisis of 2008-2009.

Micro, small and medium enterprises (MSME) sector has been providing significant contribution to the extension of entrepreneurial base by enhancing business innovations. MSMEs are enlarging their sphere among various sectors of the economy, manufacturing different varieties of goods and services to fulfil demands of domestic and global markets. There are more than 6000 products which includes traditional as well as high-tech

goods, which are produced by Indian MSMEs (Reserve Bank of India, 2019). The percentage share of micro, small and medium enterprises (MSME) sector in Indian Gross Domestic Product (GDP) at 2004-2005 prices during the time period 2006-2007 to 2012-2013 has been shown in Figure 2. The highest contribution is in the year 2011-2012 i.e. 37.97% and lowest in the year 2006-2007 with 35.13%. The figure has revealed that over the period of time, share of this sector has increased in Indian GDP but no steep increase has been seen in this period.

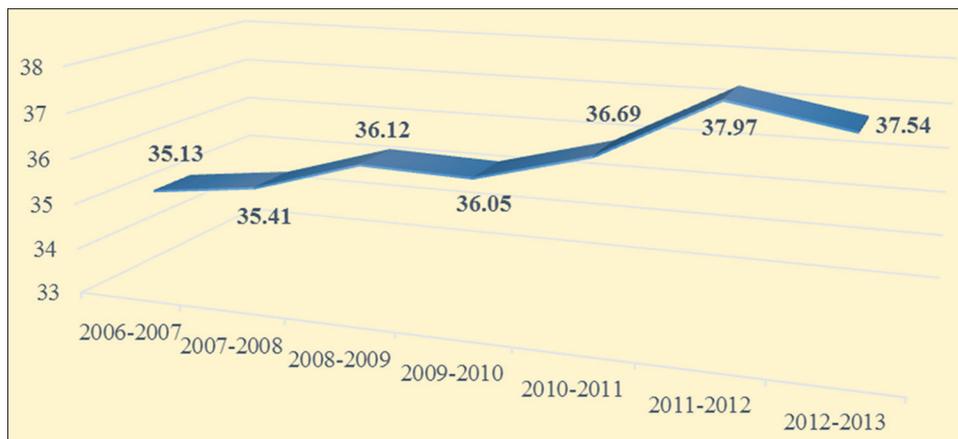
The percentage share of Micro, Small and Medium Enterprise (MSME) sector in Gross Value Added (GVA) and Gross Domestic Product (GDP) of India during 2011-2012 to 2016-2017 has been explored in Figure 3. The share of MSME is the highest in 2012-2013 with 32.82 and 30.40% in GVA and GDP, respectively and the lowest in the year 2016-2017 i.e. 31.83 and 28.09% in GVA and GDP, respectively. The figure has analysed that share of MSME in GVA is more as compared to GDP. The share of MSME in GVA and GDP has declined over the period of time but marginal decline has been seen.

Figure 1: Growth rate of micro, small and medium enterprises (MSME) sector and overall industrial sector during 2006-2007 to 2015-2016 (in percent)



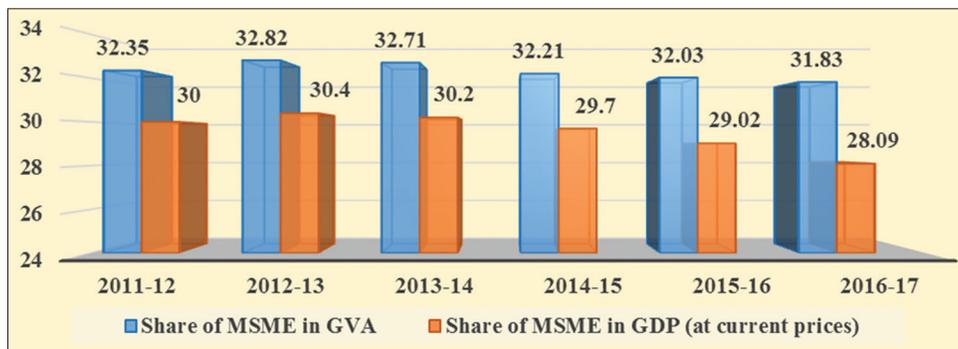
Source: Report of the Expert Committee on Micro, Small and Medium Enterprises (MSME), Reserve Bank of India, 2019

Figure 2: Percentage share of micro, small and medium enterprise (MSME) sector in Indian gross domestic product (GDP) at 2004-2005 prices



Source: Annual report 2014-2015 of ministry of micro, small and medium enterprise (MSME)

Figure 3: Percentage share of micro small and medium enterprises (MSME) sector in gross value added (GVA) and gross domestic product (GDP) during 2011-2012 to 2016-2017



Source: Annual report 2018-2019 of ministry of micro, small and medium enterprise (MSME)

The growth in number of working MSMEs and employment generated in these enterprises during 2006-2007 to 2015-2016 has been seen in Table 1. Employment generated is the highest in 2015-2016 with 1109.89 lakh persons and the lowest in 2006-2007 i.e. 805.23 lakh persons. The number of working enterprises has shown the same trend as that of employment generated and is the highest in 2015-2016 with 633.88 lakh enterprises and the lowest in 2006-2007 i.e. 361.76 lakh enterprises. The table has revealed that both employment generation and number of working enterprises have shown rising trend over the period of time. The Compound Annual Growth Rate (CAGR) of working enterprises is higher with 6.43% than employment generation with 3.63%. The number of working enterprises has increased at higher rate than the jobs created in MSME sector of India.

The Micro, Small and Medium Enterprises (MSME) are playing a pivotal role by generating large job opportunities at comparably lesser capital cost than large-scale industries and by enhancing industrialization in rural & remote areas including minimising regional disparities and reducing gap between the rich and the poor people of the Indian economy. (Ministry of Micro, Small and Medium Enterprises, 2019). Figure 4 has analysed the share of Micro, Small and Medium Enterprises (MSME) in total exports of India during 2011-2012 to 2017-2018. The share of MSMEs in total exports of India is 43% in 2011-2012 and 2012-2013 which declined marginally to 42% in 2013-2014. Further, it increased sharply to 50% in 2015-2016 which again declined marginally to 49% in 2017-2018. The figure has explored that the share of MSME sector ranges between 40 to 50% which constitute

Table 1: Growth of working enterprises and employment generated in micro, small and medium enterprises (MSME) during 2006-2007 to 2015-2016

Year	Employment (in lakh person)	Total working enterprises (in lakh)
2006-2007	805.23	361.76
2007-2008	842.00	377.36
2008-2009	880.84	393.70
2009-2010	921.79	410.80
2010-2011	965.15	428.73
2011-2012	1011.69	447.64
2012-2013	1061.40	467.54
2013-2014	1114.29	488.46
2014-2015	1171.32	510.57
2015-2016	1109.89	633.88
Compound annual growth rate (CAGR)	3.63%	6.43%

Source: Various annual reports of ministry of micro, small and medium enterprises (MSME). *Projected data for the year 2007-2008 to 2014-2015

significant portion of total exports of India. MSME sector is one of the foreign exchange earning sector which in turn act as backbone of the Indian economy.

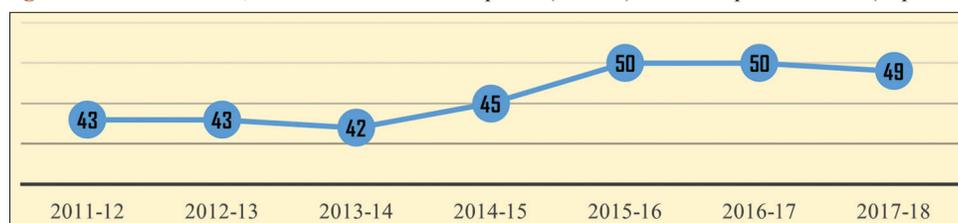
2.2. Sustainable Development Goals (SDG) and Micro, Small and Medium Enterprises (MSME)

The concept of sustainable development covers a wide range of aspects which includes economic, social and environmental issues along with considering the environmental aspect. The social viewpoint includes respect of each other, outreach programmes, social network development, human rights, equal opportunities etc. On the other hand, economic viewpoint mainly include consistent as well as profitable growth, managing risks, investors return and so on. The environmental perspective includes air pollution, managing bio-diversity, control on use and discharge of water chemical etc. Sustainable development aims at creating society where nature and individuals live in harmony with one another where individuals grow and develop economically however not at the expense of deterioration of the environment (Verma and Nema, 2019).

The discussion regarding sustainable development was only restricted to the academic literature until the publishing of the Brundtland Report, which described sustainable development as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*” This explanation of sustainable development was utilized as a frame of reference, despite the fact that this apparent shared view would in general cover away from different elaborations of the idea, just as between various versions of sustainable development and the report.

In the year 2015, representatives from 193 nations from all over the world came together and made an arrangement to deal with the future called the Sustainable Development Goals (SDGs). These 17 goals imagine a future that would be discharged from poverty, hunger and protected from the negative effects of environmental change by the year 2030. The United Nations Development Programme (UNDP) is one of the well-known organizations actively engaged to meet the SDGs by the year 2030. These 17 SDGs are: End Poverty in all forms, No hunger, Good Health and Well-Being for all, Quality Education to ensure learning opportunities for all, Gender Equality to encourage women empowerment, Sustainable management for Water and Sanitation, Affordable and Clean Energy for all, Decent Work to promote inclusive economic growth, Industry Innovation and Infrastructure, Reduce Inequalities within and among countries, Sustainable cities and communities, Responsible consumption and production, Climate action, conserve and sustainable use of water,

Figure 4: Share of micro, small and medium enterprises (MSME) in total exports of India (in percent)



Source: Report of the expert committee on micro, small and medium enterprises (MSME), Reserve Bank of India, 2019

Life on Land, Peace, justice and strong institutions, strengthening partnerships for the goals.

The targets set to achieve SDGs are challenging and need transformation of public as well as private activities. This change is related with adapting new business plans, acquiring innovative technology and perform business activities in a more sustainable and ethical manner. This transformation initiates new opportunities for the private sector in general and especially for MSMEs. (Gupta and Vegelin, 2013).

MSME sector is viewed as a critical pillar in accomplishing sustainable development goals. In accordance with the idea, "Small Business, Big Impact," Micro Small Medium Enterprises indirectly or directly contribute to achieving the Sustainable Development Goals. MSME sector helps in achieving first goal of continual development by lowering the proportion of women, men and children of any age living in poverty through employment creation and economic development. In order to accomplish the second goal of sustainable development, MSMEs help to make up most of the world's food manufacturers and ensure sustainable food production arrangements. MSMEs are viewed as important drivers of employment and entrepreneurship for youth and grown-ups and thus achieving, fourth goal of ensuring quality education. MSMEs assume a key role in reducing gender equality by ensuring women's effective and maximum participation in trade and business. Nearly 40% of small-scale businesses are owned and managed by women, which means that Micro Small Medium Enterprises assume an important role in minimising the gender disparity. With favourable policies in place, MSMEs help in achieving greater levels of economic output as key drivers of growth, expansion, technological advancement and innovation and thus contributing to achieve 8th sustainable development goal. As drivers of growth and advancement, MSMEs usually fill gaps in the commercial market and come up with innovative products and services and fulfils 9th sustainable development goal. MSMEs also help in achieving 10th goal of sustainable development. These MSMEs represent more than 90% of companies worldwide and enable societies to raise themselves out of poverty and minimizing inequalities. More adaptable than large organisations, MSMEs are likely to accept sustainable trade practices and thus fulfilling 12th sustainability development goal. Accomplishing any of sustainable development goals implies that both public and private sectors must perform in partnership. So it becomes very important for the public sector to develop and ensure the right policies in place for the private sector to satisfy its potential as a driver of economic growth. Therefore, MSMEs likewise assume a significant role in achieving 17th sustainability development goal.

2.3. Green Jobs & Micro, Small and Medium Enterprises (MSME)

The concept of green jobs has become an integral part of an international agenda as it has been promoted by governments, entrepreneurs and workers at the world level during the last 30 years. To achieve sustainable development goals (SDGs), the concept of green jobs is of utmost importance. These jobs can be generated in all the economies without considering their level of economic development and can be encouraged in rural and urban

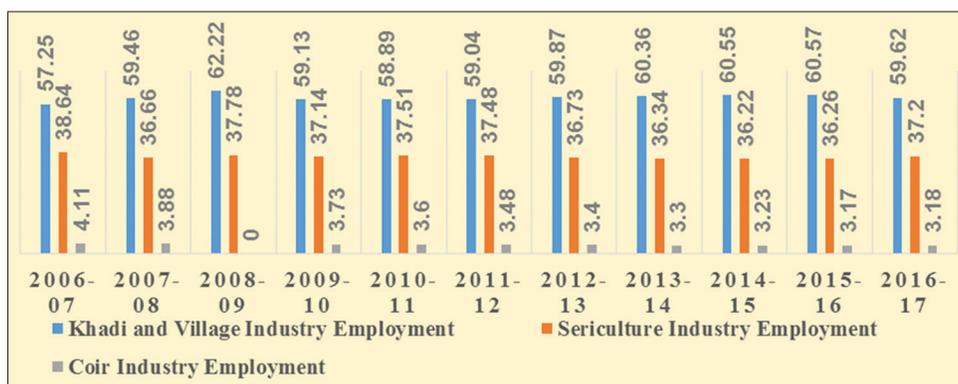
regions, in all types of enterprises, industrial activities and sectors of the economy. According to International Labour Organisation (ILO) "*Green jobs are decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency.*" Green jobs help in enhancing efficiency of raw materials and energy resources, minimising greenhouse gas emissions, reducing pollution and waste, restoring ecosystem and upholding adaptation to the climate change effects (ILO, 2016). In the United Nations Environment Programme (UNEP) green jobs are defined as "*positions in agriculture, manufacturing, R&D, administrative, and service activities aimed at substantially preserving or restoring environmental quality.*" Figure 5 has analysed the total number of green jobs generated by Micro, Small and Medium Enterprises (MSME) sector in India during 2006-2007 to 2016-2017. The highest number of green jobs generated in 2016-2017 with 228.76 lakh persons and the lowest in 2006-2007 with 155.35 lakh persons. The table has explored that number of green jobs has increased over the period of time but at slow pace.

To calculate green jobs generated in MSME sector, three sub-sectors have been taken into consideration i.e. khadi and village industry, sericulture industry and coir industry. At world level, the concept of environmental protection has gained momentum which has enhanced the demand for sustainable fabrics. All this has played a pivotal role in revitalisation of khadi industry. Khadi is eco-friendly, water conserving, durable, bio-degradable as well as organic in nature which has increased the popularity of khadi at global level. Coir is an environment-friendly product whose applications do not have adverse impact on the environment. Coconut coir is not regarded as the by-product of the coconut industry rather it is a waste material which is recycled for its beneficial features to manufacture the fibre and woven products. Presently, new uses of coir have emerged as environment-friendly alternatives i.e. coir geo-textiles, coir toy products, garden articles etc. by promoting technologies for producing composites of coir fibre as an alternative to wood and synthetics. As the world economy is finding ways to reduce the problem of rising pollution and the adverse impact of deforestation. The coir industry is the solution to foster sustainable development in the economy. Sericulture is an environment-friendly occupation as its splendid foliage and root-spread helps in soil conservation, remains of silkworm rearing is good for gardens, minimises the adverse impact on forest as its dried branches can be used as fuel, usage of smoke-producing machines is very less as it is labour intensive and agro-based work, mulberry plantation is generally done in highland areas which leads to the use of un-used cultivated land.

Sector-wise percentage share in green jobs generated by micro, small and medium enterprises (MSME) in India during 2006-2007 to 2016-2017 has been shown in Figure 6. The share of khadi and village industry is the highest in 2008-2009 i.e. 62.22% and the lowest in 2006-2007 with 57.25%. The share of sericulture industry is the highest in 2006-2007 with 38.64% and the lowest in 2014-2015 with 36.22%. Coir industry has the highest share of 4.11% in 2006-2007 and the lowest share of 31.7% in 2015-2016. The table has revealed that the share of khadi and village industry

Figure 5: Green jobs generated by micro, small and medium enterprises (MSME) sector in India during 2006-2007 to 2016-2017 (in lakh persons)

Source: Various annual reports of ministry of micro, small and medium enterprises (MSME)

Figure 6: Sector-wise percentage share in green jobs generated by micro, small and medium enterprises (MSME) in India during 2006-2007 to 2016-2017

Source: Various annual reports of ministry of micro, small and medium enterprises (MSME)

is about 60%, sericulture industry about 37% and coir industry about 3%. In all the years, share of khadi and village industry is the highest followed by sericulture industry and coir industry in green jobs generation of MSME sector.

Growth of green jobs in Indian Micro, Small and Medium Enterprises (MSME) during 2006-2007 to 2016-2017 has been analysed in Table 2. The Compound Annual Growth Rate (CAGR) of green jobs generation in MSME sector is 3.95%. CAGR of green jobs generation in khadi and village industry is the highest with 4.37% followed by sericulture industry and coir industry with 3.55 and 1.27%, respectively. The table has revealed that growth of green jobs generation has increased in MSME sector and its sub-sectors but at slow pace as CAGR in all the categories is <5%. CAGR in Coir industry is very low i.e. almost close to 1%.

3. PROBLEMS FACED BY MSME SECTOR

Although MSME sector is playing crucial role in Indian economy yet various problems are being faced by these enterprises which further restricts the growth of this sector. The major problem faced by MSME is of delayed payments and they restrict themselves to make use of legal provisions provided under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as their bargaining power is low. The good quality raw material is not easily available and also market to dispose of their final product is difficult to find. MSMEs have limited access to formal credit

Table 2: Growth of green jobs in Indian micro, small and medium enterprises (MSME) during 2006-2007 to 2016-2017

Sectors	Compound annual growth rate (CAGR) (in %)
Khadi and Village Industry	4.37
Sericulture Industry	3.55
Coir Industry	1.27
Micro, Small and Medium Enterprises (MSME)	3.95

Source: Various annual reports of ministry of micro, small and medium enterprises (MSME)

provided by banking system as it is difficult to assess credit risk, historical cash flow etc. To bring equity capital and finance for venture capital is very difficult due to the informal nature of MSME sector. Another problem faced by this sector is lack of information regarding various schemes offered by government, banking system and other organisations which restrict MSMEs to reap the gains of these schemes. The participation of private players is low in this sector as growth of MSME clusters is seen largely in government organisations only. The competitiveness of these enterprises is being adversely affected by infrastructural bottlenecks (Vibhuti and Barki, 2016), like limited availability of basic necessities i.e. tool rooms, labs for product testing, work sheds, rural broadband, electricity etc. There is need to address the above mentioned problems in order to maintain and enhance the contribution of this sector as decline in the contribution will adversely affect the inclusive development of the Indian economy.

4. CONCLUSION

The growth of MSME sector is higher than industrial sector in 2006-2007, 2007-2008, 2013-2014, 2014-2015 and 2015-2016. The growth of MSME sector in 2008-2009 is 10.3% which declined to 4.4% in 2011-2012 due to the adverse impact of global economic crisis of 2008-2009. The share of MSME sector has increased in Indian GDP during 2006-2007 to 2012-2013 but no steep increase has been seen in this period. Further, share of MSME in GVA is more as compared to GDP during 2011-2012 to 2016-2017. The share of MSME in GVA and GDP has declined over the period of time but marginal decline has been seen. Employment generation and number of working enterprises have shown rising trend during 2006-2007 to 2015-2016. The Compound Annual Growth Rate (CAGR) of working enterprises is higher with 6.43% than employment generation with 3.63%. The number of working enterprises has increased at higher rate than the jobs created in MSME sector of India. The share of MSME sector ranges between 40 to 50% which constitute significant portion of total exports of India. In 2016-2017, the total number of green jobs generated by MSME sector is 228.76 lakh persons. During 2006-2007 to 2016-2017, the number of green jobs has increased but at slow pace and the share of khadi and village industry is about 60%, sericulture industry about 37% and coir industry about 3% over the period of time. In all the years, share of khadi and village industry is the highest followed by sericulture industry and coir industry in green jobs generation of MSME sector. The growth of green jobs generation has increased in MSME sector and its sub-sectors but at slow pace as CAGR in all the categories is <5%. CAGR in Coir industry is very low i.e. almost close to 1%. To conclude, MSME sector is the significant contributor in GDP, employment generation, total exports, achieving SDGs and green development which in turn act as backbone of the Indian economy.

5. POLICY IMPLICATIONS

MSME sector is considered to be the significant contributor to employment generation in rural areas of India (Vibhuti and Barki, 2016). It has been analysed from Table 1 that the Compound Annual Growth Rate (CAGR) of working enterprises is higher than employment generation. The number of working enterprises has increased at higher rate than the jobs created in MSME sector of India. There is need to increase the growth rate of job creation in these industries as most of the MSMEs are in rural areas which provide non-farm employment throughout the year which in turn reduce the population pressure on agriculture sector of rural areas and minimise migration from rural to urban areas. Most of the MSMEs fall under informal sector of the economy and there is need to increase the number of these enterprises in formal sector of the economy. Entrepreneurs engaged in this sector should be encouraged to get their enterprise registered with the ministry of MSME which will improve their access to the various schemes offered by government, banking system and other agencies. Another issue which needs attention is to attract private investment in these enterprises which will increase efficiency and also solve the problem of limited access to capital.

Various incentives should be provided to private players like tax concessions, ease of doing business, developed infrastructure, conducive environment etc. The problem of delayed payments also needs to be addressed which aggravates the problem of liquidity of these enterprises. Generally, buyers are not conscious about making timely payments so buyers should be encouraged to do so by providing different incentives and adequate machinery is required for fast addressal of the grievances related to delayed payments.

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