

# STUDY ON PRIVATE ENTERPRISE DEVELOPMENT: CHALLENGES, OPPORTUNITIES AND EXPECTATIONS PROSPECTS IN INDIA

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**Abstract:** *The study makes an enterprise to examine Private function in enterprises exercises in order to feature the commitment of private enterprises business people towards financial advancement. In the process, it additionally endeavours to look at the hopeful variables and additionally hindrances that this class looks at running their units. Arrangements and projects of the administration additionally exist to advance and fortify the improvement of Private enterprises business in India.*

**Key Words:** *Micro, Small and Medium Private Enterprises, registered enterprise, Un-registered enterprise.*

## 1. INTRODUCTION:

Indian economy during the recent years has shown an appreciable growth performance by contributing to the creation of livelihood opportunities to millions of people, in enhancing the export potential and in increasing the overall economic growth of the country. On time and appropriate economic motivation, effective monetary policy and enormous capital inflows were greatly instrumental in the spring back situation of the economy. It is, therefore, essential that India adopts a suitable policy framework that provides the required impetus to take hold of the opportunities and create an enabling business environment in order to keep the energy of growth of development well empowered to meet the emerging challenges for its sustainable growth and survival in Private enterprises in India.

## 2. REVIEW OF LITERATURE:

Although the medium and small-scale industries continue to dominate the industrial of Private sector in most of the countries including India, the literature and the studies on their varied functioning are not many especially with reference to changing perspectives. The available of review literature rather indicates some missing gaps that need to address appropriately. Christopher J. Green, Colin H. Kirkpatrick, and Victor (2006)<sup>1</sup> in their paper have examined the ways in which financial sector development policy might contribute to poverty reduction, particularly by supporting the growth of micro and small enterprises. This paper highlights on the changing role of medium and small scale industries in the development process and the access of MSEs to informal and formal finance, including the role of microfinance. De, Sankar (2009)<sup>2</sup> in his article has viewed that SME's in India face many challenges, but perhaps none are as difficult as the challenge of financing, both short term and long term. M., K. Krishna (2012)<sup>3</sup> in their paper have stated that since several successful models of the sustainable medium and small scale industry are gradually evolving, networks of medium and small scale industry would become essential for addressing the systemic problems under lying the industrial ecology, enterprise resilience, and global supply chain sustainability. Great Lakes Herald March (2017)<sup>4</sup> has critically analyzed the present situation of medium and small-scale industry and support systems available in India as well as in the global context. has suggested that medium and small scale industry in India should have access to alternative sources of capital like angel funds and risk capital etc. and that existing laws should effectively address issues like insolvencies and bankruptcies; need to redefine the ceiling limits to encourage medium and small scale industry to move up the value chain and need for cluster development approach to increase the level of competitiveness play a significant role in inclusive growth of Indian economy.

## 3. FACTORS RESPONSIBLE FOR EMERGENCE AND GROWTH OF PRIVATE ENTERPRISES:

### A. Industrial Policy and the Expansion of the Scope of the Private Sector:

The industrialized approach resolutions presented by the nation have additionally extended the extent of the support of the private part undertakings in different fields of modern movement. The mechanical arrangement resolutions of 1956, in its rundown of businesses under Calendar a solely held for the general population area, permitted the current private segment to keep on and extend.

### B. Inter-Company Investment:

The between organization resource is viewed as another vital factor for the development of expansive mechanical houses and developing grouping of financial power. Through between organization ventures, huge modern

houses involve the directorship of a decent number of organizations and cornered the basic leadership of these organizations

#### **C. Government's Licensing Policy:**

The authorizing approach of the Legislature has additionally encouraged the development of huge mechanical houses and grouping of monetary power. While giving modern permit, the Administration never attempted to control the development of imposing business model or centralization of financial power. Alternatively, maybe, the authorizing experts tended to endorse the licenses of new undertakings to an accomplished individual having demonstrated business capacity, rather than new business visionaries.

#### **D. Tax Policy:**

The Administration has likewise presented financial motivators as expense concessions or assessment exclusions in order to give impetuses to some mechanical ventures for its improvement. Until 1955, the Legislature conceded introductory improvement stipend for such reason. In 1955, the Legislature presented improvement discount and in 1976-77, they presented speculation remittance for the private undertakings. Every one of these motivating forces has profited the expansive business houses to the greatest degree. Rather than corporate expenses, the Legislature expanded the rate of extract obligations at a speedier rate, which the makers can move on to the customers.

### **4. CONTRIBUTIONS OF PRIVATE SECTOR ARE LISTED BELOW:**

#### **A. Most Important Sector:**

In spite of huge progress of the public sector during the plan period, the importance of private sector is tremendous in the India economy 1, 10, 634 in compare to the total number companies of 1, 28,549. In other way, 86.1% of the total company was under the executive of private sector in compare to only 11.67% companies under public sector.

#### **B. Employment Generation:**

The private sector plays a dominant role in generating employment opportunities inside the country. A huge number of large scales, small-scale, cottage scale units are under the control of the private sector. It proves that small-scale and cottage scale industries contribute four times more employment in comparison to large-scale industries.

#### **C. Helpful for Development:**

As per Schumpeter private part assumes a predominant part in monetary improvement. It upgrades the procedure of industrialisation. All the private business people are worked revenue driven rationale. They really assumed a main part for the presentation of new items, new procedures of generation, new plants gears and hardware. Private businessperson has inventive thoughts and dependably alters the aggregate technique for generation.

#### **D. Contribution to Agriculture:**

India is an agro-based economy. The offer of horticulture and its partnered exercises like angling, poultry, steers raising, creature cultivation, and dairy cultivating and so on to the national pay is about 22%. Then again, around 60% of the aggregate working populace is occupied with this region. Consequently, this extensive farming area is controlled by the private part.

#### **E. Contribution to Industry:**

As per 1956 determination, "enterprises creating middle of the road merchandise and machines can be set up in the private area. A decent number of ultra-present day ventures are built under the control of the private area. This incorporates a few shoppers' great ventures like sugar industry, palatable oil industry, material industry, paper industry, zest industry and fast food or semi-completed nourishment businesses. Indeed, even in the circle of capital merchandise, iron and steel substantial building, compound, engines and so forth private segment assumes a predominant part in their improvement.

#### **F. High Potentiality:**

The vast majority of the little scale and cabin scale businesses are utilizing work-fascinating advances, they make immense business openings. These businesses are possessed by private segment. Around 80% of the either aggregate working powers are utilized in sorted out or sloppy private division units. The private part contributes around three-fourths of the nation's national pay. In addition, this area likewise assumes an indispensable part to expand net local sparing and gross local capital arrangement inside the economy.

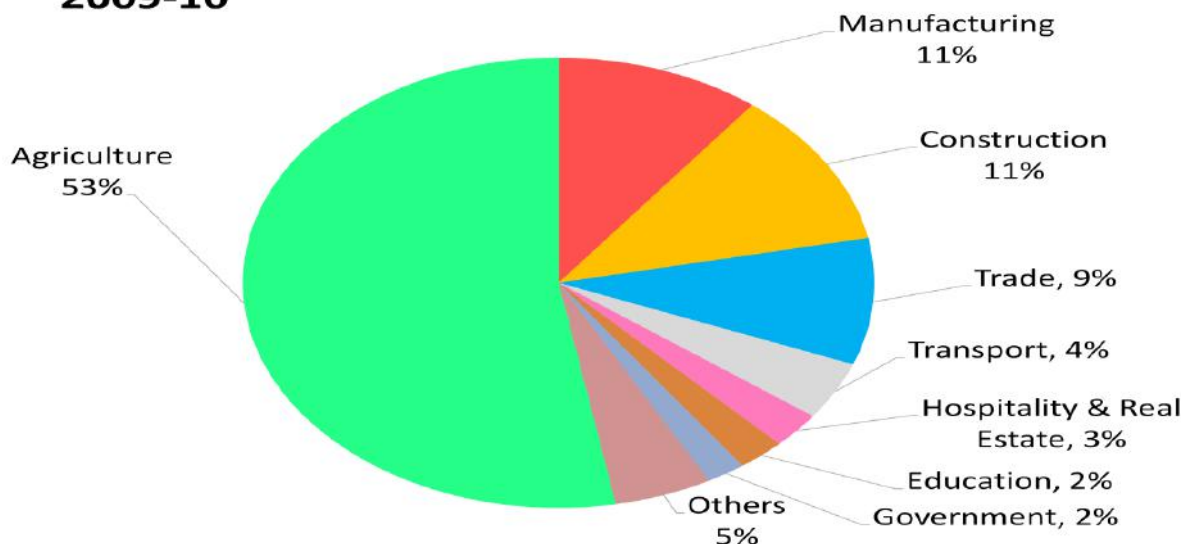
### **5. METHODOLOGY:**

The data are collected mostly from secondary sources by way of access to various Government policies and programs including published Annual Reports, Journals, Books and available official websites.

Table.1

Total Private Enterprises in India and Percentage Change (2009- 2010)

**Employment by Sector (%)**  
**2009-10**



(Source: Secondary data)

**5. CONCLUSION:**

Private enterprises have played a stellar role in speeding up the process of industrial development in the country. They have served the needs of the nation and ensured that products and services are made available to consumers at affordable costs. The entry of private sectors companies into the Indian government sector triggered off a series of changes in the industry. Even with the market place, it is evident from the study that products offered by the private enterprises are creative, innovative and of the liking of the customers.

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**Mr. N. RAMAR** obtained his B.B.A from Alagappa University, Karaikudi and M.B.A from Bharathiar University, Coimbatore. He has obtained his M.phil degree from Alagappa University. He is presently perusing his doctoral Degree at Alagappa University, Karaikudi. He has Contributed 10 papers to various National & International journals. He also attended nearly 15 national & international conferences and presented 10 papers in Conference Proceedings.