

**MICRO, SMALL AND MEDIUM ENTERPRISES
AND INCLUSIVE GROWTH DURING
ECONOMIC REFORMS IN MAHARASHTRA**

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CERTIFICATE

I, the undersigned hereby certify that the U.G.C. funded Major Research Project entitled, **"MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA"**, is completed by **Dr. T. V. G. Sarma**, Principal Investigator in **CHH. SHAHU INSTITUTE OF BUSINESS EDUCATION AND RESEARCH (C.S.I.B.E.R), Kolhapur** during the period 2015-2018.

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Chapter	Contents	Pages
	<i>Certificate</i> <i>Declaration</i> <i>Acknowledgement</i>	
I	Introduction and Research Methodology	01
II	Review of Literature	07
III	Industrial and MSME Profile of Maharashtra State	55
IV	Data Analysis and Interpretation	85
V	Findings, Suggestions and Conclusion	173
	Bibliography	
	Appendix Questionnaire	

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Dr. T.V.G. Sarma

Principal Investigator

DECLARATION

I, the undersigned hereby declare that the U G C funded Major Research Project entitled, **"MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA"**, is done by me originally in **CHH. SHAHU INSTITUTE OF BUSINESS EDUCATION AND RESEARCH (C.S.I.B.E.R), KOLHAPUR**. No part of this report is copied from any thesis/projects submitted earlier to any University in India or abroad.

Date: 30/06/2018

Place: Kolhapur



Dr. T. V. G. Sarma

Principal Investigator

CHAPTER - I

INTRODUCTION AND RESEARCH METHODOLOGY

1.0 INTRODUCTION:

Micro, Small and Medium Enterprises (MSME) sector has an important share in Indian economy. It contributes to industrial production, export, and generation of employment opportunities. The Development Commissioner (MSME), Ministry of MSME, Govt. of India, New Delhi designs the policy governing the MSME in the country. It makes the schemes and programmes for development of the MSME sector as per the provisions in the MSMED Act.

As per the new MSME Development Act, 2006, the current definitions of Micro, Small and Medium Enterprises in manufacturing and service sector are given in the following table:

Table No. 1.0: Classification of MSME

Category	Manufacturing	Service Sector
	Investment in Plant & Machinery (excluding Land & Building)	Investment in equipment (excluding Land & Building)
Micro	Upto Rs. 25 lakhs	Upto Rs. 10 lakhs
Small	Above Rs. 25 lakh upto Rs. 5 Cr	Above Rs. 10 lakh upto Rs. 2 Cr
Medium	Above Rs. 5 Cr upto Rs 10 Cr	Above Rs. 2 Cr upto Rs. 5 Cr

In the MSME Development Act, 2006, the Government has focused on development of skills of entrepreneurs and their employees, management of enterprises, technology upgradation, marketing assistance, infrastructure facilities, and cluster development. In the year 2012, Govt. of India, Ministry of MSME has also declared the Public Procurement Policy.

As per fourth census of MSME 2006-07, as on 31st March, 2007, in all 86,635 MSMEs were working in Maharashtra State with an investment of Rs.14,859 crore and employment of 10.95 lakh. Upto September, 2015, in all

2,43,721 MSME units, with an investment of Rs.56,552 crore generating employment of 29.19 lakh were functioning.

The Ministry of MSME, Government of India as per the recommendations made by Kamath Committee, has prepared a one-page registration form that have constituted a self- declaration format under which the MSME can self-certify its existence, bank account details, promoter/owner's Aadhaar details and other minimum basic information required. Based on the same, the MSMEs are being issued online, a unique identifier i.e. Udyog Aadhaar Number.

The Ministry of MSME has set up the infrastructure i.e. the Udyog Aadhaar (UA) Portal for online filing of Udyog Aadhaar Memorandum (UAM) by enterprises located anywhere in the country. The UA portal is also accessible on mobile devices.

Udyog Aadhaar registration enables the units/enterprises to seek information and apply online about various services being offered by all Ministries and Departments. The simplified Udyog Aadhaar enables all enterprises to file and register themselves so that simply by using Udyog Aadhaar Number, they can access other services. The process of obtaining Udyog Aadhaar Number is made free-of cost, paperless and results in instant registration.

1.1 NEED FOR THE STUDY

The early planners in India adopted a mixed economy strategy for development in the country. In spite of equal emphasis being laid on public and private sector for economic development, the planners emphasized the greater role to be played by the public sector. This was clear from the goal set for public sector as they should attempt to reach 'commanding heights' in the economy.

This strategy was questioned after four decades economic planning in the early nineties. The case for mixed economy became weaker as all the macroeconomic parameters were showing negative signs. For example the growth rate of the country was not crossing the 'Hindu rate' of 3.5%, inflation rate was in double digit, the employment level was not improving, the foreign

currency reserves of the country had touched the rock bottom level of only \$2 billion and many of the public sector enterprises were incurring losses. In this context India adopted the 'New Economic Reforms' in 1991.

After two decades of economic reforms, the time has come to analyse whether New Economic policy strategy has really benefited the economy and individuals at the grassroots. Number of studies have been conducted by economists to highlight the positive aspects of the New Policy measures. The annual economic survey documents at the National, State level document the gains of the new policy regime. The GDP Growth has crossed 5% mark, inflation is in single digit, the foreign currency reserves have crossed \$250 billion. These are the frequently quoted parameters for emphasizing the success of economic reforms. Such claims touch only the surface economic performance. To understand the change taking place one has to go deeper in to the economic structure and focus on micro level contribution of the reforms in terms of increase in income, reduction of poverty, empowerment and equity as well as inclusiveness in the society. These critical issues of development are often ignored in the policy documents.

Apart from the standard macroeconomic variables there are other issues in the economy that are put on rear side. For example even today we have more absolutely poor people than 20 poorest countries of Africa. We have more people without electricity than the whole Africa. This leads us to the apprehension that growth may not be inclusive enough. In economies like Japan, and China globalisation has led to inclusive growth through labour intensive industries and creating a competitive business ecosystem of entrepreneurs, managers and workers then gradually moving up to the value chain.

Maharashtra in particular known as an industrially progressive state has been put to test on these critical aspects of development. In the proposed research work we focused on the contribution made by Micro, Small and Medium enterprises (MSMEs) for achieving the goal of inclusive growth. Such study focusing on the inclusiveness aspects of economic growth in the context of Maharashtra has never been attempted in the previous research studies. To fill this research gap we conducted the research on this aspect in Maharashtra.

1.3 OBJECTIVES OF THE STUDY

- i) To review the role of Micro, Small and Medium Enterprises in the economic development of India.
- ii) To assess the contribution of MSME for inclusive growth in Maharashtra.
- iii) To highlight the problems faced by MSMEs for contributing to the objective of inclusive progress in the period of economic reforms.
- iv) To suggest suitable policy framework for harnessing the potential of MSMEs for inclusiveness.

1.4 RESEARCH METHODOLOGY

To conduct the study initially Secondary data was collected to understand the role and contribution of Micro, Small and Medium Enterprises sector in the state of Maharashtra. This provided a macro picture of this sector in the State. For this purpose published reports of the State Government and the publications of S.I.D.B.I.were accessed for obtaining the idea about the role and spread of MSMEs in the state. Research articles on this sector published in reputed journals such as Economic and Political Weekly, Arthavijayan, Indian Economic Journal and others were surveyed. Published material was also obtained by visiting the different academic libraries in the State. Based on the collected secondary material the literature on MSMEs was surveyed .The exercise helped to critically examine the role and growth of the sector during the reforms in the State.

In order to understand the ground level impact of reforms on MSME and their achieving the objective of inclusiveness, a primary level survey was conducted in the entire State. A questionnaires for entrepreneurs/managers in the MSME was prepared. The included questions were pertaining to entrepreneurs/managers' opinion about the role of MSME during the reform. The questions on income, employment, education and social benefits of MSMEs during the reforms were included. The Socio-economic profile of management and workers also highlighted the inclusive role being played by MSMEs.

The primary data was collected from all the six zones of Maharashtra state. From the total MSME units in all the zones a sample of 993 entrepreneurs/managers were administered the questionnaire by visiting them personally. The data so collected was tabulated and analysed with the help of suitable graphs and trend lines.

1.5 HYPOTHESIS OF THE STUDY

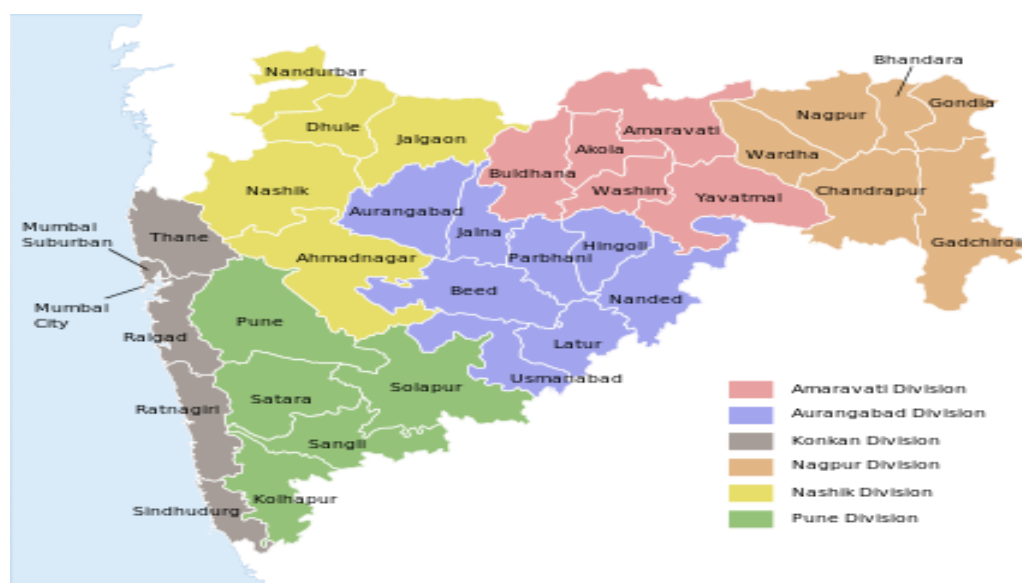
The following hypothesis were examined with appropriate statistical tools in the study.

- i. Micro, Small and Medium Enterprises in Maharashtra are contributing significantly for inclusive growth in the State.
- ii. There is significant difference between the performance of MSMEs and large manufacturing industries w.r.t inclusiveness.
- iii. The economic reforms have encouraged the MSMEs thereby promoting the concept of inclusiveness.

1.6 SAMPLING DESIGN

In order to collect the primary data the six divisions of Maharashtra are considered as shown in the following map. These are considered as the six strata of the total population. The questionnaire was administered to 993 entrepreneurs/managers of MSME enterprises from all the six regions in the State.

Graph No.1.0:Administrative Divisions in Maharashtra



To determine the minimum sample size the following statistical formula is used:

$$n = N/(1+N*(e)^2)$$

n = Sample size, N =Population size, e= Acceptable sampling error
95% confidence level and p=0.05 are assumed. For 95% confidence critical value is given 1.96

$$n= 2,43,721/(1+2,43,721(0.05)^2)$$

$$n= 2,43,721 /(1+ 609.30)$$

$$n=2,43,721/610.30, \quad \mathbf{n=399.34}$$

The estimate of the sample size shows that minimum of 400 sample respondents are necessary to represent the total population of MSME enterprises in Maharashtra State. As the study area covers all the six regions in the State, a total of 1000 MSME units is decided to be included in the sample. This will take care of the non-responding sample units, unclear responses and other problems involved in obtaining a complete primary information. Even though few sample units are lost due to the cited problems, the remaining respondent will be above the minimum sample size determined by the statistical formula.

1.7 LIMITATIONS:

- i. The analysis is based on the responses provided by sample units to the questionnaire.
- ii. Few respondents declined to provide the information for some questions.
- iii. The secondary data in the study was available only upto 2015-16.

CHAPTER – II

REVIEW OF LITERATURE ON MSME

2.0 INTRODUCTION

There is a vast literature on the Small Scale Industries in the India in the pre-2006 period. The studies on MSME sector are being extensively published by the researchers in the last three to four years. We attempt to understand the issues being focused with reference to the MSME sector in this part of review of literature.

2.1 REVIEW OF MSME STUDIES

Shivani Mishra (2012) in the article entitled “**Small Scale Industries: Striving and Thriving in the era of Globalization**” elaborately describe how significantly the SSI is contributing to the Indian economy. The SSI provides employment to the tune of 69 million people, 45% of Manufacturing output, 40% of Export, 26 million of Units with Number of products over 6000. It also states that this is the only sector which provides maximum employment after the agricultural sector. The critical role of SSI in economy is that it holds large share of employment generation and along with low per capita investment, significant contribution to export which leads to the industrialization of rural as well as backward areas of country. It clearly indicates that SSI is complementary to the large scale industries and important for the socio economic development of a country like India. The author also mentions the role of SSI at global level. Countries such as Japan and Korea emerged as developed economies due to SSI. After stating the important role played by SSI in the Indian economy the author puts forth few important questions (i) whether the globalization has affected the SSI sector India? If yes in what way? (ii) What are the problems which paused the growth of SSI sector in India (iii) What are the remedial measures to survive in the Global competition in the era of liberalization. It concludes with suggestion that India needs a proactive approach for the sustainability of SSI sector in the liberalized economy. The conclusion is based on the primary and secondary data collected from various sources like Annual Reports of MSME, Economic Survey, 12th FYP, and RBI Bulletin.

Elangbam Nixon Singh G.P.Prasain (2010) in the article titled “**Sickness in Small Scale Industries: Causes and Remedies A Case Study of Manipur**” focus on the importance of SSI in the industrially underdeveloped North Eastern Indian States particularly Manipur .He states, SSI plays a pivotal role in providing largest employment in the state. Even it has a great role in redressing the problem of scarcity of capital and reducing poverty in the state. The paper explains about the reasons for the underdevelopment of the Small Scale Sector in the State and about the root causes of sickness of Small Scale Industries. It gives the strategic approach towards SSI in the capacity of providing thousands of jobs within SSI sector such as Agro based, Handloom and Handicraft industries. The paper covers the reasons for Sickness in SSIs in the State right from internal causes like Finance, Marketing, Production, Personnel to external causes like problems created by banks and financial institutions. It also states the problems created due to changing Governmental Policies, Red-Tapism, Delayed payment by Government departments including other external problems of availability of raw material, Power, Labour etc. The paper suggests remedies to solve the problems of sickness in Small Scale Industries in the State With role to be played by Banks and other Financial Institutions to rehabilitate sick units instead of establishing new units. The government should make the appropriate policies for sick units in the form of tax relief, tax incentives, subsidies and infrastructural facilities. The Professionals, like Financial Analyst, Project Coordinator, Accountants can also play an important role by signaling sickness in SSI through continuous study by using different models of forecasting sickness. The Entrepreneurs himself should also do the project report properly and by selecting required capital carefully and selection of skilled labour force and implementing project within the limit of estimated cost and time period. Finally, the article concludes with effect of negligence to the problems of SSI in the State of Manipur.

R. Peter, V. Naicker (2013) in the paper titled “**Small Medium and Micro Enterprise business goals and Government support: A South African Case Study**” throws light on the Governmental role in designing and developing policies towards the empowerment of SMME(Small Micro Medium Enterprise) Sector in the underdeveloped country like South Africa. The paper sought to analyze the weakness and strength of the National Business Strategy. It has mixed methodology to analyse

the data empirically collected through research questions. It emphasized the socio economic importance of the SMME in the country of South Africa in creating employment opportunities, reducing gap of income inequality and alleviating poverty. It explains the role of apex institutions in the country in administering the programmes for SMME industry in the county like a Khula and Ntisika in capacity building for SMME. The failure on the part of South African Government is also highlighted in fostering the entrepreneurial culture particularly among their citizens. The study mainly focuses on gap in the development of SMME in Rural and Towns in the country particularly Kwa-Zulu Natal Province, which is the home of large population of South Africans. The paper concludes that the overall ambition of the SMME sector in South Africa is to create an enabling environment for creation of sustainable job opportunities, reducing poverty, reduction in the gap of inequality in the distribution of wealth and income, increased turnover of SMME sector , The Paper finally remarks, based on the various test used for analysis of data like Chi-Square that South African Government Initiated Supportive Programmes as part of National Business Strategy are ineffective towards Kwa Zulu Natal Province. The study exhibits the challenges of this province are disproportionate to the challenges faced by other provinces country of South Africa with regard to SMME Sector as whole.

Afzal Ali¹Hyun Hua Son (2012) in the article “**Measuring Inclusive Growth**” first ever tried to measure the inclusiveness of the growth of the economy. The relevant data for the analysis and interpretation and testing of hypothesis belongs to the Phillippines. The author defines the term inclusiveness using the data for the period of 1990-2001. It also reveals the importance of growth as necessary condition for sustained poverty reduction in the sustainable economic development considering the strong average growth is accompanied by sharp reduction in the poverty. In his first ever attempt to measure the inclusiveness he used the the concept of opportunity curve to measure the growth along with inclusive ness. The methodology used to analyse the data is Social Opportunity Function to interpret the same as how the opportunities are shared and distributed among the population. It concludes that Inclusive Growth is nothing but maximization of the social opportunity function. The paper remarks’ as growth does not guarantee that all people equally benefit, growth

can bypass marginalized leading to inequality. Hence, inequality has become major concern of development policy in many countries including Philippines.

Navin Kumar Rajpal (2014) paper is titled as “**Micro, Small and Medium Enterprise in North East India: Performance and Prospects**” In this paper the another attempts to highlight the importance of Small Micro and Medium enterprises in the developing country like India, particularly focused on the industrially backward region consisting of States situated at the eastern part of the country prominently known as NER (North Eastern Region) .The paper is mainly focused on uneven growth of MSMEs in NER. It highlights the MSME’s role in the region as to how the MSME is composed of in the NER, the reasons for their backwardness as well as lower growth in comparison with the mainland of the country. The paper explains about the contribution of MSME in the country development in general in a capacity to the generate large employment, reducing poverty, balanced growth of all the regions of the country. It not only speaks about the participation of MSME in GDP and Exports ,Manufacturing output, but it also focuses on the role MSME in NER to generate larger employment opportunities with lower investment cost for the better utilization of natural resources in NER states. The author in his effort to clarify the meaning of MSME it gives picture about the Nature and classification of MSME in various countries in the other part of the world. As far as India is concerned MSME is defined on the basis of investment limit while in other countries it defined on the basis of labour structure. The study is more relevant for NER, consisting of eight states like Assam, Meghalaya, Arunachal Pradesh, Sikkim, Mizoram, Nagaland, Manipur and Tripura. The paper quantitatively speaks about the comparative growth of MSME in India and NER, its impact on employment, impact on fixed investment, impact on production. It elaborately explains about the growth of MSME in different states of NER separately by giving the data for the period of 2006-2011 for the variables like Employment, Fixed investment and production for each state. The paper concludes that NER is far behind in the development of MSME as compared to the other parts of the country. It suggests to abolish the ILP (Inner Line Permit) which is the barrier for the development of SMME and to undertake the promotional activities like cross border trade, entrepreneurial training facilities, Financial support through financial institutional, infrastructural development and others, which will boost the

process of MSME's development and helpful to foster the growth of Micro Small and Medium Enterprises in the North Eastern Region.

Subrata Dutta (2007) in paper titled “**Non-Farm Entrepreneurship of the Farmers of West Bengal: A LISREL/ Logit Analysis**” explains the reasons for the less development of entrepreneurship outside agriculture in West Bengal. Even though the State has witnessed growth in agricultural sector, the Non Farm entrepreneurship is not developed in the state as expected. The author observes the West Bengal as a predominantly an Agrarian state wherein industrial activities are mainly depending on transferring agriculture resources to Non Farm activities or Non Agricultural activities. The study attempts to identify determinants of Non-Farm Entrepreneurship among the farmers in the state. It admits that the risk avertness of the rich farmers to invest in the Non Agricultural activities as the main reasons for the less development of the Non Farm Entrepreneurship in the state of West Bengal. The author suggests the role of Government in attracting the rich farmers to undertake investment in the Non Farm activities. As it compares the status of country of Japan in this respect that in the era of Meiji almost the rural industrial activities were financed and operated by Rural Landlord –merchants by inducing surplus capital and developed a national market including rural one. It also mentions the example of Latin America of skewed distribution of agricultural land for this purpose. It also explains the value chain between Agricultural and Non Agricultural activities, in context that growths have dominated view that agriculture supplies surplus labour to industries as well as surplus food to urban sector and very few theories has a focus on transferring the investible surplus from farm to Non farm activities. Hence in the paper it is hypothesized that large part of rural capital belongs to the farming group and the diversification of rural economic activities from agriculture to Non agriculture is largely depends on farmer's willingness to become Non Farm Entrepreneur. It is tested through Logistic regression estimated result. It has identified main determinant as farmer's attitude and Age, Marital Status, Marriage relationship, Fate –work effect, and attitude towards risk as others.

Soeren Jeppesen (2005) in the article entitled “**Enhancing Competitiveness and Securing Equitable Development: Can Small, Micro and Medium -Sized enterprises (SMEs) do the Trick?**” Questioned the actual and potential role played by the Small, Micro and Medium sized enterprises in creating jobs, creating and redistributing wealth. He argues that the role of government and aiding agencies in prioritizing the policies for the SME’s on the basis of Sector, Size and Geographical region can make the sector competitive. He states the feature of SME’s in South Africa with the perceived advantages neither SOE’s(State owned Enterprises) of big, bureaucratic, corrupt nor TNCs(Transnational Corporations) of big, profit seeking and exploitative. These two are viewed as means of achieving dynamic and flourishing private sector by increasing export, enhancing industrial competitiveness, increasing national income, equitable distribution of wealth, creation of jobs which will ultimately improve the well being of poor and marginalized groups. The author mainly focuses on the importance of private sector and discusses whether and under what conditions SMEs can fulfill both economic and social aspirations. The article concludes with remarks that international experiences talks about important role played by the SMEs in the socio economic development of the country i.e. small number of SMEs have contributed most but most of the industries contributed less in fostering equitable development and poverty reduction. The question is whether government policy priority is appropriate for PSD (private sector Development) for all the private industries including SMEs or not? And the experiences of neo liberal policies transferred from North to South has less impact due to lack of knowledge of Real Private Sector which lies behind the approaches of the official donor agencies and their limited relevance to the realities of ground.

Surath Kumar Das (2014) in the article titled as **Growth and Prospects of MSME in Odisha: An Analytical Approach**” explains the importance and the progress of MSME in the state of Odisha. As author states Micro, Small And Medium Enterprise is a jewel in the crown of Indian economy which is the breeding ground for entrepreneurs at the ground level Being an engine of growth MSME contributes to a large extent for the social and economic development of the country by creating large employment, reducing poverty, increased GDP, increased exports over the period of time. This sector has also registered multi dimensional growth in the state of Odisha.

The study is an attempt to analyze the factors responsible for the growth of MSME in the state of Odisha at grass root level like Government initiative, role of NGOs, Micro finance and credit flows of enterprises. The author collected data from primary as well as secondary source and analyzed with the help of tools like Ratio, Percentage and Averages. It highlights the progress of MSME in the state during last five decades and compares its contribution in achieving the socio economic objectives with the other states of the country. The paper addresses about the MSMEs contribution in respect to the employment, poverty reduction, export, number of products, and industrialization of rural and backward areas, equitable distribution of national income and wealth and reduction in the regional imbalance. It is observed that MSME has grown in Odisha due to role played by the Directorate of Industries, a nodal agency for promoting MSME in the state. The MSME has registered higher growth rate consistently as compared to overall industrial sector. The article not only focuses on the growth but also the challenges faced by MSME in recent past in form of insufficient financial support from financial Institution, Banks, Government and Corporate. The study concludes that there is continuous growth in the MSME units which is more than growth rate of the country .This growth is healthy sign for the progress and prosperity of MSME sector in the state of Odisha.

K. C. Chakraborty (2012) published an article entitled **"Empowering MSMEs for Financial Inclusion and Growth –Issues and Strategies"** He stated the importance of MSME sector in achieving the growth rate for country of 8-10% .He highlighted the need of nurturing Micro, Small and Medium Enterprises and the Entrepreneurs. He says MSME is the best vehicle for inclusive growth to create local demand and consumption to fight against the global meltdown He mentioned the fact that sizeable growth of credit is registered in this sector but not as enough which is supplied by Scheduled commercial banks. It also states that MSME is not free from the challenges. Even with the growth in credit supply, MSME sector faces the problem of adequate and timely availability of credit for existing entrepreneurs as well as first time entrepreneurs. The problem is also with the Marketing, Man Power and infrastructure in the rural areas. The infrastructural problem includes water, power and roads. He suggests that the Government should remove the regulatory impediments for the access of alternative sources of funds for the SMEs such as

Angle capital /Risk capital on the priority basis. He emphasizes the role of Government of India, Reserve Bank of India in empowering the MSME sector by providing financial support and capacity building to this sector along with the role to be played by the various associations and demands in the financial infrastructure of the country. It concludes with the fact that banks have done well so far but there are several challenges that lie ahead. The banks need to look for developing new delivery mechanism in dealing with MSME sector to cash in the opportunities unleashed by higher growth.

P M Mathew (1997) in the article entitled “**From Beautiful ‘Small’ to Flexible Specialisation Asian Experience of Small Enterprises Development**” article stresses the need to view the MSME not from European glasses. This paper questions what does mean by globalization and liberalization for the developing countries? Does it mean that MSME has to play orchestrated conventional role of employment and decentralized development uninterrupted under a regime of market without bonds, policies or strings or does it require new set of policies and strategies clearly directed to the specific feature of MSME as inalienable sub sector of economy? And the question about Flexible specialization was first time raised in the international seminar on ‘small and micro enterprise in economic development’ held at in, Indonesia. The seminar mainly focused on the policies, strategies and experiences of SME in Indonesia. In an advancement of his study in developing literature on MSME in his another paper titled “ Indian Experience in SME promotion: Lessons from International Community” he suggests the necessity of flourishing strategy of flexible specialization in developing country that Asian developing country can draw lesson from India as longest small enterprise development policy in Asia even in world. India development strategy is of compare and contrast witnessed by Quit India Movement in 1942. He states most of discussion on flexible specialization are on historical plane. No doubt physical presence of Cluster, networks are necessary conditions for effective operation of strategy of Flexible specialization but not sufficient one. The most important is entrepreneurial culture which is absent in the agrarian Asian economies which need a supply side intervention and it is possible through decentralized initiatives. The talk on SME is easy but the social and institutional constraints of developing countries do not make to happen it. Finally it

gives fresh look to the flexible specialization in context with Asian countries and alerts that do different degree of democracy and associated institution enable these countries move towards decentralized, transparent and accountable system for SME development and transform MSME into a real engine of growth in the developing country like India. Hence globalization can be only an eye opener while initiative should come from within, with a new set of policies for the small enterprise development. Socialist suggests new jargon of people centered development but in many cases it has failed to accommodate Small entrepreneurs.

Achinatan Bhattacharya (2013) paper “**Credit Retrogression in the Micro and Small Sector**” is an attempt to study the nature, dimension and direction of Flow of credit to the Micro and Small Enterprises in India particularly in wake of the post reform of 1991. It finds a structural retrogression of credit to SME and contradicts with the national manufacturing policy objectives of high growth in manufacturing sector to generate 100 million jobs in five years span. The author states as 11th five year plan envisaging National Manufacturing Policy for massive employment generation and achieving 12% growth which is possible only if the growth is spearheaded by manufacturing sector particularly led by small and unorganized sector. Growth story of manufacturing sector within industrial sector is different from China and India, i.e. even after improvement in the country's financial system it didn't find financial viability in the SME sector in the past two decades after reforms. As MSME is viewed from the structural changes in overall economy and in the banking sector the true absorber of man power i.e. manufacturing sector has not increased. It is evidenced that due to superior bargaining power of large manufacturing sector major share of bank credit went to corporate sector even after BPLR and Sub –PLR is reduced large industry credit is on higher side and share of SME/SSI has drastically declined from 14.6% in 1990-91 to 5.81% in 2010-11. However overall bank credit averaging over 22% substantive growth in credit in medium and large industry remained notch higher at 23%. Even after regulatory guidelines for priority sector lending to the micro enterprise up to 60% of industrial credit it has registered only 40%. The author discuss its study with the presence of elements like, credit to manufacturing SME, Credit to rural SME, Credit flow to SME by which category of banks, NPA in MSME Sector, Assessment of risk in SMME. It

suggest the measures to reduce the credit gap between Medium- large and Micro-Small. The paper finally comes with conclusion that the structural bottlenecks in pushing the credit to this crucial labour absorbing sector have resulted in Credit Retrogression and there is no clear road map showing how the industrial growth rate of 12% could be achieved and can absorb 100 million people. At the end bringing back the persistent doubt whether reforms have resulted in improved credit dispensation after 1991 and analysis shows that it is perhaps structural bottlenecks constricting credit to SME sector which has caused Credit retrogression. Scheduled commercial banks and Public sector banks particularly shied away from ensuring more balanced overdrive but after 2010 credit is push to SME is accomplished by regulatory and administrative directives. Everything went contrary to the MSME sector for the spirit of liberalization which promised the establishment of a Market Signal Based Credit Dispensation Model for Indian Banks.

Nasir Tyabji (1984) The article is titled as “**Nature of Small Enterprise Development-Political Aims and Socio Economic reality**” is an advancement in the development of literature in SMME sector. The present paper highlights the need to broaden the social and political support to the government. In this context author discusses some concrete issues faced by policy makers. The main issue is arbitrary nature of application of general criterion for the specific industry which is a crucial issue of defending the small industries development program from wholesale encroachment. Here author examine the problem of definition.SME has experienced the definitional change over the period of time, earlier it was defined in terms of unregulated sector out of provision of industrial development and regulation Act which excludes units employing less than 50 workers with power and 100 workers without power under its preview. In 1947 Capital Issue Act relaxed bounding of Small Scale Sector with capital issue less than five lakhs. In 1972 need was felt to revise capital limit upward with this it would only benefit only larger among the small units up to last quarter of second five year plan it was remained a flexible criterion to define SME, Later in 1960-61 Government of India accepted criterion to define Small scale as the value of machinery to be taken at original price irrespective of its nature i.e. original or second hand and employment criterion was removed altogether. Further changes took place in definition in 1966, 1975, 1980, in 1975 limit for investment in

plant and machinery was raised from 10 lakhs to 15 lakhs and 1980 raised from 20 lakhs and 25 lakhs for Normal and ancillary units respectively. In 1977 tiny sector was included by Janata party government in the interest of decentralization of economic activities and limit was fixed for Rs.2 lakhs in tiny units as a value of plant and machinery located in towns with population less than 50000. In every country definition changes periodically, In India definition changed three times in last 10 years is the symptom of growth of Small Scale sector. The discussion about the progress of Small scale as in early 80's small industry promotion is socially and politically oriented towards encouragement of small units run on capitalist basis. It is inherent either in the Pre or Pro Capitalist unit that unit is coterminous with domestic households with small means. The legislation supporting Small scale industry was started in fourth five year plan by 11 member committee headed by chairman, member secretary and other two member. The paper concludes with two measures for fulfillment of political aims to create class of small capitalist entrepreneur, first to demarcate line between Small and Big capital and essential difference between Small and Large across wide range of Industry, Secondly to delimit the entry of ineligible persons to special provision of development scheme.

Ajit Kanitkar (1994) in the article entitled “**Entrepreneurs and Micro Enterprise In India**” examines the socio economic profile of the entrepreneurs, their motivation for shifting from agriculture based occupation to Non Farm activities, their approach in raising resources for enterprises, and factors facilitating entry of village based entrepreneurs in the business activity. It mainly focuses on how rural entrepreneurs emerged as successful owners of micro enterprise in rural India. The analysis shows the pattern of entry strategy adopted by entrepreneurs and ‘me too’ approach was evidenced in selection of business idea. Analysis of investment shows majority of them depends upon their own resources or raised resources by pledging land and or jewellery. Almost every entrepreneur faced constraint of lack of information and refusal by institutions in sanctioning credit even. The businesses were ‘local’ in terms of input-output considerations and ‘small’ in respect of initial investment, half of them handling service activity while 19% were engaged in manufacturing and 63% of entrepreneurs started businesses in rented premises. The author suggests four broad initiatives at the policy level to promote entrepreneurs and small owners in rural areas,

like improving the strength of apprenticeship mode of entry of initial entrepreneurship by formalizing and reorienting the institute like ITI, TRYSEM. Secondly redesign of working of financial institutions operating in rural areas. Thirdly, different orientation of financing needs of Small enterprise like venture capital proposed. Finally the pool of consultants /Advisors to advise to the small units to avoid saturation. The study indicated that characteristics of small entrepreneurs in cross country is self made and without proper education and training ventured in to the business. The paper suggests that it is important to design appropriate policy initiatives to sustain the development of small entrepreneurs in the rural areas.

R P Chitale (1989) in the paper entitled **“Risk Capital For Medium And Small Industries –Weakness in Fiscal And Monetary Policies”** examine the reasons for the paucity of own funds and the problem or weakness of policies in generating risk capital for small and medium private enterprises. He states that to some extent the buoyant market appears to have overcome the constraint of risk capital for large industries but problem continued with the small and medium enterprise due to certain fundamental weakness in the Fiscal and Monetary policies. The tempting investment measures by government to have risk free investment and extravagance concessions U/S 80C, 80L of income tax of 1961 made the task of generating risk capital for small and medium enterprises difficult. Author states the reasons for the unfavorable environment in generating risk capital to small entrepreneurs as bereft of any personal financial stake or involvement, lacking spirit of undertaking venture activity, impersonal bureaucratic institutional framework. The author presents the effect of tax free concession by government on generating risk free capital for Small entrepreneurs. The problem of raising adequate capital is not merely for large and medium scale industries organized as companies but it is equally for those medium and small scale units functioning as partnership firms as well. It is suggests that relaxation must be given to small and medium private companies by establishing lineant code under companies act of 1956 for small and medium private limited companies Implementing lenient code for small and medium companies will help to reduce the gap of availability of funds between large and small and medium. The lenient code for small and medium private limited companies would encourage to organize their small and medium sized units as a private limited companies instead of partnership firms. The

concessional treatment in respect of inter corporate dividend that could be availed of future induces sponsoring and supporting companies to take immediate risk and engage their funds in enterprise project which forms basis for others or render or participate in financial assistance to new enterprise. Without this linchpin which induces the promoter to lend their own financial involvement in the success of new projects the activity of sponsoring and launching a new venture would receive a setback.

Ashwini Deshpande and Smriti Sharma (2013) in the article is titled as "Entrepreneurship Or Survival ? Caste and Gender of Small Business In India" discuss about the dynamism of MSME sector from Indian perspective saying MSME has become a buzzword in today's economy. Many social reformists, Educationist, Politicians, have preferred to talk and discuss on the changing role, characteristics, and objectives of the Micro, Small and Medium enterprises in particular and MSME sector in general. But in the recent times the focus of deliberation, discussion has shifted from objectives to problems of MSMEs. As the study shows that the MSME has proved growth but encountered various problems as well. These problems are multilevel and multifaceted, and it is worth to note here that if the sector is to be economically dominated, it must be socially motivated and politically nominated. The present article is an attempt to discuss on the presence of discrimination in the sector. Even after setting up of DICCI (Dalit Indian Chamber of Commerce and Industry) on April 14 2005 picture is not much changed and dramatically few Dalits have become billionaires while billion Dalits are still under disadvantageous position. The DICCI is a myth for dalit as an entrepreneur, incapacity to extend and motivate for undertaking self-employment and create dalit entrepreneurs in India. The study found out and revealed that the entrepreneurial activities undertaken by Dalit particularly SCs, STs are not achievers as a successful entrepreneurs but for mere survival. The author concludes that Caste and Gender disparities are persistently present in registered manufacturing units in MSME sector in India, exceptionally Tribal majority North Eastern States. It also comments on share of employment and ownership in small business in India has declined sharply in some state and gradually in other States except the State of Jharkhand. The main area of testing the Caste and gender disparities is registered manufacturing units in MSME sector in India with

considerable variables like employment, ownership and growth respectively of small registered manufacturing units. The paper supports the hypothesis' of homophilly of OBC and Upper Caste group in employment while Gender disparities are proven that male is dominating more in the majority of States, growth of Dalit owned ,managed small units are disproportionate to their share comparing to the ratio of population in the respective state of study in India.

2.2 REVIEW OF STUDIES INCLUSIVE GROWTH / INEQUALITY

M H Suryanarayana (2008) in the article entitled as '**What Is Exclusive about 'Inclusive Growth'**' throws light on the definitional part of inclusiveness and its Measurements and proposes an order based averages for verifying the broad based growth and extent of inclusion of the poor's in terms of the consumer expenditure distribution. The study is for the period of 1993-94 to 2004-05 and States growth process during period bypassed the majority and was not inclusive. And there is no cross sectional evidence to believe that growth is inclusive in India. As he felt it is important to focus mainly on the definitional part of inclusion which has become a new mantra of nation and international agencies too which is on the top agenda of Government too, but even in the policy document of international agencies. The paper tries to define both Inclusion /Exclusion with reference to an outcome scenario for broad based growth as reflected in estimates of Production, Income, Consumption and Distribution. The author states the available literature is not sufficient to clearly define inclusive growth even the government of India presented definition in the year 2007-08. The author's article is based on three broad based objectives Production, Income and Consumption, Distribution. The Government of India used CAGR using mean based averages mean based averages of income and consumption and incidence of poverty which cannot be taken as evidence for inclusion .Even time series estimates of absolute poverty measured as proportion of population living below subsistence minimum which is kept invariant provides little clue as how far status of poor co varied with growth process is in the question. Here author proposes the new concept of measurement of Inclusion and broad based growth process measured by using Order Based Averages like Median and norms used for identification of poverty as relative to Average Economic Performance measured in terms of Rank Order Based Median and ensure robustness. Based on the coefficient of inclusion or poor

participation may be defined by suitable normalization in 3 sections like Inclusion in a singular society, Inclusion in a plural society, and studied under uniform and federal perspectives which will show inclusion in plural society which has two dimensions 1) Intergroup and 2) Intra group and this dimensions are examined in turn with the reference to differences and or disparities in median level of income and consumption across social group and Intra Group dimension for Inclusion Coefficient (ICS) defined for group specific and Overall Median. In addition he proposes all round improvement in terms of robust order based averages like the median and defines inclusion (participation) of the relatively deprived in such a growth process with reference to the broad based averages of outcome measure only that is to say to assess their economic status with reference to the threshold specified as the function of median. And growth process is that which has benefitted even those sections that are deprived of physical and human asset endowment, generally belong to bottom rungs of income distribution and are incapable of participating/benefitting from growth process.

Azal Ali Hyun Hwa Son(2007) in the article entitled “Measuring Inclusive Growth” define and measure Inclusiveness which is ideologically based on Social Opportunity Function and similar to Social Welfare Function. Here the growth as per author means increase in Social Opportunity Function which implies firstly an average Opportunities available and secondly how opportunities are shared among the population. With this one can measure the inclusiveness by Opportunity Curve in one to one relationship with Social Opportunity Functions which is sufficient to develop Opportunity Index. The author used the Opportunity Index for the state of Philippines to analyze the access to and equity of opportunities in Education and Health. As inclusive growth has become main and debatable issue in political and academic discipline recently, ADBs (Asian Development Bank) study group has also started to emphasize more on whether growth is inclusive or not? Based on empirical facts of ADB to say Reduction in Poverty from 931 to 679(\$ 1 per day) during the period of 1991 to 2001 and Growth of population from 31% to 20% the study shows growth has unevenly distributed opportunities and generally poor are more benefitted than Non-Poor. Based on this assumption the empirical study using data from PAPIS (Philippines Annual Poverty Indicator Survey) from 1998-2004 proposes various

definitions of inclusiveness based on Social Welfare Function, and Social opportunity Function.

The paper concludes with the new idea of measuring inclusive growth with redefining the inclusive growth as and when if it increases social opportunity function. The curve developed here is a useful device to analyze the inclusiveness of growth in quantitative terms but the degree of inclusiveness depend upon two elements 1) How much is shift of curve upward. 2) In which part of the Income the shift has taken place. The paper also suggests that dynamic analysis can done by examining how the opportunity shifts during two periods and confirms that if entire opportunity curve shifts upwards then the growth is inclusive. i.e to say the growth do not increase only average opportunities to whole population but also increases opportunities for poor which belongs to the bottom of income distribution. And proposes the growth should not expand only average opportunities but also improve the distribution of opportunities across the society. This all is best described with the help of equations.

S.R Osmani & S.M Naseem (2009) in the article entitled “**The Demands Of Inclusive Growth: Lessons from South Asia**” attempted to examine the concept of Pro –Poor Growth or Equitable Growth which is based on the formulation of Noble Laureate Amartya Sen of the expansion of human freedom encompassing all kinds of freedom Viz. Economic, Social, Political and examines the concept of inclusive growth by comparing and contrasting with similar concept of Pro-Poor or Equitable Growth. The concept is applied in the South Asian Countries to be tested whether growth process is inclusive or not? It also has reaches to conclusion as each country in the region is witnessing Horizontal equity (Between Group) is better than Vertical equity (Within Group). In support of the statement by Haq i.e Growth is inclusive when the growth process ensures widespread human development defined broadly as the expansion of freedom that human beings have reasons to value” and both equity and Pro-Poor concepts are necessary conditions for inclusive growth but it can’t be totally relied upon. As freedom is enhanced by wide spreading of opportunities but varies over the period of time like short run or long run. Inclusive growth here refers to a broader idea of a growth process that ensures widespread expansion of freedom to all the segments of the society over a period of time. The author studies here Growth,

Equity and Poverty to Inclusive Growth i.e. Growth by GDP(Gross Domestic Product) and Inequality by Gini Coefficient and Poverty by trends by Head count Ratio % for the south Asian countries India, Pakistan, Bangladesh and Srilanka. The main observations are 1) All countries in South Asian Region have enjoyed respectable rate of growth.2) Region as a whole achieved faster rate of growth accompanied by rising inequality which has led to ‘Higher growth Higher Inequality Scenario’.3) India, Pakistan, Srilanka experienced setback in the fight against poverty, Slow progress in India And increased poverty in Pakistan and Srilanka. In India overall experience of post reform period is one of faster growth which is accompanied by rate of poverty reduction along with mild increase in Inequality. The phenomena which is common to the whole region is that the growth is accelerated with inequality in the recent years but at rate faster than before(i.e. Inequality rate) and growth has been of Inequalising nature all over the region. The results are the outcome of the fact that both rate of the growth and inequality are determined endogenously through the growth process. The nature of growth in the region reflected by measuring inequality using mean logarithmic deviation of per adult equivalent household expenditure. Finally the paper concludes that in South Asia, Inequality and Poverty were pushed in opposite direction due to absence of ‘ Integrability’ which caused disjunction between growth and poverty reduction. The solution suggested by authors lies in policy intervention that would enhance the endowments and skills that are needed for poor people to integrate with the growth process better.

Rahul Anand, Sourabh Mishra, Shanaka j Peiris (2013) published paper titled **“Inclusive Growth Measurements And Determinants”**. This paper is step in the progress in the research of measuring inclusiveness and its determinants published by IMF. It develops unified measure of inclusive growth. The paper is classified in to 5 sections comprising Introduction, Measurement of Inclusive Growth, Evaluation of Inclusive Growth, Sources and Conclusion and Policy implications. The writer uses data for three decades for emerging markets calibrated by combining PPP-GDP Per Capita and Income Distribution and developed closure measure of Pro-Poor by applying Micro Economic Social mobility Function at Macro Economic Level. As per this dynamic measure of inclusiveness the key foundations are indentified as Macroeconomic stability, Human Capital and Structural changes to achieve inclusive

growth. This paper has contributed to debate on three contributories of inclusive growth and as a unified measure by integrating growth and income distribution into a single measure which is based on utilitarian social function and defined Generalized Concentration or a Social Mobility Curve (It two Generalized Concentration Curves i.e. Growth and Equity do not intersect each other then they could be ranked on social mobility it means Inclusive Growth. In part three of the paper stating that relatively few countries have achieved strong Inclusive Growth while limited gains in inclusiveness are explained by relatively low growth in some countries and widening inequality in others which is presented in the form of Inclusiveness Matrix and considers both Economic Growth and Equity are preconditions to achieve the inclusive growth. The paper suggest heres the three sources of inclusive growth.1) Growth should be broad based across sector and equitable rather than its speed. 2) Panel Regression provides an insight into proximate determinant of inclusive growth.3) The Macro Economic Fundamentals and structural factors are as (conditional Convergence), Trade Openness Fixed Investments, Moderate Inflation, Output Volatility and Better Educated Workforce. Finally, the paper concludes as the call for inclusive growth has been unanimously declared by policy makers across the world and quantifies and integrates two strands of the literature and the methodology links to the micro and macro dimensions of the inequality and growth. Giving here further room to dig future in the area of unresolved issues it gives picture about the 1) Evolution of inclusiveness across the globe with panel regression with dependent variable 2) The definition is in line with the Absolute definition of Pro-poor Growth.3) Use of Indifference Curve for selected Advanced economies.4) Regional Dimensions of growth and equity 5) Decomposition of inclusive growth i e, Output Growth + Equity Growth 6) Finally, comparison of Economic Growth, Inclusive Growth and Equity across emerging markets.

Dnyaneshwar Shukla, in the paper “**Inclusive Growth In India: Challenges And Prospects**” describes about the present condition of inclusive growth in India and potentialities for inclusiveness. In stating the importance of inclusive growth in the developing country like India and at the global level the author mentions the new orbit of high rate of expansion is combined with inclusive growth is on the main agenda focused by international agencies like UN, World Bank, Asian Development

Bank and other institute of prominence including NGOs. In the process of inclusive growth both Government and private have a great role to play in India Government has already progressed by initiating programs like JRY, IRDP, RHS, SGSY, NREGA and even private sector is not behind which is witnessed by ICICI foundation . The paper not only elaborately explains the need to build inclusive India which requires to focus on inclusive growth but also explains the reasons for limited success in India. As a matter of fact GDP is increased in India marked with relative and absolute inequalities giving two faces of Indian economy as “shining India” and Suffering India”. The author says the real challenge is to merge these two faces for next generation and the solution lies in creating and ensuring equal access of opportunities for all. In the last 60 years the policy strategy mainly focused on reduction of poverty as the only tool of development but in the recent past it is changed by changing objectives of Planning Commission from 2006. They are 1) Rising Economic Growth and 2) Making Growth More Inclusive. As the benefits of economic growth are not equally shared for last two decades. These facts are raising lot of issues and invited the need for inclusive growth in India, to sustain the development, Equitable distribution of Wealth and Prosperity. The biggest challenge is 600 million people who are not skilled. In stating the facts about India that it is ranked 7th largest in geographical area, 2nd in population, 12 in Market Exchange Rate, 4th by PPP. The problems of Exclusion are Low Agricultural growth, low quality employment growth, low human development, Rural Urban divides, Gender, Social Qualities and Regional Disparities. The rising economic growth is with reduction in poverty and disparities, Low level of scientific literacy at political leadership, Cost of corruption is @10% of GDP, Presence of child labour, boosting 9% growth prompts for inclusive growth. Hence inclusiveness can be benchmarked against maintainable target like Income, Poverty, Education, Human, Women and Children, Infrastructure and Environment. The key components of inclusive growth strategy are Investment, Credit, Employment, Public Spending on Health and Education. The chief element identified for social inclusion are reduction in poverty, employment generation in terms of Quality and Quantity, Agricultural development, Social Sector Development, Equal Distribution of Income, Environmental protection, Reduction in regional disparities and Industrial Development. But the real challenge for inclusive growth lies in Corruption, Red- tapism, lack of transparency, caste barrier and work culture with the

emergence of Highly educated class earning handsome salary v/s Beggars at one side while farmer problems v/s luxurious life enjoyed by celebrities and politicians. The Indian economic clock is in full circle with inflation rate at 10%, GDP 8% but saving rate is 35% is the only gate of hope. The author suggests the policy for inclusive growth which includes 1) Subsidy to lower income and not to a special group of people 2) Helping people investing in their own skill and future income 3) Broad based but low rate of taxes 4) Control of ratio of public debt to GDP by limiting liabilities. The paper concludes by saying that India is improving its economic growth with growth rate of GDP 7% to 8% with increase in disparities across region and social group and between Rural – Urban mainly witnessed in post reform period leading to non inclusiveness reasoned by various Social, Economical and Political factors. Hence there must no trade off between Equity and Growth and Development must be Economically and socially oriented and politically motivated.

Kyle Alexander (2015) the article “**Inclusive Growth**” is a piece of literature on in the area of measuring and determining the inclusive growth at the global level. It mainly focuses on the issues related to definition of inclusiveness, trends of growth and development at global level, Description on the ingredients of inclusive growth, Relationship between Growth, Inequality and Poverty, Methods required to measure and analyze the inclusiveness. Author relates his study saying in last thirty years rapid economic growth is witnessed in the developing countries with decline in the absolute poverty. Even today there is no unanimous definition on the inclusiveness, The world bank maintains of view that in inclusive growth must consider “pace and pattern of growth”. The author assumes the role of policy makers that they must understand relationship between Growth, Poverty, and inequality. The equal distribution of income is associated with long term growth. Paper describes the ingredient of inclusive growth. The politics of inclusive growth and measuring inclusive growth is challenging, and there must be some agreement to and for the methods required to measure and analyze the inclusive growth policies and determining how it is differs from measurement of Pro-Poor growth, The best indicator of which is increased participation of poor in the economic growth process. The paper gives new concepts related to pace and pattern of growth 1) Broad based growth 2) Shared Growth 3) Pro-poor Growth. The following definition brings the unanimity on measure and

definition citing two definitional parts as **1) Absolute Definition** “If the average income of poor people rise and as a consequence income poverty falls”. **2) Relative definition**” If the income of the poor people increases at a rate which is greater than that of Non-Poor”. The relative definition is concerned with changes in inequality that favours poor people. The inclusive growth means 1) Absolute pro poor growth can be the result of direct income redistribution schemes and from growth to be inclusive productivity must be improved and new employment opportunities are created. 2) The pro-poor growth concept traditionally focused on growth and poverty measures where as inclusive growth focuses on Ex- ante analysis of source and constraint to sustain high growth and poverty reduction. The paper exhibits the relationship between growths, poverty and inequality stated as economic growth is a prerequisite for poverty reduction if income distribution is held constant and describes **impact of growth on inequality** as Empirical evidences are shown with the help of Kuznet Curve Hypothesis i.e inequality rises and then falls as and when economic growth increases and impact of inequality on growth as hindrance or constraint of growth like market imperfection or under developed capital market or inability of poor to borrow. Empirically many of the authors find no clear relationship between overall inequality and subsequent growth but all comes to same conclusion as Negative impact on growth of poor people income and secondly positive impact of growth of rich people income. The paper concludes by talking about the ingredients and conditions of inclusive growth as first three policy pillars of inclusive growth viz. High, Efficient and Sustained growth to create jobs and economic opportunity, secondly social inclusion to ensure equal access to economic opportunity, Thirdly social safety nets. Growth is measured by PER (population employment ratio) and identified major ingredients of inclusive growth as productive job labour, economic transformation, infrastructure, human development, fiscal policy, social protection

JR T Sung, Huang, Chun-chien Kuo, An Pang Kao(2003) in the article titled **”The Inequality of Regional Economic Development in China Between 1991 And 2001”** focus mainly on whether China’s economic development has led to increased inequality during 1991 to 2001. There is some more progression and continuation of the study in the area of inequality in China. In the previous studies it was concluded that the gap in regional economic development is widened between the two regions of

China, particularly Western Land and Coastal Area of China. The article throws light on the fact that economic development in the regions in China is uneven. The paper cites here the reason for widening regional economic gap as an impact of Government policies and strategies. This study differs in approach to the problem of previous studies in respect that it considers Provincial GDP rather than Per Capita Income, Per capita consumption and Other Devices. Secondly the study is limited to the period of 1991 to 2001 keeping in mind the significance of the period as Government of China started showing concern in the year 1991. Thirdly, the study is based on the methodology proposed by Bhattacharya and Mahalanobis which decomposes the Gini Coefficient into Between Group Effect and Within Group Effect and finally the study follows the method of Fei to understand effect of economic structure on Gini measure of inequality of regional GDP. Fei separates regional GDP by source and calculates the contribution of the inequality of each regional GDP source to overall inequality. The author states the weakness in the approaches in the earlier studies in the area of measuring inequality in China referring to 1) Yao yao liu calculated and decomposed interprovincial Per Capita Income Gini Coefficient for rural China only showed skewness due to economic reforms. 2) Kanbur & Zhang 1999 used decomposition analysis to determine relative contribution of Rural –Urban and Inland-Coastal inequalities. 3) Lee-studied regional inequality by both per capita gross value of industrial and agricultural output and Per Capita Consumption for the period of 1982-94. 4) Lu & Wang 2002-Used per capita GDP, PCI to calculate three indices **1. Coefficient of Variance 2. Gini Coefficient 3. Thiel Entropy Index for 1978-98**. This is the first ever approach to study the contribution to inequality between group and within group and by individual source of regional GDP to the overall inequality at the same time inequalities at Intra and Interregional industrial sector classified into Primary, Secondary and Tertiary Industries. The study not only decomposes the Gini Coefficient into between and within group to get firm grasp on the inequality in China it also explores the contribution of the inequality of each regional GDP source to overall inequality. Using Gini Coefficient methodology like 1. Aggregate Value Decomposition 2. Between Group 3. Within Group by three sources of GDP by Primary, Secondary and Tertiary industries in the Sector. Author uses weighted Gini Coefficient of three GDP source to define Regional GDP Gini Coefficient formula where G_1, G_2, G_3 = gini Coefficient GDP for whole nation as well

as for Three sectors of Industry like Primary Secondary and Tertiary. The term Ψ_i is distributive share of i th GDP source $i=1,2,3$ and G_i is the rank correlation Coefficient between GDP and i th GDP source. The Gini Coefficient of i th GDP source G_i is then Decomposed into between group effect and within group effect as equation The article ends with the conclusion that China's regional economic inequality is clearly increased from 1991 to 2001 and regionally Secondary sector contributed upto 50% of overall inequality and Inequality in the overall regional GDP comes from between group effect rather than from within group effect and which shows consisted with the other studies in the previous.

S.Subramanian (2013) in the article is entitled “Variable Populations and Measurement of Poverty And Inequality: A Selective Overview’ enquires into the issue of variable population and problems of measuring inequality and poverty from logical perspective and ethical appeal. It is based on Derek perfit's quest for satisfactory theory of wellbeing or beneficence and economist quest for satisfactory measure of poverty. This is a kind of review of certain conceptual difficulties in measuring deprivation and disparities by justifying certain distinctive and trivial problems in measurement of poverty and inequality deserving special attention dealing with comparison of distribution across the variable population. The paper has three parts discussing one about problems of measuring poverty when overall population size is fixed but the population of poor is allowed to vary. Second part discuss the tendency which is widely manifested in poverty measurement literature to differ to an **‘Income focus Axioms’** by denying similar demand of **‘Population Focus Axioms’**. It the discusses if additions to the non poor population are required not to make a difference to the extent of measured poverty then the combination of such a **population focus axioms** with **replication invariance Axioms** in the presence of number of other colonial fixed and variable population properties such as Monotonicity, Transfer, Maximality and poverty growth. The third part focuses on variable population and inequality measurement referring to the useful properties of inequality measurement Lorenz Curve and Stochastic Dominance Criteria. The paper also discuss about the real valued measures of poverty and inequality all of which satisfy the fixed population properties of anonymity, transfer and scale variance, and the variable population properties of lower bond normalization, Replication

Invariance and Upper Pole Monotonicity. It finds certain parallels between perfit's quest and Economist quest in both categories of Quantity and Quality (of wellbeing /Poverty.). The paper also finds the results of impossibility theorem suggesting consistence stance to be displayed towards a constituency principles one in which both Income and population focus are respected. Finally inequality comparisons. The paper concludes that logical and ethical implication of invoking replication Variance resolution scheme may be open to uestion.

Anindita Sengupta (2016) in the article titled as “**Gender Inequality In Well Being In India Estimates From NHFS Household Level Data**” study on functioning based well being in India in 28 states based on the data for 2005-06 by National Family Health Survey. The study is related to measure of functioning based well being as proposed by Amartya sen and Others, for which NHFS data is classified on the basis of Age, Gender, Caste and Geographical area. Well Being is a multidimensional concept and Income, Wealth, consumption are crude measures of quality of life and the quality of life depends on some other factors other than material resources. Health, Education, Nutrition, Social relation, Empowerment etc. which constitute element of well being. The functioning based well being means an ability of an individual to perform his/her own activity according to one's own wish which raise His /Her standard of living, and set of functioning is the subset of set of capabilities. Here capability set indicates that the set of opportunities available to the individual to live a better life choosing different combination of freedom while functioning set represents actual combination of activities of the individual which constitute His /Her well being and capabilities and actual functioning of individuals are significantly related to person's situation and characteristics like health, gender socio-economic and institutional set up with which individuals are able to covert resources and individual characteristics into well being, The paper gives an idea of constructing the indices of well being separately for men and women based certain peculiar characteristics and **Factor Analysis technique** is used in order to compute well being Index by assigning specific weight for each variable and with the help of data well being is compared with income based ranking for men and women for all the states. The author concludes that major non-income factors affecting personal well being which cause significantly the difference on the well being of male and female which

is based on ranking of the states based on per capita NSDP(Net State Domestic Product) and observed negligible variation of well being among men while significant variation among women within state and in terms of well being women are lagging far behind men both in rural and urban areas of India and even large family size does not have negative influence on the well being of men in India as well as both rural men and women is worse than their urban counterpart. While the situation of women in northern mountains is significantly better than that of women in all other agro-climatic regions.

Nirmal Kumar Chandra (2010) Published an article entitled “**Inclusive Growth In Neoliberal India: A Façade?**” He attempts to explore the facts about India in achieving the inclusive growth. He states references of both top political parties in India UPA and NDA at centre who are responsible for formulation strategies and preparation of economic plans for growth and development. The author here throws light on the various elements which has direct impact on the growth especially inclusive growth including India’s vulnerability to the external economies after 1991. As it is stated that there is a growing concentration of wealth and income, the super rich have important voice in the formulation of government policies and Government has failed to fulfil common minimum program of agenda on inclusiveness. The modern financial inclusion created in early 19th century is benefits rich individuals, large firms in various sector and the government leaving the mass of cultivator and petty producers at the mercy of traditional sources like traders ,moneylenders, relatives and friends and the moderate progress was made in providing credit to these sectors over the next two decades followed by reversal after the economic reforms 1991. The most dramatic outcome of three decades of neoliberalisation across the world in the concentration of wealth and income in most countries at global level based on household income survey for developing countries and income tax returns in industrial countries and all point to a raising Gini Coefficient, which is reckoned as danger mark for social stability. No doubt India is vulnerable to external shocks the credit for which goes to its high fiscal and external payments deficit and despite her enormous foreign exchange reserve that yield low returns India’s current rating by CRA is lowest in the investment grade. And government cannot afford fiscal deficit beyond a safe level as adjusted by the agencies. The government claims to increase

aggregate tax-GDP ratio does not bear close scrutiny. The new direct tax regime adversely affected on consumption and effective demand and there is no significant increase in capital expenditure which is required for fulfilling & CMP agenda on inclusiveness which is hardly feasible for neoliberal government. India didn't do well in the social security area like health, education etc which is similar to that of bank credit to small borrower in the SSI sector. Finally UPA government CMP and commitment of inclusiveness is façade that attracts the Aam Admi but obscures the ugly reality and India is to become another oligarchy like post Soviet Russia.

Paramsivan s Vellala, Mani k Madala, Utpal Chattopadhyay (2014) in their article titling as **“A Theoretical Model for Inclusive Economic Growth in Indian context”** Suggest the theoretical framework for measurement of inclusive growth which will be useful for future research and diagnosing economic progress of country. It is on the top of agenda of international agencies like IMF and World bank after the failure of Washington consensus in early 1990 to address the problem of inequality and poverty through PPG(Pro poor Growth). There is paradigm shift evidenced from approach papers by the government of India in this respect to make the development faster, sustainable, and more inclusive incorporating the same in the 11th and 12th five plan from 2007-2017. Thus, the paper explores the shift in development economics in the last two decades from Pro poor growth to Inclusive Growth. If economic growth causes inequitable distribution of opportunities then it results in imbalanced and lop sided development. If growth increases inequality it bypasses the poor which can foster macro economic instability and impede the growth itself. The Pro-Poor growth is identified as that which reduces income poverty. PPG is defined as growth that improves the absolute condition of the poor in which equity is the only instrumental value. The most of the debates earlier focused on the link between growth and poverty reduction measured in terms of per capita income and number of people living below poverty line. Hence Pro poor growth is that which reduces poverty, reduces inequality and enhances income share of the poor. Inequality can be widened if poor's are benefitted but if they do not participate in the growth process. Growth is a broad based high growth in which poor not only benefits there from but also participate in the growth process. It is the process of creating and ensuring equal accessibility of opportunities to the maximum extent. The researchers

normally face the problem of selecting right indicator as it is important to choose between either Per Capita Income and Per Capita consumption Expenditure and MPCE can better capture the dynamics of inclusive growth than PCI. As a first driver of inclusive growth the two key determinants are identified one achieving sustainable growth that will create and expand economic opportunities and ensuring broader access to these opportunities so that the members of the society can participate in and benefit from growth. Secondly Expanding human capacities such as investing in education, health and basic social services. The other six drivers are as Productive Employment, Poverty Reduction, Inequality Reduction, Human Development, Gender Equity Basic Socio Economic Infrastructure and lastly Governance. In conclusion the theoretical model for inclusive growth encompass whole macroeconomic management addressed through proper economic policy mix to enhance the capacity building of the people to reduce inequality, Urban-Rural divide etc. Hence, the capacity building should be the main objective of inclusive growth unlike the pro poor growth which only ensures transfer of benefits to the poor through subsidies. The paper suggests the need to develop measure of inclusiveness or else endless debate and discourse over inclusive growth will go on without any assessment or diagnosis of inclusive growth in the country like India.

Thomas E. Weisskopf (2013) in the article entitled as “**What Kinds of Inequality Really Matters**” is an argument focusing on the issue of primary source of inequality and discussed what part of unequal distribution are more problematic either the poverty at lower end or privileged at upper end. He classifies the arguments in major four class viz. Moral, Political, Social and Economical. As a matter of fact world economists have highlighted poverty to understand inequality saying insufficient economic resources to attain minimal standard of living. But recently after 2010 the attitude of international developing agencies towards economic inequality have been changed because economic inequality has substantially increased in great many countries of the world. The present paper analyses the four class of arguments by distinguishing various forms of economic inequality and to identify the particular form of economic inequality by three dimensions First, the Economic variable or Variables consisting of Income, Consumption, Wealth and access to goods and services. Secondly, The distribution entity whose unequal possession of economic

variable is the source of concern of the interest of group of people who share predetermined characteristics independently of economic status ethnically defined by caste, race, tribe, religion, native language and geographical area. The third dimension is part or parts of an unequal distribution which distinguish four configuration of inequality Such as (1) Accentuated inequality at lower end of distribution (2).Accentuated inequality at the upper end of distribution (3) .Inequality in the form of weak middle of the distribution (4) Inequality spread over the full distribution. In support of the Moral argument to become strong based on the importance of two good objectives he sets before for a good society like, ensuring that all members of the society are treated equally worthy of respect and to promote equality of opportunity for all citizens. In support of the political argument the author considers two social objectives one to promote Social Cohesion and to promote democratic vitality. In support of economic arguments he states reducing inequality can promote grater efficiency and growth for which following objectives are considered (1) Improve the development and allocation of resources (2) Reduce economically costly tension and conflict. (3) To promote cooperative solutions to coordination failure. In the last in his social argument which contributes to the achievement of objectives like Improving, the Health Status of Much of the Population, Promote the better Quality of life by reducing the Overvaluation of Purchasing Power and to promote greater Ecological Sustainability and economic variable of primary concern in this respect is consumption. The paper finally concludes with major reasons for concern about economic inequality reflected in ten arguments in which two are moral, two political, three economic, and four Social. The results are presented in the form of matrix and suggest the inequality reducing policies that would be needed to improve the societal well being. i.e quite different policies are required to **reduce privilege than to reduce poverty** as well as **to reduce class inequality than to reduce group inequality**. The appropriate policy for reducing economic inequality will also depend upon which economic variable (s) is primarily at issue. Ultimately paper suggests the optimal choice of policy to reduce economic inequality should be informend by specification of the particular societal objective that one is trying to achieve through the reduction of inequality

PAK HUNG MO (2009) in the article entitled as **“Income Distribution Polarization And Economic Growth: Channels and Effect”** focuses on measuring effect of Income Distribution Polarization on GDP growth and its transmission channels. It considers the two important channels as Most and Least one viz. Transfer Channel and Human Capital Channel respectively. He suggests no single measure of income inequality even by denying Gini Coefficient as a measure which have significant negative effect on the growth of GDP in long run. The effort in to study the effect of income polarization on the economic performance considering top 40% and bottom 40% portion of the population. It observes long term income polarization reduces GDP growth and most significant channel is sociopolitical instability and some strategies for income redistribution policies. All the variables matched with analytical framework for which and the average schooling years in the total population over age of 25’ is taken as proxy stock of human capital. To analyze the data correlation Coefficient and Descriptive statistics are used. The paper concludes that the most important transmission channel is the sociopolitical instability instead of transfer channels when income polarization is used as a index of income inequality, Even Income Polarization has substantial and significant negative effect on economic performance. Suggests that transfer in the form of productive private goods ,Quality Public Goods, and Social Infrastructures should be instituted to deal with the Income Polarization problem which are particularly concerning to the emerging and transitional economies

Abu N M Vahid, Muhamad Shabaz, Mehmood Shah, Mohammad Salahuddin (2012) in their article entitling **“Does Financial Sector Development Increase Income Inequality? Some Econometric Evidence From Bangladesh”** suggest new direction to policy makers on economic policies to reduce income inequality. The study is carried in the Bangladesh to examine the effect of financial sector development on the income inequality. In the study Autoregressive Distributed Lag (ARDL) methodology is adopted for the data .It is an empirical fact that there is positive and robust relationship between well functioning financial system and economic growth and higher level of financial development robustly correlated with current and future rate of economic growth, physical capital accumulation, and improvement in economic efficiency. Capital market improvement benefits more to

rich than poor due to more potentialities of rich to exploit opportunities which in turn increases inequality. Hence financial development is regressive for poor. The author states the reason that the high initial set up cost of financial sector makes these services unaffordable, Even credit constraints impede the flow of capital to poor people along with the financial market imperfections. No studies have determined that whether financial sector development benefits to poor or only to the rich in the Bangladesh. The regression analysis is used to examine non linearity in the relationship or association between financial development and income inequality which shows inverted U shaped but insignificant and by sensitivity analysis it finds no serial correlation and heteroscedasticity does not exist between financial development and income inequality. The statistical exercise shows that an inverse relationship between financial sector development and income distribution in the Bangladesh. But the inflation is positively related to income inequality and moderate level of inflation do not favour the poorer population of Bangladesh.

Shailendra Bisht, Visahl Mishra, Sanjey Fuloria (2009) published an article entitled **“Measuring Accessibility for Inclusive Development :A Census Based Index”** The study discusses on the use of accessibility Index the tool used for evaluating efficacy of public policy initiatives towards decreasing exclusion of geographical units. The reason for the study is to highlight the dominant component of accessibility i.e. mobility infrastructure to know how inhabitant of geographical area treat the opportunities available in the area by their behavior and to suggest the methodology for accessibility. Few studies have suggested dimensions of access as Availability, Accessibility, Accommodation, Affordability, and Acceptability. Many authors have selected spatial and Non spatial dimension to determine accessibility. This paper proposes holistic dimension of Mobility where distance is underlying constituent and suggest three dimension like Mobility, Information and Development which are necessary for meaningful access also proposes distance as an important variable (principal Component) affecting on access. It to resources by incorporating measures of distance (as a spatial component) along with the accessibility Index. For validation of indices and analysis of three dimension Data from SNC and NREGS is used. The results indicate that Development Index and Information Index have statistically significant influence on employment, while development index has positive effect and

Information Index has negative effect. It is also found that the positive coefficient of development index can be explained by Government's emphasis on creating rural development infrastructure through NREGS. But the negative coefficient associated with Information Index points to the fact that information infrastructure may not be playing any role in determining access to the benefits of the scheme and the Mobility Index is insignificant in explaining the cumulative number of households. Hence accessibility Index can be used as indicator of growth and development of different regions and become benchmark tool for evaluating effectiveness of various state sponsored schemes at various level like State, District, Block, and Village. Further this index is a useful tool for facility location and in conjunction with distance index can be used to find out optimum location where new facility should be established.

2.4 REVIEW OF LITERATURE ON ECONOMIC REFORMS

Y.V Reddy(2013) published an article entitled **“Understanding Economic Reforms for India”**.The author states Post reform issues are widely discussed and debated in depth with different approaches but by no means it is easy to grasp its depth of coverage, its analytical underpinnings and its social, political consequence. It is analysed in the book why reforms had become unavoidable in 1991.The major issue taken up is political dimension and economic policy formulation and its implementation. The reform process in India is analysed in terms of role of five factors namely External Influence, The Reforming Leader, The Economic and Political Crisis, Ownership of reforms and The needed Consensus Building. The author clues towards unscrambling the puzzling features of the Indian reform process. The book is unique in respect to the prophetic statement at the end of chapter quoting “As long as interest groups together do not take fiscal deficit to unsustainable levels through the earlier mentioned transmission mechanism and so long as partners in the distributional coalition honor the implicit contract regarding their individual agreed shares, the distributional coalition as viable. The coalition becomes unviable the moment it makes the public exchequer unsustainable in terms of huge fiscal deficit”. The author has flagged that the current environment of discomfort with coalition politics may reflect the unsuitability. The book also gives the summary of development strategies adopted after independence and very exhaustive and good description of the forces that led to call as low growth equilibrium. The book provides

the authentic and excellent exposition of economic policies in particular reforms in recent decades in the context of political economic considerations. It also discusses uniqueness of slow growth phases of three decades from 1950 and how 1980s have produced impressive growth accompanied by noticeable deterioration in the fiscal condition. The experience of current challenges in public policy opens up important interesting area for research. The reform measures are classified into (1) Measures carried out by an agency other than central government like RBI (2) Measures within the discretionary power of government. (3) Measures that requires legislative amendments. The book provides authentic and excellent exposition of economic policies which enhances understanding of factors that initiated reforms and contributed to continuation reforms for several years in different coalition. The book ends with optimistic note but also indicates severe challenges for future. The book is inspiring for taking up research on several areas of economic policy in India

Narendra Zhaveri (2003) in the article entitled as “ **India’s Growth Chase High Aspiration, Low Inspiration**” The Author examines the role of governance in achieving sustainable growth and better living standard by critically evaluating India’s ‘Growth Stoppers’ and ‘Growth Boosters’. Referring to the World Bank statistics India ranked 147th in respect to Purchasing Power Parity adjusted with per capita income which is less than China which started economic reforms way back in 1978. Many are unhappy about comparing performance of China with India in its post reform performance. Some have criticized it as price paid for Indian democracy. The article deals with modified version of legacy mindset that accepts reforms in principle but is supremely content with modest pace of growth instead of opting for acceleration of reforms. He states the bottom line is to generate growth without government but no country can generate growth despite resources with bad governance and argues that long term sustainable growth is not possible merely through application of financial, physical, human even knowledge resources but it is possible with the aspiration or assimilation i.e institutional arrangement for adopting and operating advanced technology and management practices. India’s major problem in chase of growth is without governance and it is said that India’s growth rate is depressed because of thoughtless globalization. Indian democracy is lauded for its performance but it is difficult to precisely define the good democracy, for this author

states four attributes of it like level of corruption, ethical value base of elected representative, their competence and efficient delivery of public service. The author distinguishes between Political Democracy and Economic Democracy and admits India as an unique example of political democracy without economic democracy. India has achieved high growth without any significant pump priming in difficult global economic environment. Author stress the importance of presence of factors like Indian Multinational Companies, Export as a engine of growth, Knowledge based economy for its growth. He also mentions the challenges in acceleration of growth and sources of high growth. Finally paper states three principal options to leverage post reform transformation into a sustainable growth momentum (1) top down approach by political leadership (2) Business leaders who have demonstrated vision and urge to grow to also assume growth leadership (3) The best of alternative is to forge meaningful relationship and alliance between star performer in diverse fields such as manufacturing, finance, administration, trade, social services and politics.

Kankesu Jayanthakumaran(2010) in the article titled as **“Economic Reforms and Income convergence/Divergence in Regional India”** explores how the income convergence and divergence is followed with the major economic reforms in India and its effect on regional inequality. He studies the channels which leads to income divergence at state level and suggests the means to correct or minimize these divergence by using stochastic and beta convergence test. In a series of reforms India re-entered the global trading system by implementing structural reforms into industrial, trade, exchange rate and financial sector. Even after liberalization occurred in various sector Indian business environment is not competitive enough compared to other countries like China. It was expected that reforms would lead to reallocation of resources within states and territories in response to quotas and tariff being lifted on sector that were traditionally protected which would generate regional income Convergence / divergence in the line of comparative advantage based on their diversity of resources. But wide disparities exist in geographic, economic and demographic features across the states and territories. Income inequality in Indian region have intensified due to increased involvement of international trade. Structural breaks occurred during reforms in many states and some of breaks were associated with long term effect, some with a falling relative income and some were rising. By

using B(beta) convergence where $u_1(\mu_w)$ is estimate of per capita income and B1 as average annual convergence rate and combined results with convergence criteria shows that five states are inversely related. It also shows pre break period poor state had not begun to catch up with the rich provinces during break up period. The paper concludes that majority of states in India shows no pre break up income convergence, but 14 out of 27 states indicated positive evidence of post break income convergence and half of the states converged to the national average during post break period. The author urge the need of more research to determine what factor contributes inability of certain states to catch up to the national average.

B B Bhattacharya Arup Mitra(1993) in the co-authored article entitled as **“Employment and Structural Adjustment: A Look at 1991 Census Data”** is an enquiry into the problems of private manufacturing industries in the context of employment generation after adoption of the Structural Adjustment program. There is a substantial addition to the unemployment in the first two years after SAP. but even though the industrial growth rate is accelerated significantly during 80s, the share of manufacturing in the total employment has declined, even employment growth in the private organized manufacturing has been negative during 80s. The major focus of structural reforms is on manufacturing but it could not increase employment even at the end of 20th century. The author says increased dominance of private sector in the manufacturing in the main cause. The paper also sought to examine the relationship between income and employment growth during 80s and analyze its implication on structural reforms programs in 90s for which sectoral employment elasticities are used for assessing the likely impact of SAP on employment in the 90s by comparing the employment behavior in the 80s and 90s. The paper argues that employment growth particularly in the manufacturing sector in India has been sluggish in spite of acceleration in its income growth during 80s which resulted in considerably low employment elasticity in the industrial sector. This is well below than primary and tertiary sector. A large percentage of workforce continues to be engaged in the primary sector. As a sector in the structural reform programme it is needed to create the direct employment generation through public works programme for a considerable period of time. The Paper suggests that employment generation should not be left to the market forces alone, but its realization is possible through reviewing the emphasis

on the public works programme which is experienced in the many developing countries.

Roberto Perotti (1996) in the articles entitled as “**Growth, Income Distribution and Democracy: What the Data Say**” investigates the relationship between income distribution, democratic institutions and growth. Three main issues are addressed in article (i) the reliability of income distribution data. (ii) The robustness of reduced form of relationship between income distribution and growth estimated so far. (iii). The specific channel which affects the growth. The paper explores the main four channels which have emerged in the other literature like endogenous fiscal policy, socio-political instability, human capital investment with borrowing constraint and the education / fertility decision. The results in respect of the fiscal policy posits the positive reduced-form relationship between equality and prove that Growth increases as distortionary taxation decreases, Redistributive government expenditure and distortionary taxation decreases as equality increases and Growth increases as equality increases. In the same way, socio-political approach too posits a positive reduced form of relationship between equality and growth and summarized as Investment and growth increases as sociopolitical instability decreases, socio-political instability decreases as inequality increases and growth increases as equality increases. The results on borrowing constraints and investment in education are summarized as (i) Growth increases as investment in human capital increases (ii) For any given degree of capital market imperfections, investment in human capital increases as equality increases and (iii) Growth increases as equality increases. The results show that as Growth increases as investment in human capital increases but fertility decreases. Secondly fertility decreases and investment in human capital increases as equality increases, Finally Growth increases as equality increases. The data is analysed through summary statistics, correlation matrix, reduced form estimates, basic reduced form Regression and Sensitivity Analysis. The author concludes that more equal societies have lower fertility rates and rate of investment in education which are reflected in higher rate of growth. The unequal societies tend to be politically and socially unstable Finally the data do not support the idea that more equal societies particularly those with democratic institutions, grow faster because they generates fewer demands for redistribution and therefore fewer distortions.

Indian Express Report (28 August 2016) summarises the policy of the Centre Government towards the MSME sector. It notes the Micro, Small and Medium Sector should have 2 per cent cut in interest rates. It is essential to boost SMEs as they create jobs. The Government through Finance Ministry Plans to nudge the banks to look at SME funding a fresh and address their issues including fund requirement. This may come as a huge relief to entrepreneurs within the segment who have either been looking for additional funding or have been planning to raise initial capital for their ventures. It may also provide thrust to the government initiatives such as Make in India , Start-up India and Stand up India, which are expected to drive Small industries in country and boost job creation. The Report says helping SMEs Would mean helping labour-intensive industries across the country which generate jobs at the local level.

The MSME (Amendment) bill 2015,proposen to raise investment limit in plant and machinery for Micro enterprise from Rs. 25 lakhs to Rs. 50 lakhs, for Small enterprise & from Rs. 5 crore to 10 crore and Medium enterprises from 10 crore to 30. It crore is expected to bring more companies within the group to avail benefits and become competitive. A resent report on MSMEs prepared by CII and CRISLS pointed that even though credit requirement of these companies is low, it is not easily met. The report pointed that While the funding requirement of these enterprises was typically between Rs.1 lakhs and Rs.25 lakhs, is largely unmet. Only 5.18 per cent of the units (both registered and unregistered) had availed of finance through institutional sources and 2.05 percent from non- institutional sources. In other words a whopping 92.77 per cent did not have access to credit or depended on self-financing. Interest rate though are a very big issue, but other issues also needs to be addressed are their cash requirement, timely payment requirement, issues they have with exporters and the fact that the benefits announced for them don't reach them.

Bhavani T. A. (2002) in her paper, “Small-Scale Units in the Era of Globalisation-Problems and Prospects” analyses ongoing changes in the business environment, the consequent structural transformation of industries and their implication for Small Scale Units. She focuses on the possible ways of improving the competitive

strength and commercial viability of small-scale units. The implications of the changing context with reference to the small-scale units in three industries namely garments, electronics and auto components are analysed. They show substantial improvement in various dimensions of technology namely transformation (mechanisation) organization and information. Small Units not only need to upgrade their technologies immediately but should also keep track of the changes in technologies. Specifically, garment units have to use high-quality power-driven machinery. In order to ensure quality small-scale electronic units are required to get into mechanised production with high-quality testing instruments. A shift away from manual machinery to automatic machinery and the management units to ensure the supply of quality components in time is needed in small units. Policy measures need to be revamped so as to encourage the growth of small units. Time bound concessions such as excise duty exemption for 5-7 years not only give protection at the start to a particular unit but also enables the government to help many more units over time.

Chitale R.P.(1989) in his article, “Risk Capital for Medium and Small Industries: Weaknesses in Fiscal and Monetary policies” traces the paucity of risk capital for Small and Medium industries to certain fundamental weaknesses of the government’s fiscal and to some extent monetary policies. Risk capital for small and medium industries can be sourced inter alia to certain fundamental weaknesses in the fiscal policy of government to fiscal incentives for saving to encourage diversion of funds presently locked in risk-free investment avenue for reinvestment in the Master Plan scheme of UTI.

This paper examines the Incentive for risk capital. An entrepreneur has to adopt the medium of private company for garnering risk capital from his kith and kins and friends. The paper also examines channelizing of saving towards investment in risk capital in the private corporate sector be it medium scale or large scale, could be effectively achieved through mutual funds promoted by public sector banks and public financial institution. A lenient code for small and medium private limited companies if adopted, would encourage to organize small and medium sized units as private limited companies instead of partnerships.

Editorials, Economic and Political Weekly (2004) “SMEs, No Credit for Growth” stresses on need for more innovative approaches in reviving the health of small-sector enterprises. The credit to these units as a percentage of net SMI credit has been increasing. 29.93% in 1995 to 50.84% of 2003 in SMI credit. The need for credit guarantees for loans of higher magnitude and better collateral security norms to help small enterprises achieve a medium-or large-scale of operation.

The committee (Khadi and Village Industries commission) also recommended & that institution such as CRISIL, IBA should develop a rating mechanism for industrial clusters, which one hopes can galvanize SME into adopting more efficient business practices and superior quality control measures. The new World Bank-funded SIDBI proposal to provide such guarantees is a step in the right direction but the problems mentioned earlier cannot be forgotten. It is time the government reads the signs and addresses itself more meaningfully to the problems of small-scale industries. This article examines only the credit problem of SME. The other problems such as marketing lack of trained professionals are not focused in the study.

Gomes Janina. (2001) in the paper, “SMEs and Industrial Clusters-Lessons for India from Italian Experience” analyses Italian clusters have innovated and displayed an ability to adapt to markets and international competition. Indian clusters productivity is low due to the use of traditional tools, old technique poor labour productivity etc. The number of rural clusters is 9.4% of the total cluster in the country and 70.80% of total volume of that particular product produced in India. In the paper Italian industrial clusters are said to be developed naturally because of external factors. They nurtured the demand for small specialized firms and the multiplier effect of the local networks and clusters generated by spontaneous local development credited conditions for a collective improvement in their international competitiveness. Though this paper compares Indian and Italian SMI but both countries are different in political environment and with respect to government policy. So the conclusions are to be accepted with caution.

Nishanth. P, Dr. Zakkariy K. A. (2014), “Barriers faced by Micro, Small and Medium enterprises in raising finance” focuses on the various barriers faced by MSME in raising finance. They survey 200 enterprises out of 4075 MSME registered in Kozhikode district. From the sole proprietorship firms, 39.13% of firms have not availed credit due to too many formalities and 15.65% of firms due to high interest rates, difficult to give collateral security, 25% of firms face the problems as banker’s non cooperative attitude, 68.18% firms did not avail the multiple loan from banks and 31.82% of firms availed multiple loan. 1.46% of firms use friends as their sources of borrowed fund and 72.99% of firms uses bankers as their sources of borrowed funds. In the study it is also found that at least 10.91% firms did not repay the loan.

Ghatak Shambhu (2010) in the article “Micro, Small and Medium Enterprises (MSME) in India: An Appraisal” deals with their role in economic growth and employment generation in the Indian context. The study covers 20 centers from 11 states / U. T. and samples of 2581 units are covered in the survey. Employment declined every month during the period September 2008 to December 2008. Decline in exports would affect the employment in this sector. The overall decline in the direct and contract category of workers is 0.65% and 3.85% respectively. The average earnings have declined at the rate of 3.45% per month during the period of study and Indian cluster shows that 72 clusters have high potential for export, 47 medium and 19 clusters low.

This paper compares the growth rates in MSE and the overall industrial sector. The SME shows better growth in India. An all Indian survey across 8 cities was conducted among 1000 B2B suppliers. Today they use Internet for communication purposes, In terms of various forms of ICT penetration, PC/laptops have the highest penetration levels among B2B suppliers across India. PCs are followed by Printers in terms of average number of units per B2B. Software is quite low, with an average usage for every 20 B2B supplier surveyed across India. 73% of the B2B suppliers surveyed used Internet to run their own while, 55% of B2B suppliers use Internet for promoting their products/service online. The penetration rates for online B2B market places is around 45% to 50% among MSME in India and this would further increase to around 80% in the next 4-5 years

Bhattacharya Achintan (2013) in the article “Credit Retrogression in the Micro and Small Enterprise sector” attempts to understand the nature dimension and direction of flow of bank credit to Micro and Small enterprises. Despite a robust credit growth, the actual level of financial intermediation in the Post-reform period of the last two decades in the industrial sector and within Industrial sector, MSES and manufacturing MSEs in particular does not support any notion of raised industrial financing despite the need for a enhanced role of bank-led financial intermediation for the MSE sector. The study shows that credit growth was buoyant but growth of credit to the MSE decelerated. As the necessity of financial inclusion gathered momentum particularly after 2010, credit push to the MSE sector is being accomplished by regulatory and administrative directives.

This paper analyses the corporate sector’s dependence on bank credit has declined while the MSME sector’s demand for bank credit has increased. The private corporate sector accounts only for 44% of bank credit compared to 69% in the MSME sector.

E.P.W. research foundation (2011) in the paper, “A new Orientation to Directed credit” examined the policies for directed credit that were introduced in the 1970. As monetary policy in India has the twin objectives of growth and price stability given the role played by MSME in promoting both employment and exports, MSME will be the other sector that will require special attention. The present framework for directing credit under the priority sector lending policy has lost much of its original thrust. Negative monetary shock in the MSME which operate in both manufacturing and services.

Exports by MSME amounted to Rs. 2,02,017 crore in 2007-08 contributing to about 16% of total export and rate of employment growth is more than 5% in 2009-10. The share of the MSME sector in credit intake is very low. The MSME sector requires an added attention in directing the flow of credit particularly in time of monetary tightening.

Deshpande Ashwini, Sharma Smriti (2013) in their article, “Entrepreneurship or Survival? Caste and Gender of small Business in India” examine the involvement of dalits and other marginalized groups, especially advasis and women in the MSME sector. The analysis is based on the unit level data for scheduled caste and scheduled tribe. Businesses are underrepresented except in the north-eastern States during the period 2001-02 to 2006-07. The sectoral mix varies considerably by rural urban location, as well as by the caste and gender of the owner. The traditional stigmatizing association with leather work continues to be on the top 5 business activities for SCs, but not for the other caste groups. The effects of historical-taboo on upper caste-women on entry into public arenas of economic production continue to linger, even though the formal taboos have loosened. The MSME sector as it stands today is not a major vehicle for job creation among the dalits. Most dalit businesses occupy a very different place in the production chain, low productivity survival activities as can be seen from their low rate of growth

This paper analyses the changes in the private manufacturing sector in the era of market-led and globalised development. It finds that caste continues to shape virtually all aspects of production and that so far capital has not countered the deep-rooted inequities produced by caste. Public-sector undertaking should procure a minimum of 20% of their annual value of goods or services from MSEs and that within this 20% should be earmarked for SC – ST owned MSEs, that is a total of 4% of the total MSE purchases. The policy of the Indian government of altering the no-intervention status quo in the private sector would not introduce disparities, but correct them

Uchikawa Shuji (2011) in the article, “Small and Medium Enterprises in the Indian Auto-component Industry” examines impact of the change in the system of value chain and governance on the development process of automobile Industry. It shifted from capital value chains to relational value chained, large domestic auto component manufacturers are getting knowledge from MNE assemblers in India through repeated transaction and from foreign companies in the developed countries through foreign technical collaboration. This analysis

suggests main sources of knowledge to improve productivity and quality of products. The enterprises could grow into medium and large enterprises. Graduation from tiny and small enterprises occurred rapid growth of production, new entry into the auto-component industry declined in the 2000. The necessity of high technology led to a significant hike in the initial investment required and raised barriers to entry.

This paper investigates the development of Delhi, Pune, Chennai main clusters. The selected 17 samples have the policy to employ only permanent workers. Many SMEs employing from 100 to 300 workers are graduating to large enterprises. Running multiple factories there are two main reasons to set up multiple factories. First, the limitation of space constrains expansion capacity of New units to increase production Second new units are located at the place close to their customers.

Birajdarshrimant M (2007), in his dissertation “Study of Small Scale Industries in economic development in Kolhapur district” writes that MSME accomplish the socio economic conditions, justice, generated employment, decentralized the industrial and economic activities and promotes the export. In this study researcher selected 5 industries out of 20 industries, He observed that all the foundry, fabrication, chemical industries have larger area for output production. Under this study researcher states that many of the industries have generated employment to a tune of 22 to 90 persons. Researcher points out that the average values of net profit of the SSI ranges from 2 lakh to 10 lakh which indicates sound economic status to the small scale industries. The researcher further states that the SSI sector provides means of livelihood to the local population and the growing SSI sector is like job in hand for labour. The researcher gives some policy implications for SSI. First, government should bring the unorganized and small industry sector under social security measures. This task needs to be expedited for distributive justice for the marginalized and deprived labour community. The only limitation of the study is that the number of units taken for study are very few.

Subrahmany Bala M. H (2010) in his article, “Auto SMEs in Bangalore: Does Innovation promote employment and Labour Productivity?” focuses on innovation, cost reduction and quality improvement in SMES. In this study the, researcher has selected that 72 small and medium enterprises in the auto component sector of Bangalore, during the period 2001-02 to 2005-06. This article suggests SMEs engage themselves in technological innovations, upgrading the quality of innovation, develop strategies to reduce the turnover rate of labour force, particularly in the form of retention of technical employees and learn the art of employing labour optimally. The author in the study selected only auto SMEs. The study would have been more comprehensive if wider area of SME was selected for the research study.

Apte V.S (2007) in her study, “Constraints on the exports of Small and Medium Scale Enterprises: A case study of Kolhapur District” selected 140 exporting units for all over the Kolhapur district, in the category of Small and Medium. Out of the 15 large scale units, 7 units were started as small or medium but due to their organic growth they became large scale. This indicates that present exporters from Kolhapur are second or third generation entrepreneurs. Kolhapur district has high rate of industrialization since long time. The researcher concluded that education positively affects exporting activity, there is a possibility that many non-exporters might have made plans for exports and the number of exporters will increase in the coming period. Kolhapur is likely to become the district with highest export in Maharashtra. Apart from export the geographical area of exporting units covers local, state level and national markets.

Sane Amrita R. (2004), “Constraints on the exports of Small and Medium Scale Enterprises: A case study of Kolhapur District” correlates the investment and the preparation of a systematic financial plan. Only 40% prepare financial plan and 48.15% units reinvested profit in the working capital, while 18.52% reinvested in fixed capital, 25.93% invested in both. While 7.4% kept the money in reserve and 3 out of 30 of the units were not earning profits. The commercial banks or various financial institutions are main source of working for capital. Researcher states that 80% of entrepreneurs were given job training. The opinion of all

entrepreneurs was satisfactory as their productivity is increased. 43% of owners of units gave promotion to their employees/ labour by merit alone while 37% of the owners follow the promotion policy by seniority basis and 50% of owners adopted quality improvement strategy to face the competition. 33% of owners adopted business combination strategy. Researcher observed that all the units maintained perpetual stock taking method. 90% of units used central store layout than decentralized. Under the study researcher observed that 60% of consumers were industrial buyers, 23% resellers were suppliers of large industries functioning as ancillary units.

In this study the researcher suggests that entrepreneurs should carry out research to find out the demand for the products as well as she suggested that Small Industry Service Institute (SISI) in district level and zonal level should either have their branches in every MIDC or visit and guide the entrepreneurs Government should help the entrepreneurs in carrying out SWOT (Strength, Weaknesses, Opportunities, Threats) analysis so that the decisions would be a well thought out one and it should help the entrepreneurs in conducting surveys as to where the demand for that particular product is and help in transportation of these products.

Biradar Nanagould Paramappa(1996) conducted a study on, “Role of Small Scale Handloom Industry with special reference to Mudhol Taluka, Bijapur”. He observed that 79% of units are sole proprietorship type of business organization, the partnership and co-operative units accounted for 7.11% . Small scale industries serve as the best source of self-employment. The majority of the family members did not have training in weaving industries due to small scale unit. This data indicates that the weaving units increased rapidly after 1990. The small scale units is traditional in the Mudhol taluka. Weaving industry developed by local traders know their customers well and give them raw materials on credit basis. The transport charges is less because these units used of the raw material in local areas and demand for production is local customer. The study observes that rapid development of such weaving units will help in earring foreign exchange reserves which are necessary for the protecting the domestic industries.

The researcher observes that production process should improve and also new types of product should be produced. The study states that the profit goes to the middlemen. It suggests that government should help the units to become export oriented by giving more incentives and the weaving units problem means marketing their products, limited market and shortage of working capital.

Mehtra Chandra Mukund,(2013) in the study entitled, “Challenges and Opportunities in Micro, Small and Medium Enterprises in India” discusses number of challenges faced by MSME as well as number of opportunities in MSMEs. The twin problem of one unemployment and second poverty constitute a major development challenge. This paper notes India has nearly 12 million MSMEs which is almost 50% of industrial output and 42% of Indian’s total export. They have given the reason and the major advantage of this sector is its generating employment at low cost, MSME contribute 45% in the industrial output, 40% of exports employing 60 million people, and create 1.3 million jobs every years.

Guggari Basavaraj K. (1996) in the study, “Role of Karnataka State Financial Corporation in Financing Small Scale Industries in Karnataka State” states that till the end of March 1995, there were about 164 lakh registered small scale industries in the State. Bangalore, Mysore, Belgaum, Dakshina Kannada, Shimoga and Tumka Districts have mostly in Small Scale industrial units. Bidar district is “No Industry District” in the state. But with the financial assistance granted by the corporation to entrepreneurs, the district is humming with the industrial activity. The KSFC in its capacity as a regional development bank, plays a pivotal role in the growth of small scale industries in the state. The corporation also operates the IDBI sponsored scheme of providing equity participation, assistance to the women entrepreneurs for setting up new industrial projects in the small scale sector. This scheme has led to the emergence of more number of women – entrepreneurs in such diverse industrial fields as engineering, plastics, manufacturing food processing.

The study suggested that modern technology and also because of inflationary pressures, manufacturing and service industries has now become capital – intensive and the initial outlays are rather heavy. It states that KSFC scheme has changed the activities out of the purview of its financial assistance. The corporation should be flexible in case of small loans in respect of rigid condition of guarantors. Instead of income tax payers, ordinary citizens should be allowed in very genuine and deserving cases. Corporation is not financing for working capital requirements of the industrial unit. The borrower has to make arrangements with some other financial institution such as commercial bank.

Venkataramanik, Vijayram and Kalaivani N (2014) in their study “A Study on Infrastructure availability for Small Scale Entrepreneurship Development in Lolkud Taluka, Trichy Tamil Nadu” clearly states that the entrepreneurs expecting finance help and human resources, availability good infrastructure and good business knowledge to overcome these problems and competition. Most of villages are not having good infrastructures facilities for small scale entrepreneurship development. This paper analyses how the entrepreneurs will develop new business and growing percentage will increase the development of villages. Most of villages are not having good infrastructure facilities for small scale entrepreneurship development.

The researcher has suggested to give ideas to entrepreneur about the cheap and best transportation route, awareness programme should be conducted through Panchayat office or by Village Officer. Agriculture product based business in the Lalkudi Taluka involve in providing rural banking facilities and create the awareness. The Mudra micro finance can create awareness to entrepreneurs about the business knowledge guidance and giving ideas of how to face competition and how to face the problem in a critical situation.

Sahar Nasr and Laila Abdelkader (2013), in the study, “Another piece of the job creation puzzle: Developing the MSME sector in Egypt” highlighted the need for more jobs, a level playing field, good governance and fair competitive environment to accelerate inclusive growth. MSMEs are the primary source of employment growth for the labour force. Over the last 10 years this growth did not have an effect on poverty reduction.

This paper discusses, the World Bank support to MSEs in MENA Region project in economic empowerment and improved the quality of life of their families. It was developed in cooperation with other development partners, active in supporting MSE development to ensure effective coordination of efforts. The social fund for development contributed to improving access to finance for MSE between 2009 to 2012.

Peter Mc Conaghy (2013) in the research paper entitled, “Supporting job creation and innovation through MSME development in MENA” demonstrates that net job growth comes from large firms and startups. Only reason for creating less jobs is that they often have inefficient business process that make them less productive than large enterprises. Unemployment levels in MENA (Middle, East and North Africa Region) is 3 out of 4 working –age women do not participate in the labour force 80 – 90% of MENA’s inactive workers suggest that policymakers should be promoting start – ups and fast growing young firms to achieve strong employment outcomes, rather than broad-based promotion of SMEs. Egypt Enhancing Access to finance for SME project has contributed to creating 80,000 jobs and has served 4.94% female owned micro enterprises.

The analysis also shows that innovation is consistently linked to firms whose workforce includes 5% or more of university graduates. The findings direct policy attention towards education, training, quality systems and technology used to promote SME- based employment growth. SMI account for 20 – 40% of all private sector employment in MENA. 10% of the total SMEs are formal and high number are in informal category. MSME further hinders access since there are licensing and registration requirement for receiving a loans.

2.4 SUMMARY

In this chapter we have examined the previous research studies about MSMEs. The research conducted in different areas, sectors and time periods in India and other countries. The review shows that MSME sector faced various challenges, financial crises, and uncooperative government attitude. In spite of these problems some the MSME sector contributes significantly in the nation's development. Well directed policy measures are required for a faster growth of this sector.

The Literature published in all parts of the world on the small scale sector; recognize the immense potential of the sector for generation of employment and promoting equity among the people. The Sector, though important has faced problem from the government policy and approach of the Institutional sources of finance, till the sector part. In inability of the Large Scale Sector to generate the adequate number of job opportunities and its inability with the nook and corner of the country, has trough lack the focus of policy makers and research on the MSME sector. Due to this reason one can expect “better tomorrow” for the Small sector not only in India. But also in other part of the world.

CHAPTER – III

INDUSTRIAL AND MSME PROFILE OF MAHARASHTRA

3.0 INTRODUCTION

Maharashtra is the second largest State in India in terms of population and 3rd largest as per geographical area (3.08 lakh sq.km) of the country. The state has actual population of 112,373,333 (as per 2011 population Census) which is 9.28 percent of total population of India. The State has 36 districts which are divided into six revenue divisions viz. Konkan, Pune, Nashik, Aurangabad, Amravati and Nagpur for administrative purposes. The State has statutory bodies for planning at the district level. For local self-governance in rural areas, there are 34 Zilla Parishads, 351 Panchayat Samitis and 27,920 Gram Panchayats. The urban areas are governed through 26 Municipal Corporations, 230 Municipal Councils, 111 Nagar Panchayats and 7 Cantonment Boards.

Mumbai, the capital of Maharashtra and the financial capital of India, houses the headquarters of most of the major corporates & financial institutions. India's main stock exchanges & capital market and commodity exchanges are located in Mumbai.

3.1. Population

Maharashtra is the second largest State in India in respect of population after Uttar Pradesh. The population of Maharashtra as per 2011 population census, was 11.24 crore which contributes to 9.28 percent of the total population (121.02 crore) of India.

The density of population in the State is 365 persons per sq km which is slightly lower than that of India's density of 382. As per 2011 population census, 45.23 percent of the State's population was living in urban areas. This percentage was much higher than that of all India percentage (31.16). The rural population of the State living in 40,959 villages was 54.77 percent of the total population. During the decade 2001-2011, the rural population of the State increased by 10.36 percent.

3.2. Sex Ratio of Population:

The sex ratio has marginally improved i.e. from 922 in 2001 to 929 in 2011. The sex ratio is higher in rural area which is 952 as compared to urban area where it is 903. Though the sex ratio is higher in rural area yet it is decreasing steadily since 1991. Opposite trend is seen in urban area where it is increased from 873 in 2001 to 903 in 2011.

3.3. Literacy

As per the census 2011, literacy rate in the State is 82.3 percent against 74 percent at national level. It is 88.4 percent and 75.9 percent for males and females respectively. At national level, it is 82.14 percent for males and 65.46 percent for females.

3.4. State Income

The preliminary estimates of the State Income of Maharashtra at current prices for the year 2014-15 is Rs.15,72,037/- crore and the per capita State Income is Rs.,1,34,081 against National Per Capita Income of Rs.86,879 at 2014-15 prices.

Gross State Domestic Product (GSDP), at current (2014-15) prices for the year 2014-15 is Rs.17,92,122 crores contributing about 14.4% of nation's GDP of Rs.1,24,88,205 crores.

3.5 Udyog Aadhar:

As on 10th June, 2016, 75,899 and 8,34,476 number of enterprises have obtained the Udyog Aadhar in the State of Maharashtra and the whole Country respectively. The details of the same are given in the following table.

Table No. 3.1: Udyog Aadhaar Registration in the State and India

State/UT	Udyog Aadhaar Regd.	Enterprise Type			Ownership			
		Micro	Small	Medium	SC	ST	OBC	Others
Maharashtra	75,899	57,641	17,660	778	7,093	1,693	16,765	50,348
All India	8,34,476	722,844	1,07,683	3,949	83472	26,154	2,99,405	4,25,445

3.6 Exports from Maharashtra:

The main products exported from the Maharashtra are Gems and Jewellery, Software, textiles, ready made garments, cotton yarn, metal & metal products agro-based products, engineering items, drugs & pharmaceuticals and plastic & plastic items. To recognise the efforts put up by the exporters and to boost the exports, the State/Centre is taking initiatives like giving awards based on export performance and implementing space rent subsidy scheme for Micro and Small Enterprises for participation in international exhibitions. Since 2007-08, the State's share remained at 27 per cent in the total exports from India. Exports from the State and India are given in the following Table.

Table No. 3.2: Exports From Maharashtra And India

(Rs. in Crores)

Year	Maharashtra	India
2007-08	1,72,846	6,40,172
2008-09	2,26,794	8,39,978
2009-10	2,28,184	8,45,125
2010-11	3,08,515	11,42,649
2011-12	3,94,005	14,59,280
2012-13	3,61,460	15,46,766
2013-14	4,34,591	18,31,009
2014-15	4,45,349	18,65,589
2015-16 ⁺	2,87,007	11,12,616

Source : Directorate of Industries GOM, *upto November.

3.7 High Potential Industries In Maharashtra

Maharashtra is at leading position as far as manufacturing enterprises in India are concerned. Some industries involved with the advanced technological areas are rising in the State. Some such type of industries are mentioned below:

Table No. 3.3: Potential Industries

Sr No	Sector	Products
1	Mechanical	Auto Components
		High precision engineering components
		Defence items
		Railway stores
		Refinery items (Pipes, valves, tubes) etc
		Jigs and fixtures
		Tooling and Dies
		Precision metrology equipments
		General Engineering
2	Metallurgy	Casting and Forging machine components
		Welding Electrodes and SPMs
3	Electrical	Transformers
		Generator Sets
		Control Panels
		Powerhouse equipments
		Household electrical gadgets and fittings
4	Electronics	Embedded systems
		Control automation
		Computer hardware
		Digital Equipments
		Tele-communication parts
		Defence electronics

Sr No	Sector	Products
5	Chemical	Basic Chemicals
		Oils and Paints
		Soaps Detergents and toiletries
6	Textiles and Garments	Yarn, sizing and warping
		Weaving
		Dyeing and Printing
		RGM
7	Food and Beverages	Packed Food
		Ready to cook
		Spices
		Packaged drinking water
		Winery
		Backery items
8	Cold storage	Agricultural products
		Fishery
9	Non Conventional / Renewable Energy	Solar power
		Wind power
		Solar wind hybrid
10	Pharmaceutical	Bulk drugs
		Pharma printing and labelling
11	Film Industry	3-D modelling
		Animation and allied work
12	Civil Construction	Construction machinery and equipments
		Building hardware

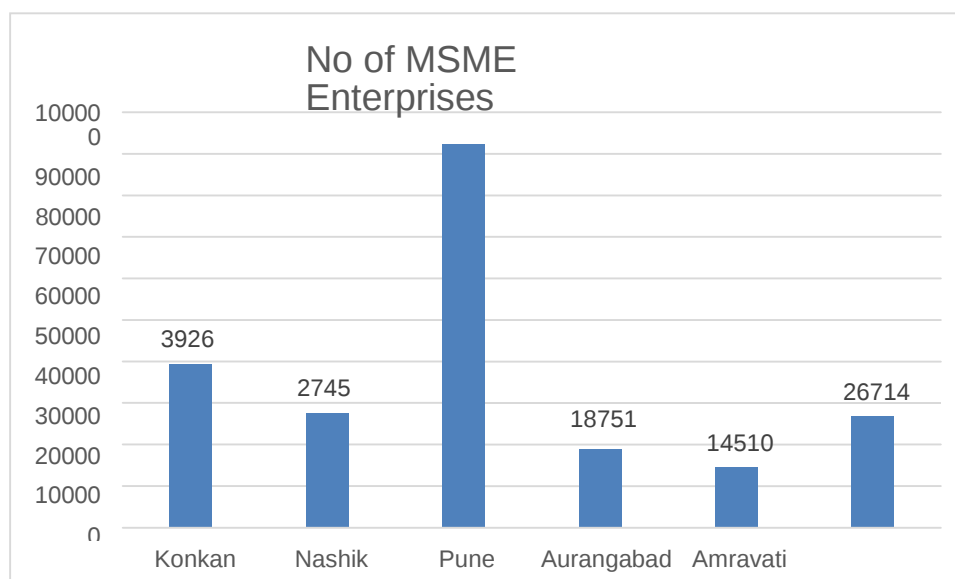
Table No 3.4. Region-Wise Details Of Msmes And Large Enterprises As On 31.12.2012

(In Nos.)

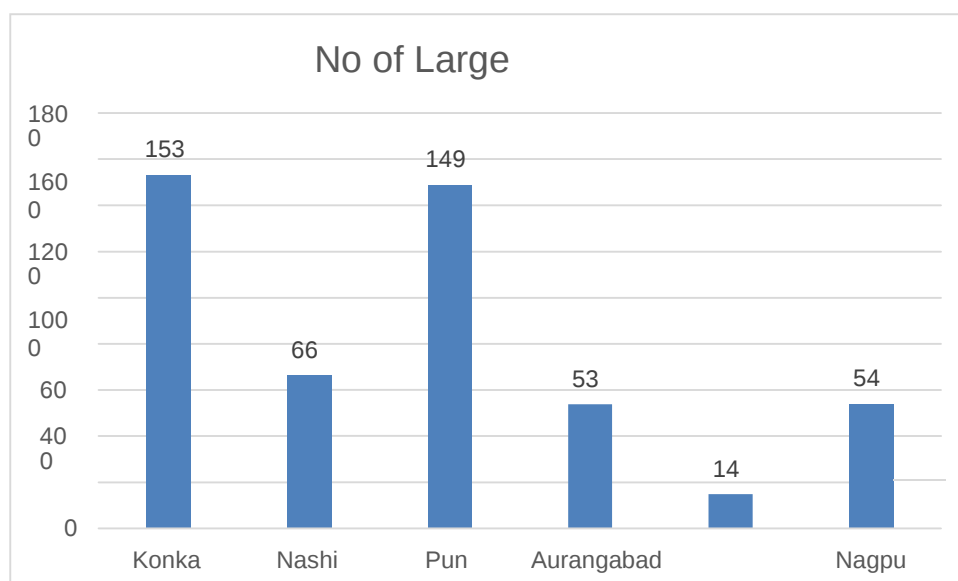
Region	MSME		Large Enterprises*	
	No of Enterprises	Employment in lakhs	No of Enterprises	Employment in lakhs
Konkan	39269	6.32	1533	2.92
Nashik	27458	3.15	665	1.52
Pune	92233	10.04	1490	4.07
Aurangabad	18751	1.92	538	1.11
Amravati	14510	1.13	148	0.32
Nagpur	26714	2.56	541	1.31
Maharashtra	243721	29.19	4915	11.25

Source : Directorate of Industries GOM.

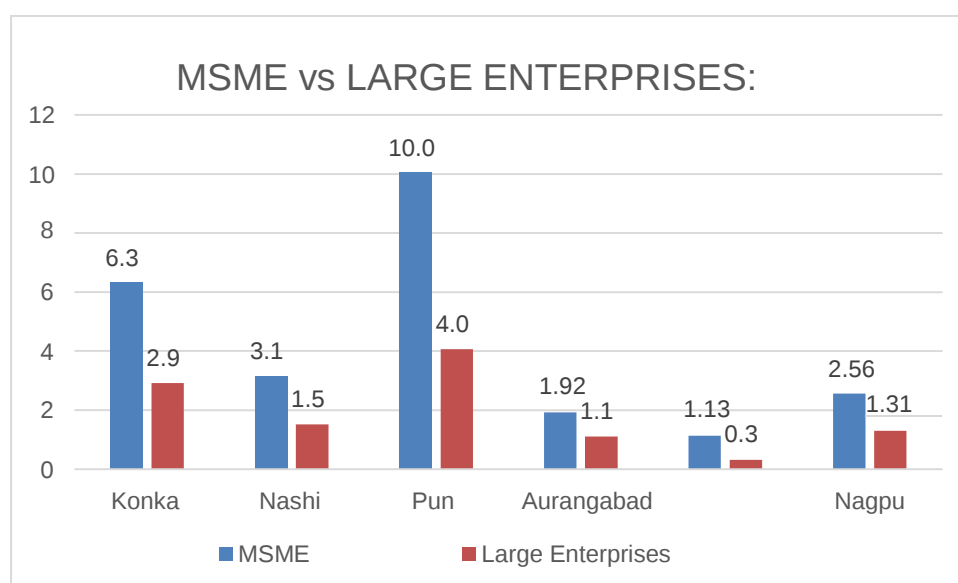
*as on 31.12.2012



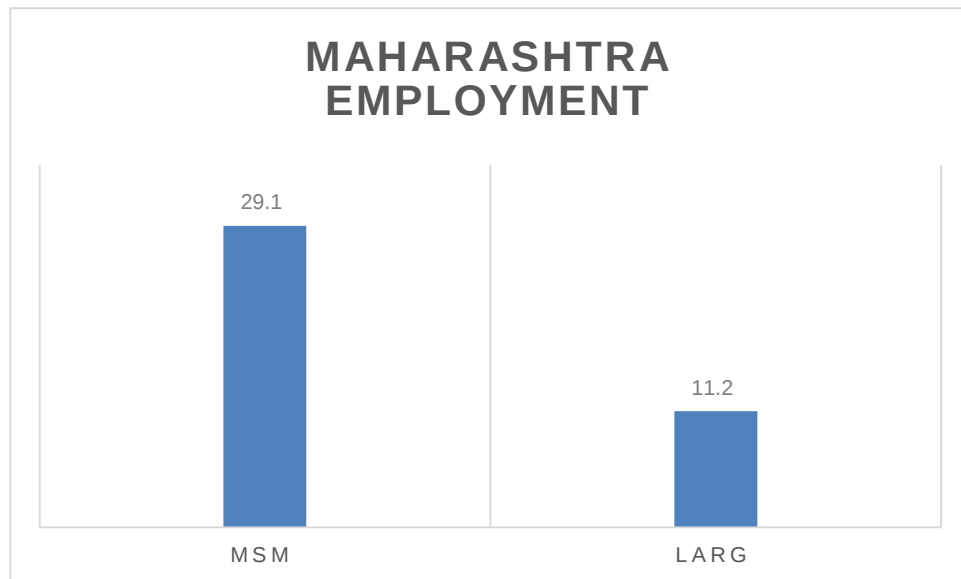
The above graph clearly shows the dominance of Pune region in case of number of MSM Enterprises. This due the established large industrial belt which acts a support to the products being manufactured in the MSME sector in this region. The industrial base in Pune region provides a conducive industrial climate for the establishment of MSME units. Amravati due to the disadvantage of geophysical and climatic factors continues to lag behind even in case of the small enterprises.



The graph shows that Kokan and Pune are the clear leaders in the establishment of large enterprises. Mumbai being a part of Kokan belt is marginally ahead than Pune region. Amravati, even in case of establishment large industries lags behind due to its natural disadvantages. Special policy measures are required to encourage large and small business entrepreneurs of the region.



The potential of MSME enterprises in generating employment compared to the large enterprises is clearly visible in the above graph. When the level of employment is less the degree of difference between the large and small units regarding employment generation is also less. But as the region progresses the MSME surges ahead compared to Large units with regard to employment.



When we consider the employment generated in MSME and Large enterprises in the entire state the difference is clearly visible. The MSME generated employment for 29.19 lakh people while the large units could generate only 11.25 lakh employment. In other words the employment generating potential of the MSME sector is nearly three times of the employment generation of the larger enterprises.

3.8 Maharashtra Small Scale Industries Development Corporation (MSSIDC): The Maharashtra Small Scale Industries Development Corporation (MSSIDC) was set up in the year 1962 with the objective of assisting the development of Small Scale Industries.

The main activities of MSSIDC are:-

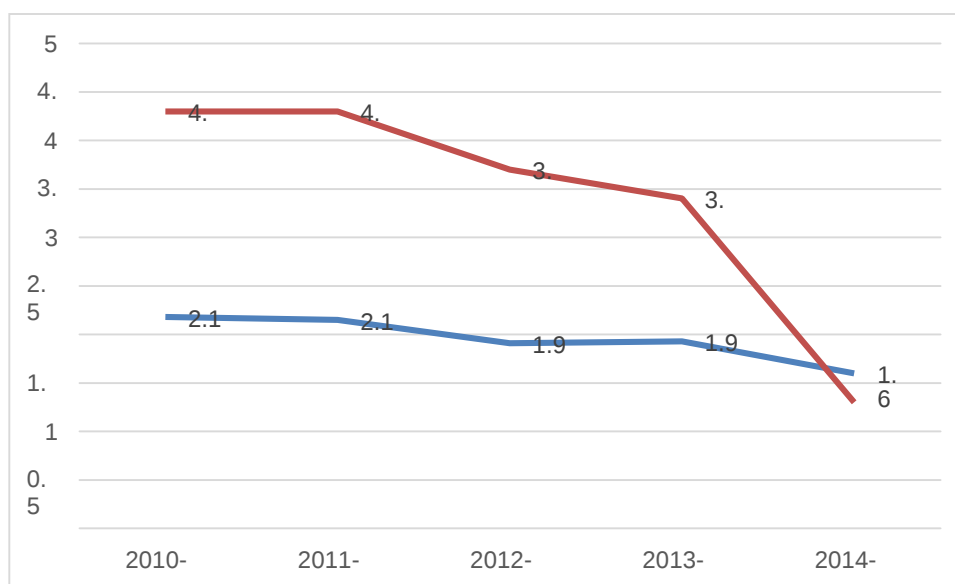
- i. Procurement and distribution of raw materials required by Small Scale Industries.
- ii. Providing assistance in marketing their products and making available facilities for warehousing and handling of material.
- iii. Assisting Small Scale Industries in import and export.
- iv. Helping handicraft artisans.
- v. Organizing exhibitions.

3.9 Maharashtra State Khadi And Village Industries Board (Mskvib):

The main functions of the Maharashtra State Khadi and Village Industries Board (MSKVIB) are to organise, develop and expand activities of Khadi and Village Industries (KVI) in the State. Financial assistance of Rs.28.43 crore in the form of subsidy was given to KVI units in 2014-15 and Rs.29.02 crore have been allocated for disbursement in 2015-16.

Table No.3.5: Performance Of KVI Units

Year	Units assisted (in Lakh)	Value of Production (Rs. Crore)	Employment (in lakhs)
2010-11	2.18	1,470	4.3
2011-12	2.15	1,506	4.3
2012-13	1.91	1,376	3.7
2013-14	1.93	1,495	3.4
2014-15	1.60	3,161	1.3



Under Artisan Employment Guarantee Scheme, employment opportunities were provided to 2.32 lakh artisans in 2014-15. The target to provide employment opportunities to 2.45 lakh artisans during 2015-16 was fixed.

3.10 Bharat Ratna Dr. Babasaheb Ambedkar Special Package Scheme of Incentive for SC/ST Entrepreneurs 2016:

On occasion of 125th birth anniversary of Bharat Ratna Dr Babasaheb Ambedkar, the State Government proposed a new policy for SC/ST entrepreneurs in the State to make them self-sufficient and financially independent.

In order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to new/expansion of industries set up in the developing regions of the State since 1964. The State has declared a new Industrial Policy 2013 and through this Government is also committed for development of the society by upliftment of socially disadvantaged groups viz SC/ST entrepreneurs. This can be achieved through active involvement of this sector in the main stream of industrial growth. Hence, Govt. has announced the special package of incentives for economic development of SC/ST Community.

The special package of incentive will be over and above the existing Entrepreneurship Development Schemes and Package Scheme of Incentive 2013. The scheme will be applicable for manufacturing and IT/ITES industries set up by the SC/ST entrepreneurs.

3.11 Institutional Support For MSMEs (Central Govt.)

i) NATIONAL SMALL INDUSTRIES CORPORATION (NSIC):

The NSIC is involved in Hire Purchase and Leasing Schemes and offers assistance to interested parties. These schemes benefited first generation entrepreneurs to set up enterprises with minimum investment. NSIC assist small enterprises to improve the quality of the end products through creation of testing facilities. NSIC has set up Technology Dissemination Centres to provide latest information in connection with the technology upgradation / dissemination amongst the other Small and Large Scale enterprises spread all over India and abroad. Keeping in view the potential in the areas of software

exports and to create facility for the promotion of small scale unit and also provide place to negotiate with the units from abroad, NSIC has set up a NSIC, STP Complex under Software Technology Parks of India (STPI).

ii) SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI):

SIDBI was established in April, 1990 to serve as the Principal Financial Institution for promotion, financing and development of industries in the small scale sector and co- coordinating the function of other institutions engaged in similar activities. SIDBI provides assistance to the small scale sector through indirect assistance, direct assistance and development and support services. SIDBI is implementing various schemes of Central Govt for development of MSMEs.

iii) KHADI AND VILLAGE INDUSTRIES COMMISSION (KVIC):

The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of 1956, as amended by act no. 12 of 1987 and Act No.10 of 2006. In April 1957, it took over the work of former All India Khadi and Village Industries Board. The broad objectives of KVIC are as follows:

- The social objective of providing employment.
- The economic objective of producing saleable articles.
- The wider objective of creating self-reliance amongst the poor and building up of a strong rural community spirit.

iv) MICRO & SMALL ENTERPRISES – CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP)

Cluster Development approach is considered as an effective approach for inducing competitiveness in the industry by ensuring inter-firm cooperation based on networking and trust. Due to geographical proximity of units and homogeneity/similarity of products, development interventions can be made for a large number of units and simultaneously leading to higher gains at lower cost of implementation. The approach also aims for sustainability in long run.

- Helps overcome disadvantages of economies of scale and weak capital base
- Increase competitiveness by leveraging the advantages of flexible structure

and faster decision-making process

- Better responsiveness to market challenges
- Quicker dissemination of information
- Sharing of best practices (organizational capabilities, skills, technological innovations)
- Better cost effectiveness due to distribution of many common costs.
- Wider public appropriation of benefits.

A) COMMON FACILITY CENTRE (CFC)

- i. Textile cluster, Vita, Dist. Sangli
- ii. Raisin Making Cluster, Sangli
- iii. Powerloom Cluster, Shirpur, Dhule Fly Ash Cluster Chandrapur
- iv. Terry Towel Cluster, Solapur
- v. Textile Cluster, Navapur, Nandurbar
- vi. Cotton Fabric Cluster, Hatkanangle, Kolhapur
- vii. General Engg. Cluster, Bhosari, Pune
- viii. Dal Mill Cluster, Nagpur
- ix. Textile Cluster, Malegaon, Nasik
- x. Garment Cluster, Nagpur
- xi. Garment Cluster, Ichalkaranji, District Kolhapur
- xii. Auto & Engineering Cluster, Ahmednagar
- xiii. Mango Processing Cluster, Ratnagiri
- xiv. Turmeric Cluster, Sangli

B) INFRASTRUCTURE PROJECTS

Completed Village - Sangavi, Tal. - Khandala, Distt.- Satara

Pusad, Ghatwadi, Tahasil-Pusad, Distt.-Yavatmal

Village Kada, Taluk Asthi, Distt. Beed, Maharashtra

Sangamner, Distt. Ahmednagar, Maharashtra

Ongoing Mahasainik Industrial Estate , Bhosari, Pune

3.12 Region-Wise Enterprises Potential In Maharashtra State

The MSME-DI conducted a survey of all the different regions in Maharashtra for the potential areas of businesses based on their geographical advantages. The detailed report gives the classification of possible business lines as High Potential, Medium Potential and Low Potential areas of businesses. Based on the report we provide the list of high potential business areas in each district region-wise.

(I) KONKAN REGION

Mumbai District:

- i. Catering/Hotel Industries
- ii. Tourism industries
- iii. Bakery Products
- iv. Preservation of fruits & vegetables
- v. Imitation Jewellery

Thane District:

- i. Fabrication
- ii. Textile auxiliaries
- iii. Manufacturing of rubber products
- iv. Manufacturing of machinery and equipments
- v. Power looms
- vi. Computer Hardware
- vii. Computer Training Centre
- viii. Data processing

Raigad District:

- i. Food Processing
- ii. Repairs of Agricultural Implements
- iii. Ganpati Idol making.
- iv. Fish Products and dry fish

Ratnagiri District:

- i. Mango Canning
- ii. Mango Chutney/pickle
- iii. Bottling of juice
- iv. Coconut shells powder
- v. Coir Rope making
- vi. Salt manufacturing
- vii. Cashew nut shell liquid
- viii. Coconut/cashew feni

Sindhudurg District:

- i. Mango Processing/Canning
- ii. Coir rope/Mat
- iii. Modern Rice Milling
- iv. Cashew nuts roasted and salted
- v. Fish canning
- vi. Salt manufacturing
- vii. Fish export
- viii. Tourism
- ix. Wooden Toys

(II) NASHIK REGION:**Nashik District:**

- i. Dehydration of onion & Grapes
- ii. Fruit Juice/Jam/Jellies ketchup
- iii. Repairing of Agriculture equipment
- iv. Winery
- v. Grape processing
- vi. Textile

Dhule District:

- i. Chilly Processing / Spices processing
- ii. Engineering Workshop

Nandurbar District:

- i. Ayurvedic & Herbal products
- ii. Windmills
- iii. Chilli Powder
- iv. Hatchery/Poultry Farming
- v. Extraction of oil
- vi. Textile

Jalgaon District:

- i. Bio-coal briquettes from sugarcane and Banana waste
- ii. Baby food based on Banana
- iii. Food products

Ahmednagar District:

- i. Auto & Engineering components
- ii. Milk processing and Dairy –based products
- iii. Food processing
- iv. Fruit processing

(III) PUNE REGION**Pune District:**

- i. Auto Engineering
- ii. Electrical and Electronic Parts
- iii. Fruit Processing
- iv. Agriculture implement & Servicing
- v. Servicing of agriculture farm equipment e.g.Tractor, Pump, Rig Boring machines, etc.
- vi. Auto Components.
- vii. ITES
- viii. Defence Equipment
- ix. Sugar Factory M/c Parts
- x. Electronic Parks,
- xi. Civil Construction Equipments

Satara District:

- i. Essential Oils
- ii. Jowar Flakes
- iii. Dehydrated Onions
- iv. Repairing & servicing of Agricultural implements
- v. Sugar Mill Parts.
- vi. Fruit Processing

Sangli District:

- i. Organic Pesticides
- ii. Organics Fertilizers
- iii. Inverters/UPS for domestic uses.
- iv. Engineering workshop
- v. Fruit Processing of Grapes, tomatoes, pomegranates, Papaya, Mango
- vi. Dairy Products i.e. Cheese, Paneer, Icecream etc.
- vii. Turmeric Processing

Solapur District:

- i. Bed Sheet with Pillow Covers set (Solapuri Chaddars)
- ii. Bleaching and dyeing of cotton knitted fabrics
- iii. Cotton knitted fabrics
- iv. Cotton knitted undergarments (Briefs, Panties, vests)
- v. Cotton lycra (Spandex) knitted wears
- vi. Cotton yarn dyeing
- vii. Turkish Towels
- viii. Dairy Equipment

Kolhapur District:

- i. Casting and Foundries
- ii. Dairy and Milk products
- iii. Jaggery
- iv. Agricultural Implement
- v. Leather goods

- vi. Leather Chappals
- vii. Silver Artwork

(IV) AURANGABAD REGION

Aurangabad District:

- i. Basic drugs
- ii. Engineering ancillaries
- iii. Agriculture Equipment
- iv. General fabrication
- v. Automobile & Auto components
- vi. Small tools
- vii. Tourism

Jalna District:

- i. General purpose machine-shop
- ii. Dal Mill
- iii. Seed Processing unit
- iv. Rolling Shutters

Parbhani District:

- i. Dal Mill
- ii. Oil Mill

Hingoli District:

- i. General fabrication
- ii. Agriculture equipment

Beed District:

- i. Dairy based products
- ii. Fabrication.
- iii. Oil Mill
- iv. Dall Mill
- v. Agriculture implements

- vi. Fabrication workshop
- vii. Agriculture Pumps

Nanded District:

- i. Fruits/ vegetable processing industry
- ii. Starch from jowar
- iii. Jowar flakes
- iv. Bio-fertilizers from agro-waste
- v. General fabrication

Osmanabad District:

- i. Starch from Jowar
- ii. Fabrication

Latur District:

- i. Cotton ginning, processing, spinning, weaving, etc.
- ii. Fruit processing industries
- iii. Fertilizer & pesticides

(V) AMRAVATI REGION

Amravati District:

- i. Agricultural equipment

Buldhana District:

- i. Food Processing
- ii. Spice making
- iii. Engineering Workshop

Akola District:

- i. Sweets of orange, Sweet
- ii. lime & Mango.
- iii. Agriculture implement
- iv. Fabrication workshop

Yavatmal District:

- i. Chilly Powder
- ii. Turmeric Powder
- iii. Dal Mill

Washim District:

- i. Bio-coal briquettes from sugarcane
- ii. Agriculture Equipments
- iii. General fabrication

(VI) NAGPUR REGION**Nagpur District:**

- i. Food Processing
- ii. Metal fabrication
- iii. Textiles

Wardha District:

- i. Fruits processing industry from sweet lime, Banana, Lemon & Papaya, etc.
- ii. Cotton ginning, Pressing, spinning & weaving etc.
- iii. Extraction of starch from Jowar.
- iv. Bakery & confectionery
- v. Agriculture implements/equipments

Bhandara District:

- i. Fruit Processing
- ii. Chilly Powder
- iii. Mango Pickles
- iv. Bakery Products
- v. Agriculture implements

Chandrapur District:

- i. Wooden Furniture
- ii. Wooden Packing cases.
- iii. Dal Mill
- iv. Fabrication workshop

Gadchiroli District:

- i. Bamboo & Cane Products
- ii. Wooden packing cases
- iii. Wooden furniture
- iv. Agriculture implements
- v. Engineering workshop
- vi. Electrical motors repairing & rewinding
- vii. Honey extraction

Gondia District:

- i. Cane Furniture
- ii. Mango Processing
- iii. Mango Pickles
- iv. Metal fabrication

3.13 Central/State Government Authorities

There are thirteen(13) Central/State Government Authorities that are entrusted with the responsibility of developing various industry sectors in the State. These include MSME-Development Institute, KVIC, Textile Comissioner, MIDCs and others. Apart from these authorities there are eleven(11) corporations such as National Small Industries Corporation(NSIC), Maharashtra State Fisheries Corporation(MSFC) and others.

- i. MSME-Development Institute
- ii. Directorate of Industries
- iii. Khadi & Village Industries Commission,
- iv. Development Commissioner (Handicraft)
- v. Development Commissioner (H/L), Weavers Service Centre.

- vi. Textile Commissioner
- vii. Jt. Director General of Foreign Trade
- viii. Central Silk Board
- ix. Khadi & Village Industries,
- x. (Govt. of Maharashtra Board)
- xi. Directorate of Industries
- xii. Maharashtra Industrial Development Corporation Ltd.,
- xiii. Udyog Mitra

3.14 Corporations:

- i. National Small Industries Corpn. Ltd
- ii. Maharashtra State Handloom Corporation
- iii. Maharashtra State Fisheries Development Corporation Ltd.,
- iv. Maharashtra Agro Industries Development Corporation Ltd.
- v. Maharashtra Economic Development council
- vi. Maharashtra Agriculture Development & Fertilizer Promotion Corporation Ltd.(MAFCO)
- vii. Khadi & Village Industries Board
- viii. Leather Industries Development Corporation Ltd (LIDCOM)
- ix. Maharashtra State Small Industries Development Corporation Ltd., (MSSIDC)
- x. Maharashtra State Financial Corporation Ltd.(MSFC)
- xi. Mahila Arthik Vikas Mahamandal (MAVIM)

3.15 Export Promotion Councils:

There are eight (08) Export Promotion Councils(EPC) in the State dealing with products from Agri-processed Food to Apparels, Leather, Chemicals, Software and others.

- i. Agricultural & Processed Food Products Export Development Authority
- ii. Apparel Export Promotion Council
- iii. Coffee Board
- iv. Chemicals & Allied Products Export Promotion Council

- v. Basic Chemicals, Pharmaceuticals & Cosmetics
Export Promotion Council
- vi. Cotton Textiles Export Promotion Council
- vii. Council for Leather Exports
- viii. Electronics & Computer Software Export Promotion Council

3.16 District Industries Centres (DICs)

There are 35 District Industries Centers(DICs) in the State. Taking into account the potential of each area the DICs promote the entrepreneurs in their respective districts. The support services range from preparation of project proposal, linkages with financial institutions, marketing support etc.

3.17 Government Of India Policies And Major Schemes For Development Of MSMEs

1. MSME DEVELOPMENT ACT, 2006

For facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith, Government has enacted MSME Development Act, 2006 which have following basic structures:

a) National Board for Micro, Small and Medium Enterprises

Board has been established under chairmanship of Union Minister for Micro, Small and Medium Enterprise for performance of duties relating to examination of the factors affecting the promotion and development of MSMEs and review policies and programmes of the Central Govt in regard to facilitating the promotion and development and enhancing competitiveness of such enterprises and impact thereof on such enterprises. The board make recommendations on matters which are necessary or expedient for promotion and development and enhancing competitiveness of MSMEs. The Board also advises Central Govt. on the use of Fund or Funds constituted under this Act.

- b) **Advisory Committee** is established under the chairmanship of Secretary, Ministry of Micro, Small and Medium Enterprises for examination of matters referred to it by the Board and furnish recommendations to the Board

c) Measures for Promotion, Development and Enhancement of Competitiveness of Micro, Small and Medium Enterprises

- i) Measures for promotion and development: By this act, Central Govt is authorised to specify programmes, guidelines or instructions for the promotion and development and enhancing competitiveness of micro, small and medium enterprises, particularly of the micro and small enterprises.
- ii) Credit facilitation: This acts directs that the policies and practices in respect to MSMEs shall be progressive as per guidelines of RBI to ensure timely and smooth flow of credit to such enterprises with focus on minimising incidence of sickness and enhancing competitiveness of such enterprises.
- iii) Procurement preference policy: For facilitating promotion and development of micro and small enterprises, the Central Govt or State Govt are given power to notify preference policies in respect of Goods and Service, produced and provide by micro and small enterprises, by its Ministries/Departments, PSEs and Institutions etc.
- iv) Funds: Act gives powers to the central government to constitute one or more funds in which the grants made by central government could be credited for development of MSME's.

d) Delayed payments to Micro and Small Enterprises

- i) Liability of buyer to make payment: Act specifies period for payment by the buyer. The period agreed upon between supplier and buyer if any, should not be more than 45 days from the day of acceptance or the day of deemed acceptance.
- ii) Date from which and rate at which interest is payable: Where any buyer fails to make payment of the amount to the supplier, buyer will be liable to pay compound interest with monthly rests to the supplier on the

amount from the appointed date at 3 times of the bank rate notified by RBI.

- iii) Reference to Micro and Small Enterprises Facilitation Council: Any party to dispute with regard to any amount due can make reference to the Micro and Small Enterprises Facilitation Council (MSEFC). On receipt of reference, Council shall itself conduct conciliation or may seek the assistance of any institution or centre providing alternative dispute resolution services by making reference to them for conducting conciliation. MSEFC or the centre providing alternate dispute resolution services shall have jurisdiction to act as an arbitrator or conciliator in a dispute between supplier located within its jurisdiction and a buyer located anywhere in India. Every reference to made to MSEFC shall be decided within a period of 90 days.

The Government passed the Public Procurement Policy for goods produced and services rendered by Micro and Small Enterprises (MSEs) be procured by the Central Ministries/Departments/Public Sector Undertakings (PSUs).

The MSEs, including the khadi, village and coir industries, constitute an overwhelming majority of this sector, contributing significantly to the gross domestic product, manufacturing output and exports. In the overall production/value chains, however, MSEs are highly susceptible to volatile market conditions. To address this inherent problem, many countries in the advanced world have put in place public procurement policies to support MSEs and to ensure a fair share of market to such entities. Presently in India, the Government guidelines provide for support in marketing of MSE products through a variety of measures such as price preference, reservation of products for exclusive purchase from MSEs, issue of tender sets free of cost, exemption from payment of earnest money, etc. In practice, however, most of these facilities are not being provided to the MSEs by the Government Departments/CPSUs, etc.

The main features of the Public procurement Policy for MSEs are:

- (i) Every Central Ministry/Department/PSU shall set an annual goal for procurement from the MSE sector at the beginning of the year, with the objective of achieving an overall procurement goal of minimum 20 per cent of the total annual purchases of the products or services produced or rendered by MSEs from the latter in a period of three years.
- (ii) Out of 20% target of annual procurement from MSEs, a sub-target of 4% (i.e., 20% out of 20%) will be earmarked for procurement from MSEs owned by SC/ST entrepreneurs. However, in the event of failure of such MSEs to participate in the tender process or meet the tender requirements and the L1 price, the 4% sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs will be met from other MSEs.
- (iii) At the end of 3 years, the overall procurement goal of minimum 20% will be made mandatory. Non-conforming Departments will be required to provide reasons for the same to the Review Committee set up under the Policy.
- (iv) The participating MSEs in a tender quoting price within the band of L1+15% may also be allowed to supply a portion of the requirement by bringing down their price to the L1 price, in a situation where L1 price is from someone other than an MSE. Such MSEs may be allowed to supply up to 20% of the total tendered value. In case of more than one such MSE, the supply will be shared equally.
- (v) Every Central Government Ministry/Department/PSU will report the goals set with respect to procurement to be met from MSEs and the achievement made thereto in their respective Annual Reports.
- (vi) The Central Ministry/Department/Public Sector Undertaking will continue to procure 358 items from MSEs, which have been reserved for exclusive purchase from them.
- (vii) For enhancing the participation of SCs/STs in the Government procurement the Central Government Ministry/Department/PSUs will take necessary steps including organizing special Vendor Development Programmes, Buyer-Seller Meets etc.

- (viii) Given their unique nature, defence armament imports will not be included in computing the 20% goal for M/o Defence, In addition, Defence Equipments like weapon systems, missiles, etc. will remain out of purview of such policy of reservation.
- (ix) A Committee is constituted under the chairmanship of Secretary (MSME), inter alia, to review the list of 358 items reserved for exclusive purchase from MSEs on a continuous basis and for
- (x) Monitoring and review of the Public Procurement Policy for MSEs. In addition, a “Grievance Cell” would be set up in the Ministry of MSME for redressing the grievances of MSEs in Government procurement.

The policy will be help to promote MSEs by improving their market access and competitiveness through increased participation by MSEs in Government purchases and encouraging linkages between MSEs and large enterprises.

e) Pradhan Mantri MUDRA Yojana

Under the aegis of Pradhan Mantri MUDRA Yojana, MUDRA has already created its initial products / schemes. The interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to :

- **Shishu** : covering loans upto 50,000/-
- **Kishor** : covering loans above 50,000/- and upto 5 lakh
- **Tarun** : covering loans above 5 lakh and upto 10 lakh

It would be ensured that at least 60% of the credit flows to Shishu Category Units and the balance to Kishor and Tarun Categories.

Within the framework and overall objective of development and growth of Shishu, Kishor and Tarun Units, the products being offered by MUDRA at the rollout stage have been designed to meet requirements of different sectors /

business activities as well as business / entrepreneur segments. Brief particulars are as under:

- Sector / activity specific schemes
- Micro Credit Scheme (MCS)
- Refinance Scheme for Regional Rural Banks (RRBs) / Scheduled Co-operative Banks
- Mahila Uddyami Scheme
- Business Loan for Traders & Shopkeepers
- Missing Middle Credit Scheme
- Equipment Finance for Micro Units

3.18 StartUp India:

The Government of India has announced ‘Startup India’ initiative for creating a conducive environment for start ups in India. The various Ministries of the Government of India have initiated a number of activities for the purpose. To bring uniformity in the identified enterprises, an entity shall be considered as a ‘startup’-

- a) Up to five years from the date of its incorporation/registration,
- b) If its turnover for any of the financial years has not exceeded Rupees 25 crore, and
- c) It is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property;

Entities formed by splitting up or reconstruction of a business already in existence shall not be considered a ‘startup’. An entity shall cease to be a startup on completion of five years from the date of its incorporation/registration or if its turnover for any previous year exceeds Rupees 25 crore.

3.19 Credit Guarantee Fund Trust for Micro and Small Enterprise

With an objective of making availability of bank credit without the hassles of collaterals/third party guarantees to the first generation entrepreneurs to realise their dream of setting up a unit of their own Micro and Small Enterprise (MSE), Ministry of Micro, Small & Medium Enterprises (MSME), Government of India launched Credit Guarantee Scheme (CGS) so as to strengthen credit delivery system and facilitate flow of credit to the MSE sector. To operationalize the scheme, Government of India and SIDBI set up the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). The main objective is that the lender should give importance to project viability and secure the credit facility purely on the primary security of the assets financed. The other objective is that the lender availing guarantee facility should endeavor to give composite credit to the borrowers so that the borrowers obtain both term loan and working capital facilities from a single agency. The Credit Guarantee scheme (CGS) seeks to reassure the lender that, in the event of a MSE unit, which availed collateral free credit facilities, fails to discharge its liabilities to the lender, the Guarantee Trust would make good the loss incurred by the lender up to 75 / 80/ 85 per cent of the credit facility.

Under this Scheme, any collateral / third party guarantee free credit facility (both fund as well as non-fund based) extended by eligible institutions, to new as well as existing Micro and Small Enterprise, including Service Enterprises, with a maximum credit cap of Rs.100 lakh (Rupees Hundred lakh only) are covered.

The guarantee cover available under the scheme is to the extent of 75% / 80% of the sanctioned amount of the credit facility, with a maximum guarantee cap of Rs.62.50 lakh / Rs. 65 lakh. The extent of guarantee cover is 85% for micro enterprises for credit up to Rs.5 lakh.

The extent of guarantee cover is 80%(i) Micro and Small Enterprises operated and/or owned by women; and (ii) all credits/loans in the North East Region (NER). In case of default, Trust settles the claim up to 75% (or 80%) of the amount in default of the credit facility extended by the lending institution.

3.20 Government of Maharashtra: Recent Initiatives

The following policies are being implemented by State Government of Maharashtra for development of Industries in the State:

- 1) IT Policy
- 2) Industrial Policy
- 3) Bio-Technology Policy
- 4) Special Economic Zone Policy
- 5) Electronic Policy
- 6) Retail Trade Policy
- 7) Single Window Policy
- 8) SC/ST Policy
- 9) Bharat Ratna Dr. Babasaheb Ambedkar Special Package Scheme of incentive for SC/ST Entrepreneurs
- 10) Retail Trade Policy 2016

3.21 Summary:

This chapter presented the overview of the MSME institutional infrastructure especially at the State level. As the policies implemented at the State for this sector are broadly defined in the Ministry of MSME at the national level a brief description of the Central institutions was also presented. The entire network of institutions for the MSME sector clearly shows that at the policy level in the State and at Center there is not only clarity but also unanimity of opinion in promoting this important sector. It for the young entrepreneurs take the full advantage of the support flowing for this sector from all levels of the Government machinery.

CHAPTER - IV

DATA ANALYSIS AND INTERPRETATION

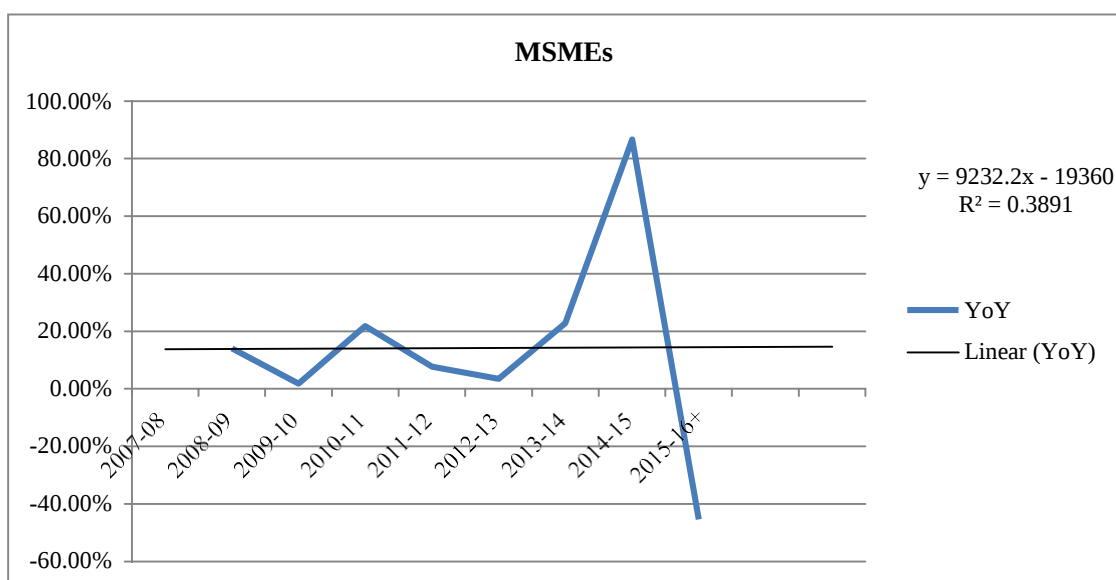
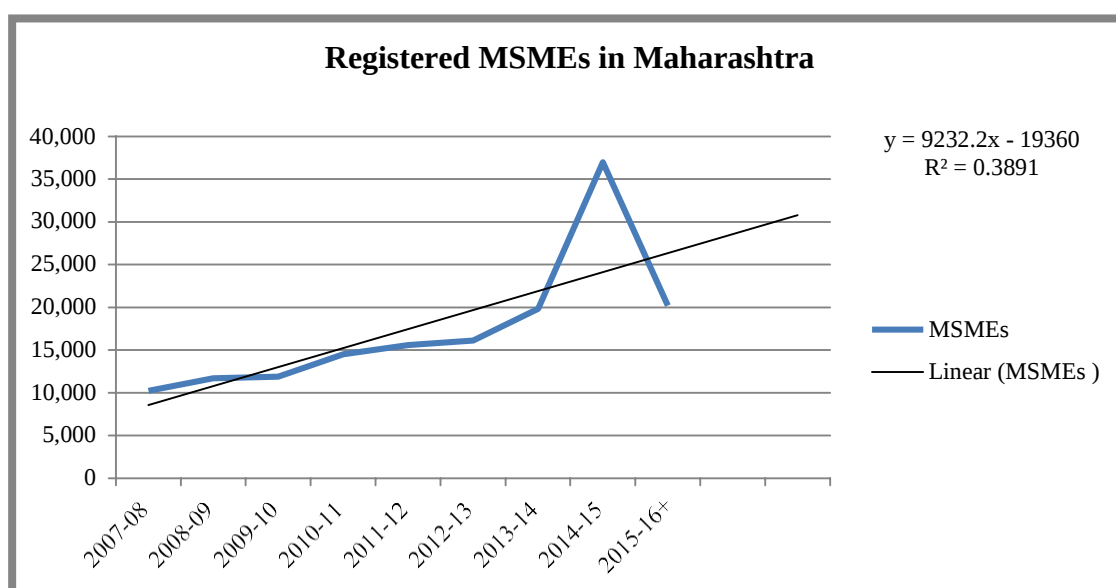
4.0 SECONDARY DATA ANALYSIS

In order to obtain the macro picture of the MSMEs in Maharashtra data was collected from the published sources such as the Economic Survey (Various Issues), Government of Maharashtra, Industrial profile of Maharashtra state and DIC reports. The first variable selected for study is the annual registered MSMEs in the state. The data obtained is presented in Table No. 1.

Table No. 4.1
Registered MSMEs in Maharashtra

Year	MSMEs	Percentage	YoY-%
2007-08	10,244	6.52	--
2008-09	11,682	7.44	14.04
2009-10	11,896	7.57	1.83
2010-11	14,496	9.23	21.86
2011-12	15,606	9.93	7.66
2012-13	16,136	10.27	3.40
2013-14	19,814	12.61	22.79
2014-15	36,992	23.55	86.70
2015-16+	20,220	12.87	-45.34
Total	1,57,086	100.00	

Graph No. 4.1



From the table it is observed that from 2007 to 2016, 1, 67,086 MSMEs were registered in the State. In other words, the annual average registration of MSMEs in Maharashtra is found to be 18,500 units. To understand the year-on-year variations, we compute the annual percentage share of the registered MSMEs. From the last column in the table it is observed that from 2007-08 to 2013-14, there is a steady increase in the registration of MSMEs in the state. 22% of the units started in the last nine years were registered only in 2013-14. The higher trend of registration continues even in 2015-16, even though there is a slight decline in the registration compared to the year 2013-14, the annual percentage increase has been 86.69% in the year 2014-

15. This can be considered as a phenomenal increase as the year-on-year increase in registration has shown an increase of just around 20% in the previous years.

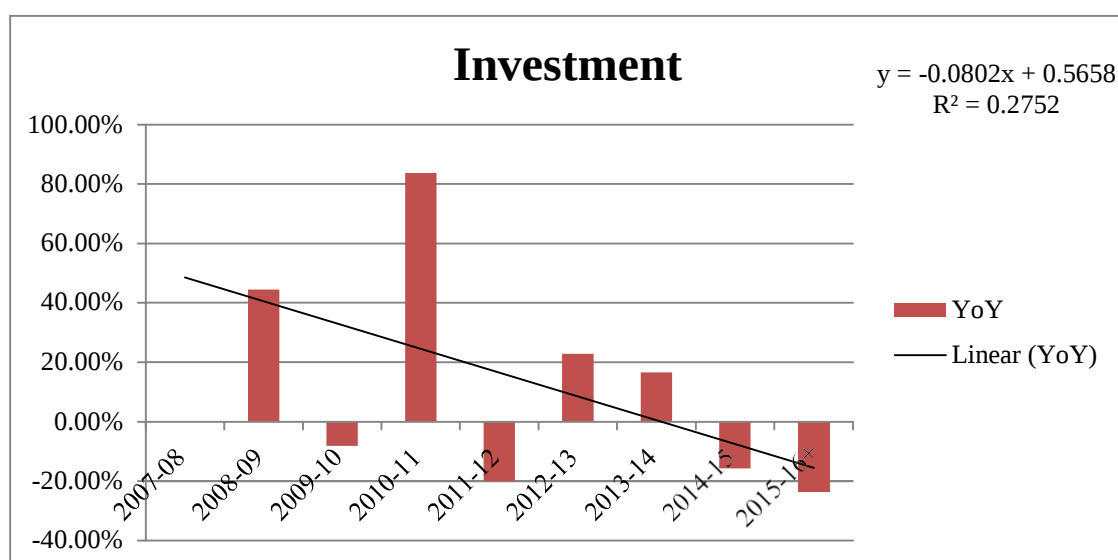
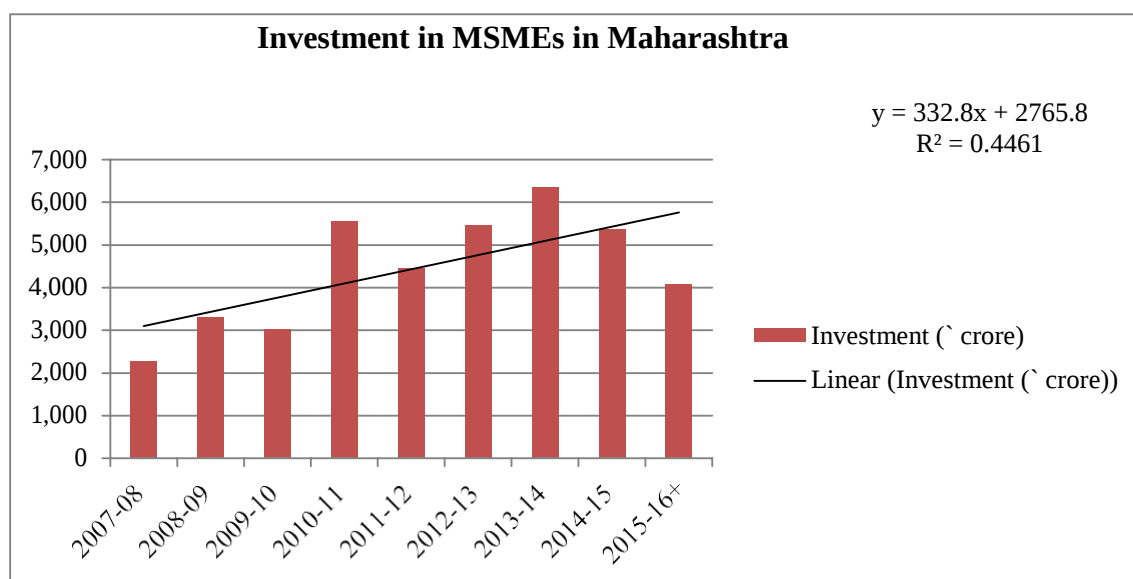
The analysis shows that though a separate ministry has been started for the MSME sector in 2016-07, the actual increase in the member of registration is observed only in the last three years. It indicates that the focus on the sector should be reflected in the reinforcement in the people from time to time. Only then the entrepreneurial activity gets initiated. Only by creating a separate department does not necessarily lead to the increase in the activity in a particular sector.

Apart from units registered, the total investment in MSME is considered as the next parameter to understand the progress of the sector in Maharashtra. The data obtained is presented in table No. 4.2

Table No. 4.2
Investment in MSMEs in Maharashtra

Year	Investment (in crore)	Percentage	YoY-%
2007-08	2,281	5.72	
2008-09	3,295	8.26	44.45
2009-10	3,028	7.60	-8.10
2010-11	5,563	13.95	83.72
2011-12	4,443	11.14	-20.13
2012-13	5,455	13.68	22.78
2013-14	6,358	15.95	16.55
2014-15	5,355	13.43	-15.78
2015-16+	4090	10.26	-23.62
Total	39,868	100.00	

Graph No. 4.2



From the table it is observed that in the last nine years the total investment made by people in the MSME sector of Maharashtra is Rs. 40,278 Cores. In other words, the small and medium entrepreneurs are investing on an average Rs. 4475.33 Cr. for their new and existing enterprises. The investment in this sector have shown increasing trend from 2006-07 - 2013-14. There is a marginal decline in the amount of investment observed in last two years. The year-on-year increase in the amount of investment is observed to be between 20% to 25%

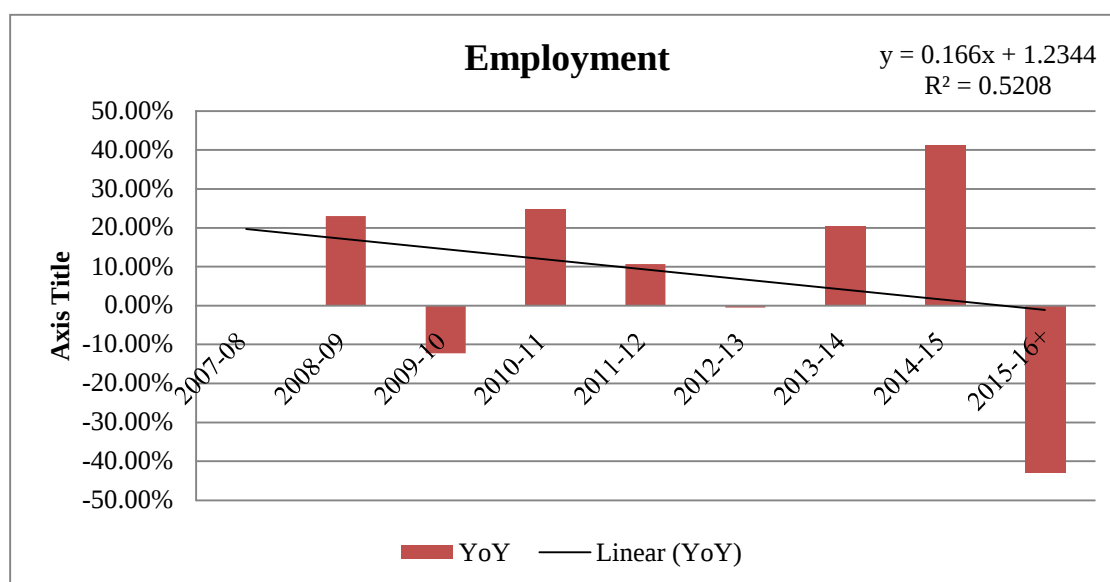
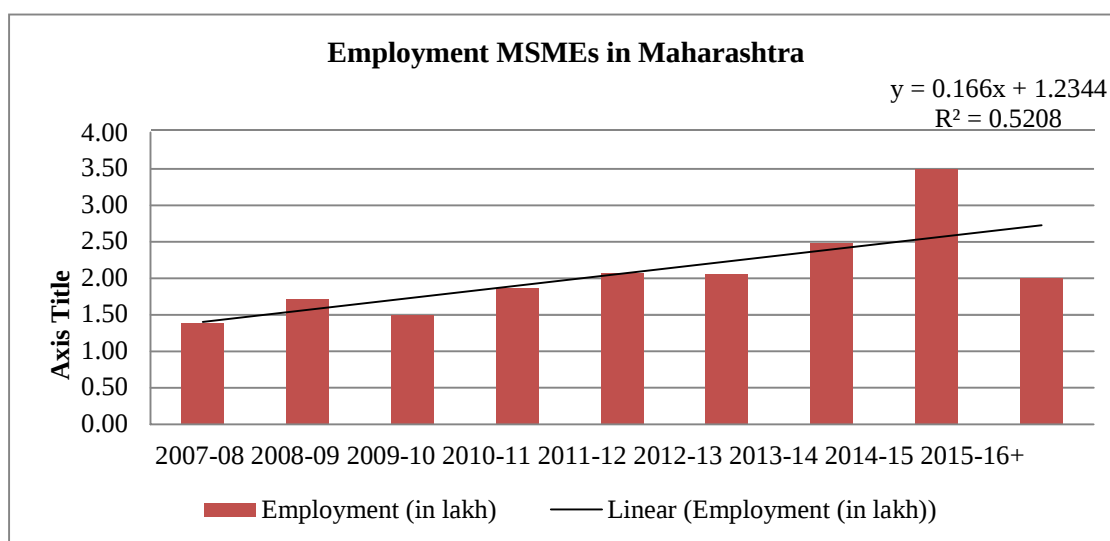
The analysis shows that the amount of investment by the entrepreneurs in this sector has been increasing along with the number of registered units. But a decline observed in the investments in the last two years. In other words, though the registered units have increased more than 80% in the year 2014-15, the amount invested has not increased proportionately. This could be an indication that proportion of micro units have increased compared small and medium enterprises in the recent years in Maharashtra.

The third parameter considered to understand the nature of progress in MSME sector in Maharashtra is the total employment generated. The data obtained with reference to employment is present in Table No. 4.3

Table No. 4.3
Employment MSMEs in Maharashtra

Year	Employment (in lakh)	Percentage	YoY-%
2007-08	1.39	7.48	
2008-09	1.71	9.20	23.02
2009-10	1.50	8.07	12.28
2010-11	1.87	10.06	24.67
2011-12	2.07	11.14	10.70
2012-13	2.06	11.09	-0.48
2013-14	2.48	13.35	20.39
2014-15	3.50	18.84	41.13
2015-16+	2.00	10.76	42.86
Total	18.58	100.00	

Graph No. 4.3



From the table it can be seen that on an average 2 Lakh people are employed in the MSME sector in Maharashtra. Except in the year 2013-14 and 2014-15, there is a fluctuation in the year-on-year employment generated. The highest percentage growth is observed in the year 2014-15, where employment in this sector increased by 41.12%. Due to the new enterprises in this sector every year 30,000 to 35,000 people are getting employed.

The analysis of employment in MSME sector in Maharashtra shows that the increasing trend is maintained from 2006-07 to 2014-15. The average number of people benefitting every year from new employment opportunities is found to be 30,000 to 35,000 and the average number of people employed in this sector in Maharashtra is 2 lakhs.

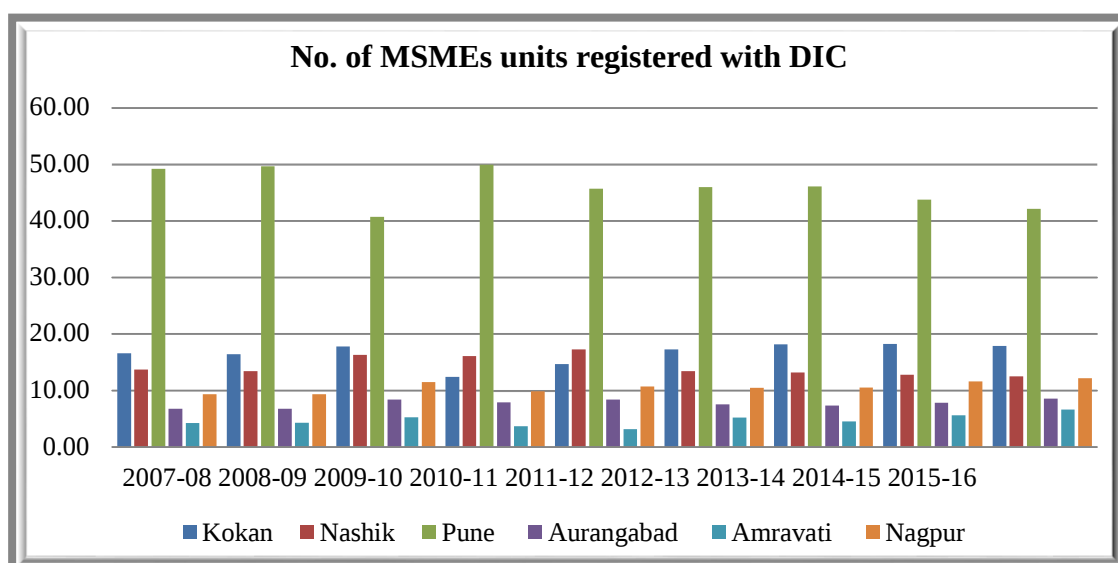
After examining the macro data of MSME in the entire state of Maharashtra, we now attempt to examine the region-wise data. For this purpose we consider six regions namely Konkan, Nashik, Pune, Aurangabad, Amravati and Nagpur. The region-wise data for the number of units registered with the DICs is presented in table No. 4.

Table No. 4.4
Number of MSMEs units registered with DIC

Year	Kokan	Nashik	Pune	Aurangabad	Amravati	Nagpur
2007-08	24526 (16.63)	20278 (13.75)	72634 (49.24)	9976 (6.76)	6331 (4.29)	13779 (9.34)
2008-09	26245 (16.45)	21407 (13.42)	79296 (49.70)	10815 (6.78)	6858 (4.30)	14940 (9.36)
2009-10	24747 (17.78)	22727 (16.33)	56663 (40.72)	11672 (8.39)	7328 (5.27)	16017 (11.51)
2010-11	18696 (12.44)	24215 (16.11)	75106 (49.96)	11824 (7.87)	5607 (3.73)	14883 (9.90)
2011-12	21387 (14.67)	25194 (17.29)	66588 (45.69)	12271 (8.42)	4689 (3.22)	15609 (10.71)
2012-13	25625 (17.31)	19911 (13.45)	68080 (46.00)	11174 (7.55)	7710 (5.21)	15501 (10.47)
2013-14	29603 (18.19)	21467 (13.19)	75080 (46.14)	11954 (7.35)	7426 (4.56)	17208 (10.57)
2014-15	34613 (18.26)	24279 (12.81)	83033 (43.82)	14859 (7.84)	10642 (5.62)	22082 (11.65)
2015-16	39269 (17.94)	27458 (12.54)	92233 (42.13)	18751 (8.56)	14510 (6.63)	26714 (12.20)

(Figures in bracket indicator percentage)

Graph No. 4.4



The table shows that in the year 2007-08, Pune division was having 72,634 registered MSME units with the DICs. This constitutes 49.24% of the units in the year. This was followed by Konkan region with 24,526 units constituting 16.63% of the registered MSME units in the year 2007-08. The adjacent region to Pune, namely Nashik was having 13.75% of the registered units in the year. The Aurangabad, Amravati and Nagpur region were having less than 10% of the registered MSME units. If one observes the data for all the years, it is observed that there is a marginal decline in the percentage share of registered MSME units in Pune region from 49 to 42%. This is picked up equally by other regions in 2015-16. But the trend overall of the distribution of registered MSMEs region wise remains the same.

The analysis clearly shows that there is greater concentration of MSMEs in the Southern and Western parts of the Maharashtra state. While the Northern and Eastern parts of the state account for very negligible MSME activities. The main reason for the MSME unbalance spread could be the initial industrial base to the Southern and Western region since the early fifties. To make the growth process more inclusive through MSME focus, one has to promote the sector in the Northern and Eastern region of the state.

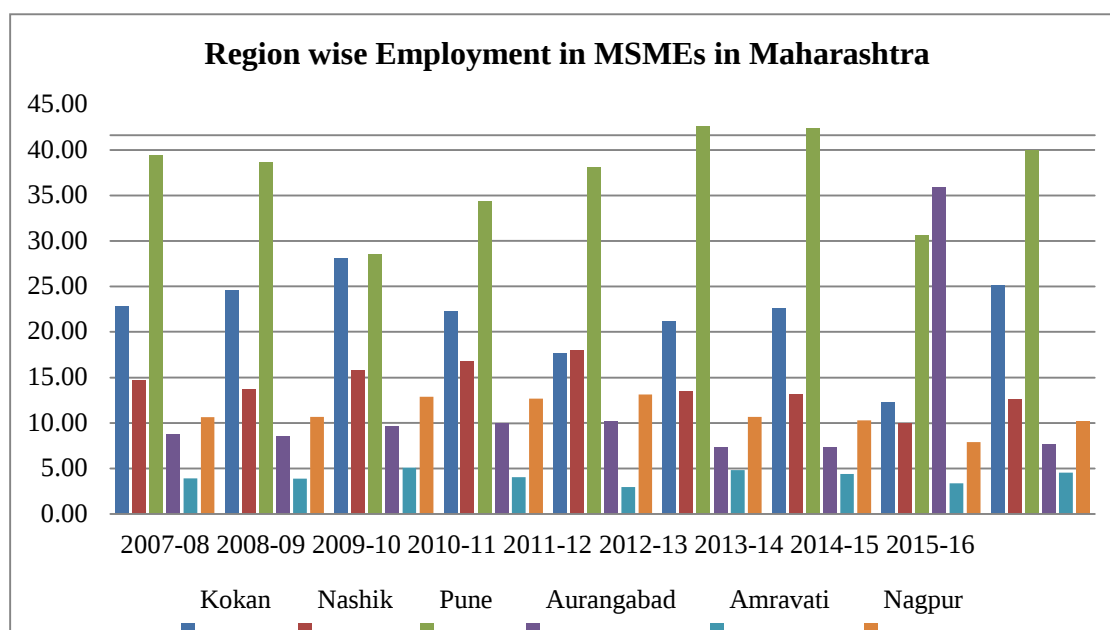
Region wise employment can also be considered to analyses the progress and spread of MSME sector in Maharashtra state. The data pertaining to the employment is presented in table No. 4.5

Table No. 4.5
Region wise Employment in MSMEs in Maharashtra

Year	Kokan	Nashik	Pune	Aurangabad	Amravati	Nagpur
2007-08	2.1 (22.78)	1.35 (14.64)	3.63 (39.37)	0.8 (8.68)	0.36 (3.90)	0.98 (10.63)
2008-09	2.67 (24.56)	1.49 (13.71)	4.2 (38.64)	0.93 (8.56)	0.42 (3.86)	1.16 (10.67)
2009-10	2.97 (28.10)	1.66 (15.70)	3.02 (28.57)	1.02 (9.65)	0.54 (5.11)	1.36 (12.87)
2010-11	2.43 (22.31)	1.82 (16.71)	3.74 (34.34)	1.08 (9.92)	0.44 (4.04)	1.38 (12.67)
2011-12	2.03 (17.65)	2.07 (18.00)	4.38 (38.09)	1.17 (10.17)	0.34 (2.96)	1.51 (13.13)
2012-13	3.91 (21.15)	2.5 (13.52)	7.86 (42.51)	1.36 (7.36)	0.89 (4.81)	1.97 (10.65)
2013-14	4.63 (22.57)	2.7 (13.16)	8.68 (42.32)	1.49 (7.26)	0.9 (4.39)	2.11 (10.29)
2014-15	3.66 (12.28)	2.97 (9.96)	9.12 (30.59)	10.7 (35.89)	1.01 (3.39)	2.35 (7.88)
2015-16	6.32 (25.14)	3.15 (12.53)	10.05 (39.98)	1.93 (7.68)	1.14 (4.53)	2.55 (10.14)

(Figures in bracket indicator percentage)

Graph No 4.5



As in the case of registered units, it is observed that Pune region was generating 39.37% of total employment in this sector in the year 2007-08. This is followed by Konkan region which was providing 22.78% of the total employment in this sector, which is followed by Nashik with 14.64%. The rest of region account for less than 10% of the total employment generated in this sector. At the end of the observation period in 2015-16 for the same trend in region wise employment generated is maintained. In the intermediate year i.e. in 2009-10, there is a decline in employment in the Pune region which is picked up by the Konkan region and marginally by the remaining regions. But the long term trend in the one which was started in the initial years.

From the analysis it is clear that the region wise employment generation in MSME sector in Maharashtra state is directly proportional to the number of units started. As there is greater number of MSME units in Pune and Konkan region, naturally the percentage of employment generated is also observed to be maximum in this region. Thus it can be mentioned that MSME growth in the last few years is not geographically inclusive. The exclusion is observed of Aurangabad, Amravati and Nagpur regions when the parameters of progress in MSMEs are considered.

4.1 PRIMARY DATA ANALYSIS

SECTION A: GENERAL INFORMATION:

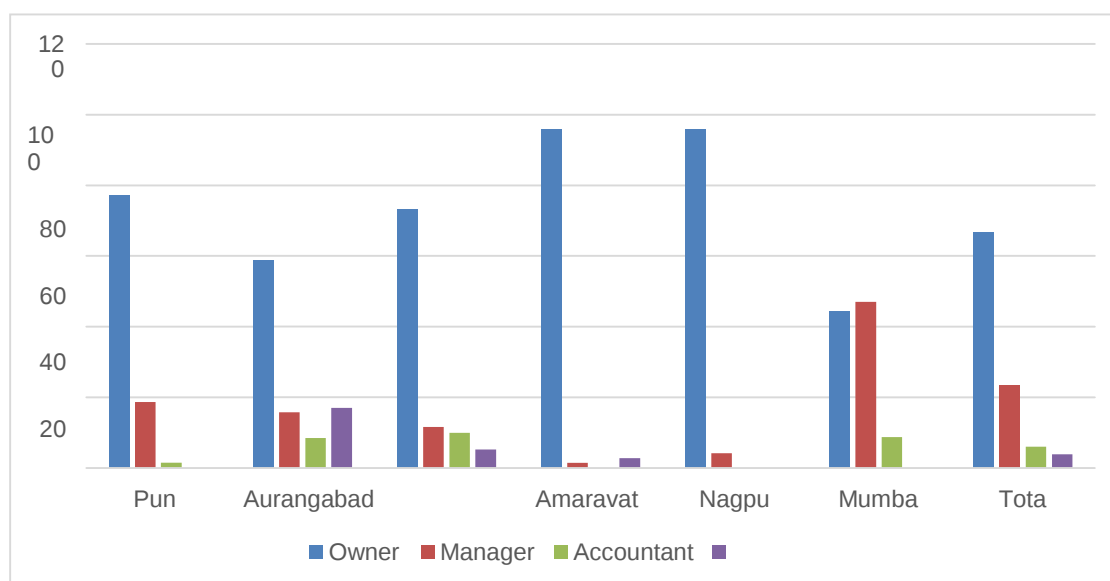
Table No A1. Designation of the respondents

Designation	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Owner	224	90	140	70	23	116	663
Manager	61	24	22	1	1	123	232
Accountant	5	13	19	0	0	23	60
Supervisor	0	26	10	2	0	0	38
Total	290	153	191	73	24	262	993

Table No A1. Designation of the respondents (%)

Designation	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Owner	77.24	58.82	73.30	95.89	95.83	44.27	66.76
Manager	18.60	15.69	11.52	1.37	4.17	46.95	23.36
Accountant	1.52	8.50	9.95	0.00	0.00	8.78	6.04
Supervisor	0.00	16.99	5.24	2.74	0.00	0.00	3.82
Total	100.00	100.00	100.00	100	100.00	100.00	100

Graph No A1. Designation of the respondents (%)



In order to know the profile of the respondents who were contacted for the survey, they were asked to specify their designation. The categories of designations were given as owner, Manager, Accountant and Supervisor. The data obtained is presented in the above table.

The table shows that 663 respondents constituting 66.76 % of the sample were owners or the entrepreneurs of the MSME units. Only 232 respondents constituting 23.36 % of the respondents were managers of the MSME units. The accountants and supervisors were less than 10 % in the sample. In other words more than 2/3rds of the sample units consisted of the owners or the entrepreneurs themselves of the MSME units. In this regard the sample can be considered as representative of the total population.

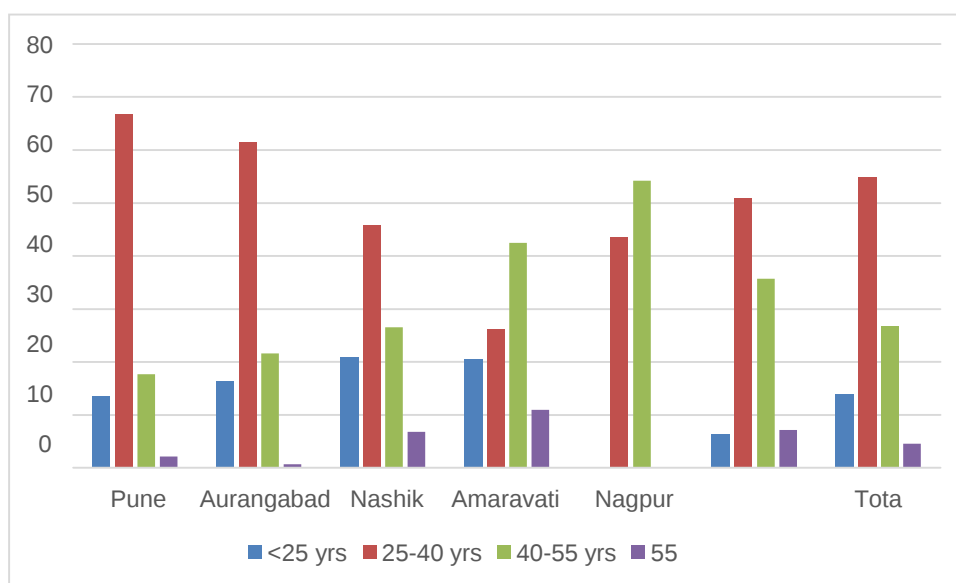
Table No A2 Age Group of Respondents

Age Group	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
<25 yrs	44	25	40	15	0	14	138
25-40 yrs	219	94	88	19	11	114	544
40-55 yrs	58	33	51	31	13	80	266
55 above	7	1	13	8	0	16	45
Total	328	153	192	73	23	224	993

Table No A2 Age Group of Respondents (%)

Age Group	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
<25 yrs	13.41	16.340	20.83	20.55	0.0	6.25	13.89
25-40 yrs	66.77	61.438	45.83	26.03	43.47	50.89	54.78
40-55 yrs	17.68	21.569	26.56	42.47	54.2	35.71	26.78
55 above	2.13	0.654	6.77	10.96	0.0	7.14	4.53
Total	100.00	100.000	100.00	100.00	100.0	100.00	100

Graph No A2 Age Group of Respondents (%)



To examine the concept of inclusiveness with reference to the age-group of the respondents in the MSM sector, they were asked to specify their age. The classification was done as less than 25 years, between 25 to 40 years, and 55 years and above. The data obtained is presented in the above table.

The table shows that 544 respondents constituting 54.78 % of the sample were belonging to the age-group of 25 to 40 years. There were 266 respondents constituting 26.78 % of the sample who were in the age-group of 40 to 55 years. The respondents in the age-group of less than 25 years and above 55 years are observed to be 13.89 % and 4.53 % respectively. When the region-wise distribution is considered the similar trends observed across all regions in Maharashtra.

The analysis shows that majority of the MSME entrepreneurs are in the age-group of 25 to 55 years. It is the age when people are ready to take risks in life. The risk taking ability decreases with the age and as a result entrepreneurs above the age of 55 are found to be very less.

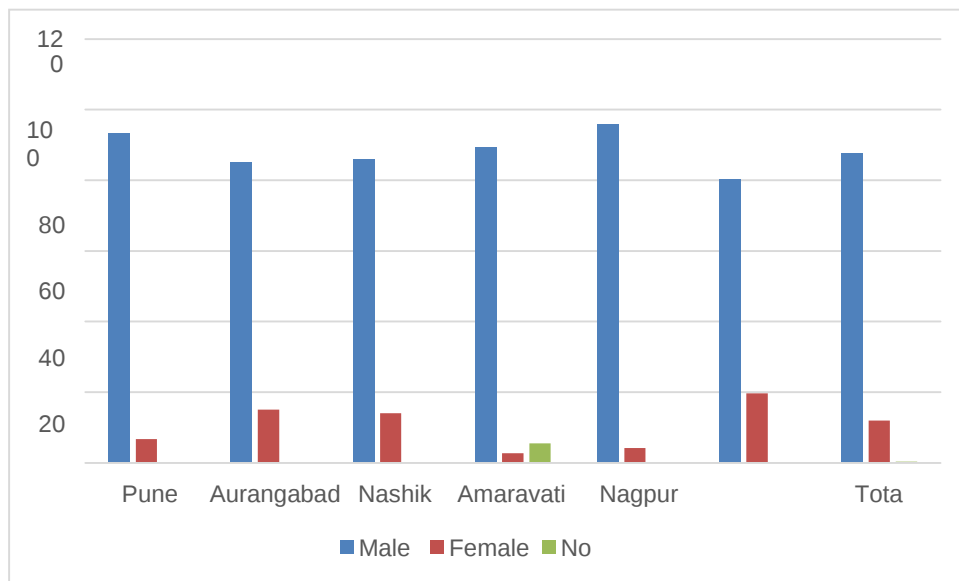
Table No A3 Gender-wise classification of Respondents

Gender	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Male	306	130	165	66	23	180	870
Female	22	23	27	2	1	44	119
No Reply	0	0	0	4	0	0	4
Total	328	153	192	72	24	224	993

Table No A3 Gender-wise classification of Respondents

Gender	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Male	93.29	84.97	85.94	89.19	95.83	80.36	87.61
Female	6.71	15.03	14.06	2.70	4.17	19.64	11.98
No Reply	0	0	0	5.55	0.00	0	0.40
Total	100.00	100.00	100.00	100.00	100.00	100.00	100

Graph No A3: Gender-wise classification of Respondents



To know the gender-wise distribution of the MSME entrepreneurs in Maharashtra, the respondents were asked to specify their gender. The details of the same are presented in the above table.

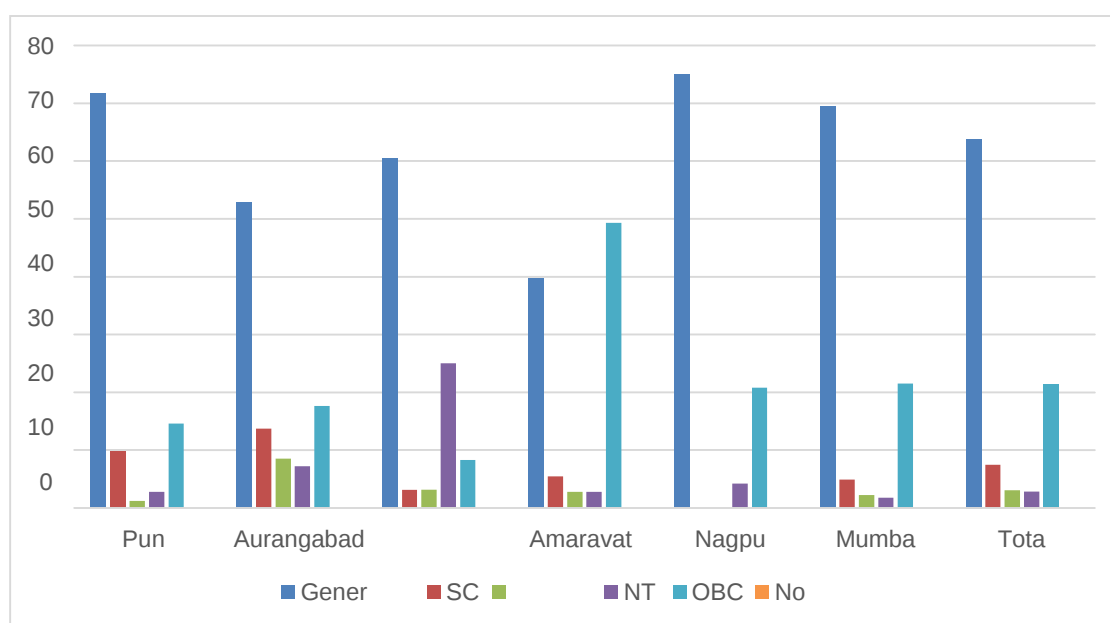
The table shows that 870 respondents constituting 87.61 % of the sample were males. Only 119 respondents constituting 11.98 % of the respondents were females. This clearly shows that the MSME sector in Maharashtra is dominated by male entrepreneurs. The percentage of female entrepreneurs is observed to be very insignificant. In other words the MSMEs in Maharashtra cannot be considered to be inclusive with regard to gender.

Table No. A4: Caste-wise classification of Respondents

Caste	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
General	235	81	116	29	18	155	634
SC	32	21	6	4	0	11	74
ST	4	13	6	2	0	5	30
NT	9	11	1	2	1	4	28
OBC	48	27	48	36	5	48	212
No Reply	0	0	16	0	0	0	16
Total	328	153	192	73	24	223	993

Table No A4: Caste-wise classification of Respondents (%)

Caste	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
General	71.65	52.94	60.42	39.73	75.0	69.51	63.84
SC	9.76	13.73	3.13	5.48	0.0	4.93	7.45
ST	1.22	8.50	3.13	2.74	0.0	2.24	3.02
NT	2.74	7.19	25.00	2.74	4.2	1.79	2.81
OBC	14.63	17.65	8.33	49.32	20.8	21.52	21.34
No Reply	0	0	0	0	0	0	0
Total	100.00	100.00	100.00	100.00	100.0	100.00	100

Graph No A4: Caste-wise classification Respondents

Any industrial sector to be inclusive should provide equal scope for all sections of the community. In order to know whether the MSME sector has uniform distribution with reference to caste, the respondents were asked to specify their caste. The data obtained is presented in the above table.

From the table it can be observed that 612 respondents constituting 61.63% of the sample were from open category. 117 respondents constituting 11.81 % of the sample were belonging to OBC category. The entrepreneurs from SC,ST and NT category were less than 10 %.

The analysis clearly shows that more than 60% of the MSME entrepreneurs in Maharashtra belong to Open or General category. The entrepreneurs from backward classes are significantly less in the State. In other words, the MSME sector is skewed in terms of opportunities for different castes in the State.

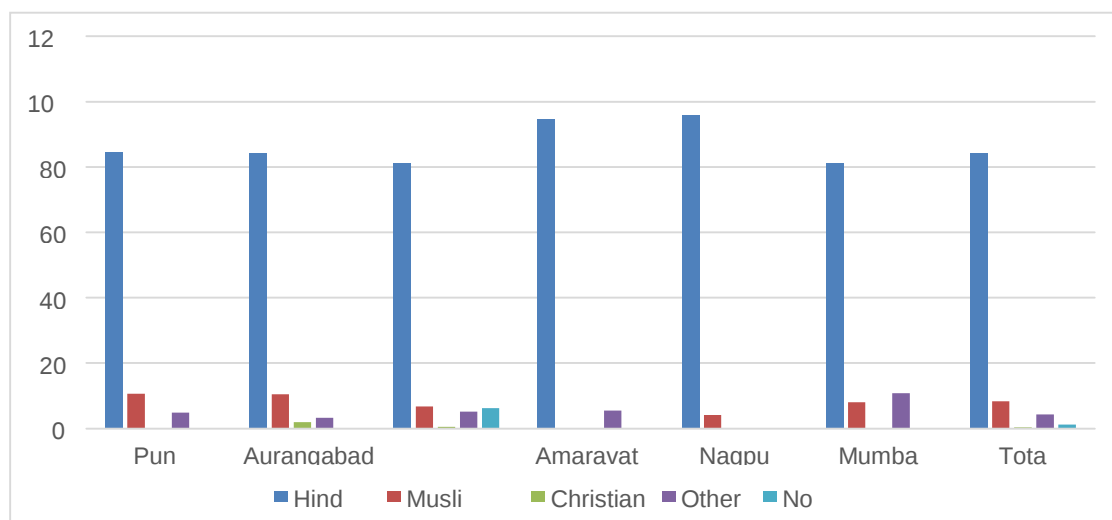
Table No. A5: Religion of the Respondents

Religion	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Hindu	277	129	156	69	23	181	835
Muslim	35	16	13	0	1	18	83
Christian	0	3	1	0	0	0	4
Other	0	5	10	4	0	24	43
No Reply	0	0	12	0	0		12
Grand Total	328	153	192	73	24	223	993

Table No. A5: Religion of the Respondents (%)

Religion	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Hindu	84.45	84.31	81.25	94.52	95.83	81.17	84.08
Muslim	10.67	10.46	6.77	0.00	4.17	8.07	8.35
Christian	0	1.96	0.52	0.00	0.00	0.00	0.40
Other	4.88	3.27	5.21	5.48	0.00	10.76	4.33
No Reply	0	0	6.25	0.00	0.00	0	1.20
Total	100.00	100	100.00	100.00	100.00	100.00	100

Graph No. A5: Religion of the Respondents (%)



In order to determine whether MSME sector is inclusive with regard to religion the respondents were asked to specify their religion. The data obtained is presented in the above table.

The table shows that 835 respondents constituting 84.08 % of the respondents were Hindus. This is followed by Muslims who were 83 in number constituting 8.35% of the sample. Christians were only 0.40 % of the sample.

From the analysis it is clear that most of the MSME entrepreneurs in Maharashtra are Hindus. The entrepreneurs from other religions are significantly less. This is expected as the total distribution of the population also gets reflected in the sample in any parameter that is considered.

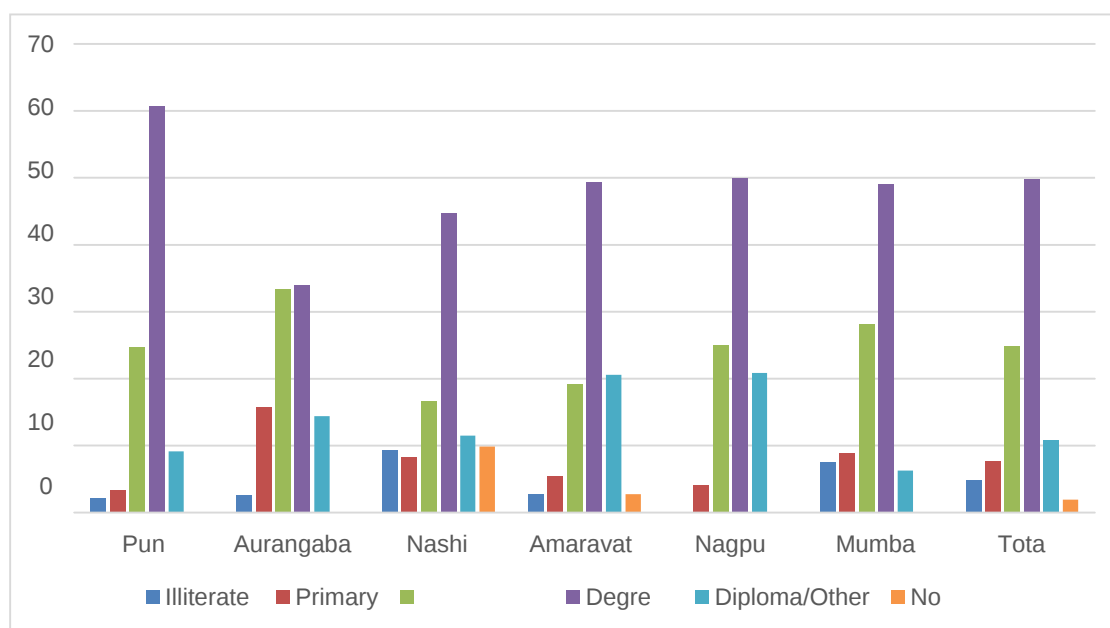
Table No. A6: Education of the Respondents

Education	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Illiterate	7	4	18	2	0	17	48
Primary	11	24	16	4	1	20	76
Secondary	81	51	32	14	6	63	247
Degree	199	52	86	36	12	110	495
Diploma/Other	30	22	22	15	5	14	108
No Reply	0	0	17	2	0	0	19
Total	328	153	192	73	24	224	993

Table No. A6: Education of the Respondents (%)

Education	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Illiterate	2.13	2.61	9.38	2.74	0.00	7.59	4.83
Primary	3.35	15.69	8.33	5.48	4.17	8.93	7.65
Secondary	24.70	33.33	16.67	19.18	25.00	28.13	24.87
Degree	60.67	33.99	44.79	49.32	50.00	49.11	49.84
Diploma/Other	9.15	14.38	11.46	20.55	20.83	6.25	10.87
No Reply	0	0	9.84	2.74	0.00	0	1.91
Total	100.00	100.00	100.00	100.00	100.00	100.00	100

Graph No. A6: Education of the Respondents (%)



To understand whether all category of people with different levels of education are included in the MSME occupation or not the respondents were asked to specify their education background. The data obtained is presented in the above table.

From the table it is observed that 495 respondents constituting 49.84% of the sample were graduates. 247 respondents constituting 24.87% of the sample were educated upto secondary level. Only 48 respondents constituting 4.83% of the sample were illiterate. The MSME respondents with only primary education were also observed to be only 7.65%. The analysis shows that the MSME sector is mainly consisting of entrepreneurs with education upto graduation. The entrepreneurs from illiterate or only lower level of education than graduation are significantly less.

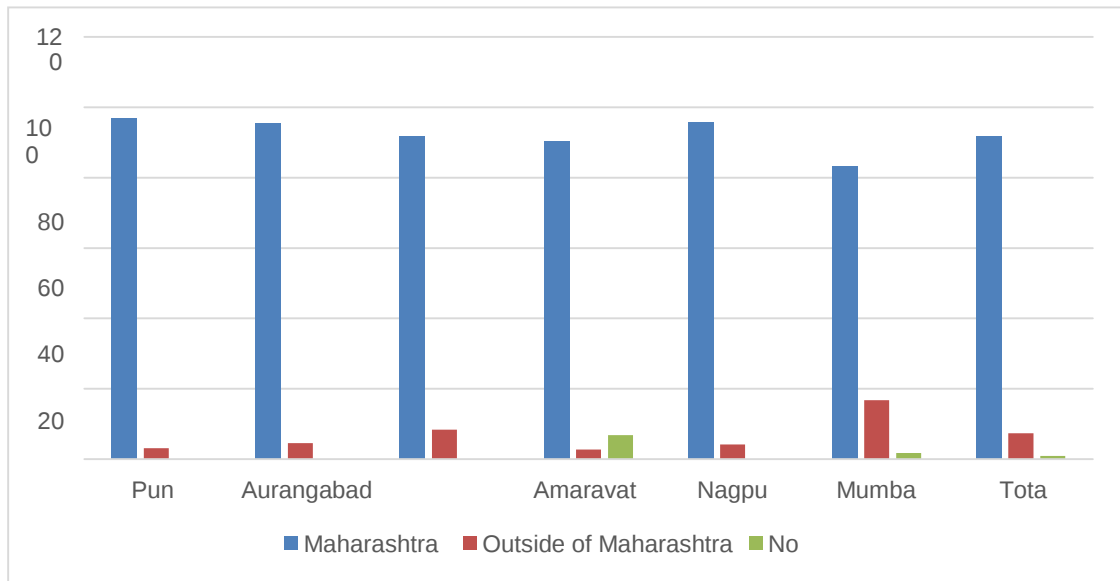
Table No. A7: Native State of Respondents

Native State	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Maharashtra	316	146	176	66	23	184	911
Outside of Maharashtra	10	7	16	2	1	37	73
No Reply	0	0	0	5	0	04	9
Total	326	153	192	73	24	225	993

Table No. A7: Native State of Respondents (%)

Native State	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Maharashtra	96.93	95.42	91.67	90.41	95.83	83.26	91.74
Outside of Maharashtra	3.07	4.58	8.33	2.74	4.17	16.74	7.35
No Reply	0	0	0	6.85	0	1.77	0.90
Total	100.00	100	100.00	100.00	100.00	100.00	100

Graph No. A7: Native State of Respondents (%)



When a new business is started it is usually observed that entrepreneurs as well as the skilled workers migrate from different places to the place of their present business. In order to know the number of MSMEs which have been started by the natives of Maharashtra, the respondents were asked to mention whether they were belonging to the State or not. The data for the same is presented in the above table.

The table shows that out of 993 respondents 91.74% of the sample were natives of Maharashtra State. Only 73 respondents constituting 7.3% of the sample were from other States. This clearly shows that the entrepreneurs in the MSME sector are belonging to the local areas in the of the State. This is expected as the natives of the region are the ones who know the business potential of their areas.

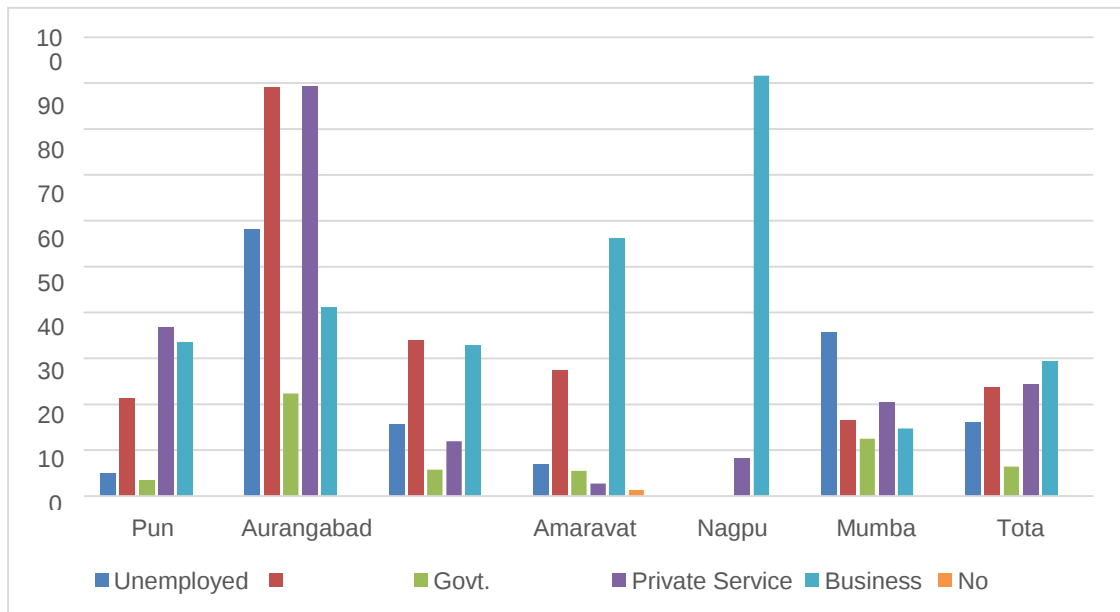
Table No. A8: Occupation of parent

Occupation of parent	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Unemployed	16	29	30	5	0	80	160
Farming	70	43	65	20	0	37	235
Govt. Servant	11	10	11	4	0	28	64
Private Service	121	47	23	2	2	46	241
Business	110	23	63	41	22	33	292
No Reply	0	0	0	1	0		1
Total	328	152	192	73	24	224	993

Table No. A8: Occupation of parent (%)

Occupation of parent	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Unemployed	4.88	58.1	15.63	6.85	0.00	35.71	16.11
Farming	21.34	89.04	33.85	27.40	0.00	16.52	23.66
Govt. Servant	3.35	22.35	5.73	5.48	0.00	12.50	6.44
Private Service	36.89	89.37	11.98	2.74	8.33	20.54	24.26
Business	33.54	41.14	32.81	56.16	91.67	14.73	29.40
No Reply	0	0	0	1.37	0.00		0.10
Total	100.00	100.00	100.00	100.00	100.00	100.00	100

Graph No. A8: Occupation of parent (%)



In large businesses it is usually observed that the young ones in the family continue the same line of activity which is started by their family. In order to know whether the same phenomenon is observed in the MSME sector, the respondents were asked to specify the occupation of their parents. The data obtained is presented in the above table.

From the table it is observed that 292 respondents constituting 29.40% of the sample mentioned that their parents were also in the business line. 241 respondents constituting 24.26% of the respondents said their parents were in private service, and it was their first generation in business activity. Only to support themselves as well as their family they had started the small business activity. Parents of 160 respondents constituting 16.11% of the sample, were unemployed. These respondents had no family support for starting their businesses. Only 64 respondents constituting 6.44% of the sample said that their parents were in government service.

The analysis clearly shows that even in MSME sector, new entrepreneurs come forward only when their family is having a history of being in this sector. The next occupation from which the MSME entrepreneurs are coming are the farming and private service. Relatively insignificant percentage are observed to become small entrepreneurs, when their parents are having government service.

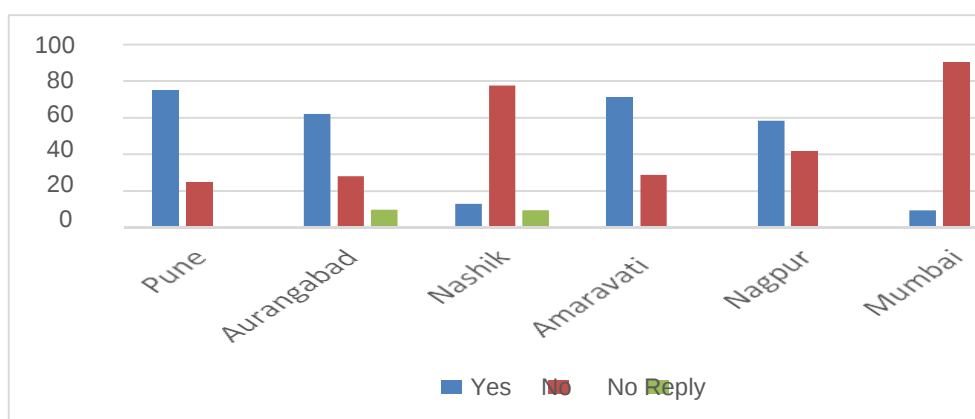
Table No. A9: Continuing the same business

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	246	95	25	52	14	21	453
No	82	43	149	21	10	202	507
No Reply	0	15	18	0	0	0	33
Total	328	153	192	73	24	223	993

Table No. A9: Continuing the same business (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	75.00	62.09	13.02	71.23	58.33	9.42	45.61
No	25.00	28.1	77.60	28.77	41.67	90.58	51.05
No Reply	0	9.8	9.38	0.00	0.00	0.00	3.32
Total	100.00	100	100.00	100.00	100.00	100.00	600.00

Graph No. A9: Continuing the same business (%)



It is usually observed that Small businesses are sensitive to market changes. A sudden declaration in the economic activity at the Global or National level could result in closure of number of small units. As a result the small entrepreneurs who have closed their businesses during difficult times, could have restarted their activity during the phase of economic recovery. In order to know whether the entrepreneurs in the MSME sector are continuing the same business, ever since they have started the question was asked to the respondents. The data obtained is given in the table no. 49.

From the table it can be observed that the 507 respondents constituting 51.05 % of the sample said that they were not in the same business at present. They had started with the different venture and in the due course, changed the line of business as per the need of the market. 453 respondents constituting 45.61 % of the respondents said that they were continuing the same business at present with which they started earlier.

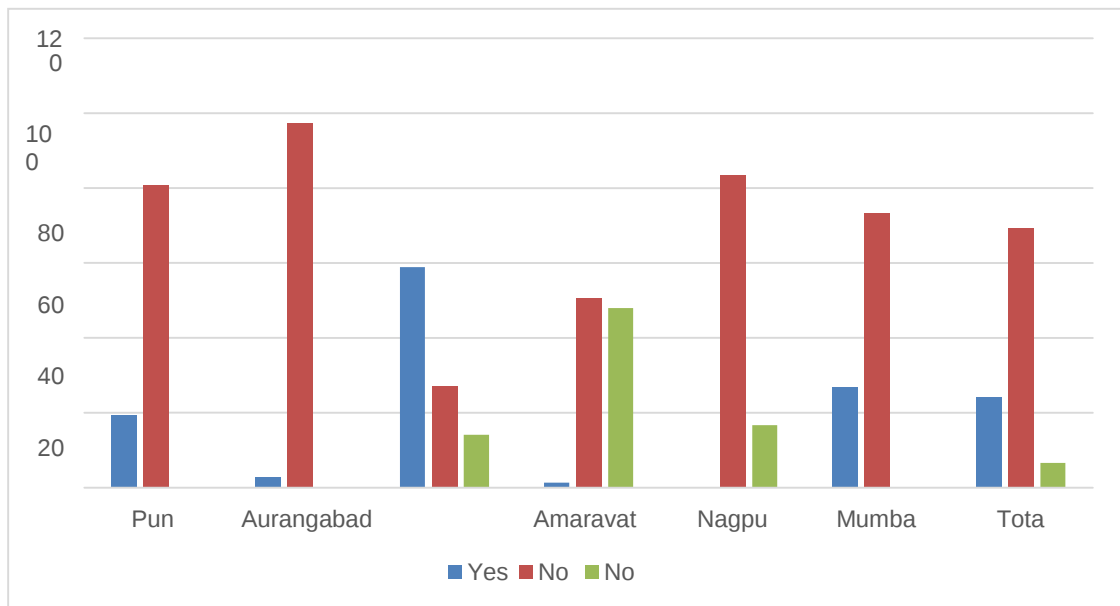
The analysis clearly shows that more than half (51.05%) of the MSM entrepreneurs in Maharashtra are not in the same business that they had started. They changed their line of business activity over the years.

Table No. A10: Physically Challenged

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	63	4	113	1	0	60	241
No	265	149	52	37	20	164	687
No Reply	0	0	27	35	3	0	65
Total	328	153	192	73	23	224	993

Table No. A10: Physically Challenged (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	19.21	2.61	58.85	1.37	0.00	26.79	24.26
No	80.79	97.39	27.08	50.68	83.33	73.21	69.18
No Reply	0	0	14.06	47.95	16.67	0.00	6.54
Total	100.00	100	100.00	100.00	100.00	100.00	100.00

Graph No. A10: Physically Challenged (%)

Any policy measure to be inclusive should encourage people from all sectors to be part of the development. It should provide equal opportunity to all sections such as physically challenged, poor and economically disadvantaged. In order to know whether the MSME Act is encouraging the Physically challenged for enterprenurial activity, the data was collected. The data obtained is given in Table no. 4.

From the table we observe that 241 respondents constituting 24.26% of the respondent were belonging to the physically challenged category, 87 respondents constituting 69.18% of the sample were not having any Physical disabilities. 6.54% of the respondents prepared not to submit any response.

The analysis shows that most of the units in the MSME sector in Maharashtra are operated by entrepreneurs without any disabilities. The percentage of entrepreneurs with physical challenges are found to be relatively less.

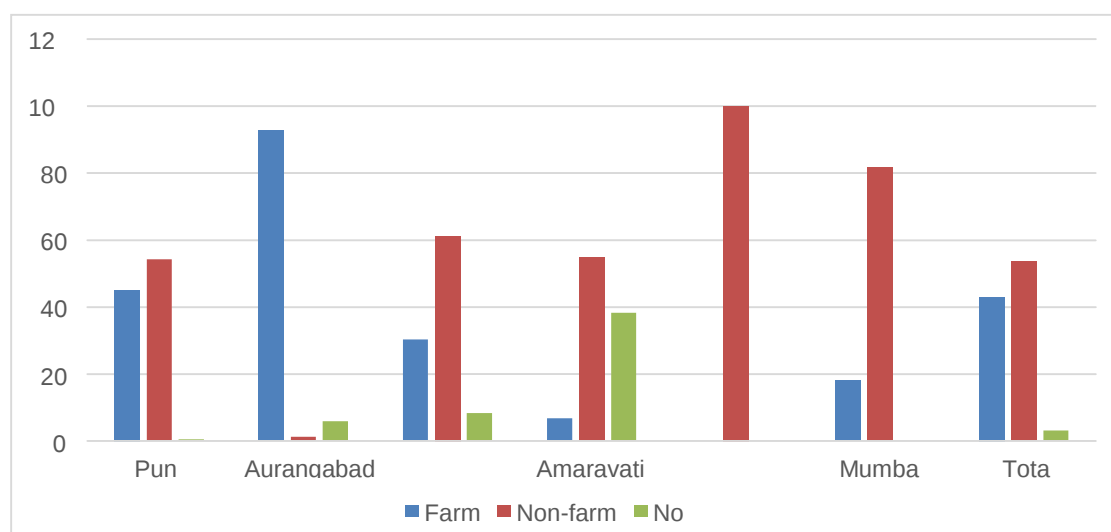
Table No. A11: Details of the Industry

Industry	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Farm	148	140	58	40	0	41	427
Non-farm	178	2	117	28	24	184	533
No Reply	2	9	17	5	0	0	33
Total	328	151	192	73	24	225	993

Table No.A11: Details of the Industry (%)

Industry	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Farm	45.12	92.72	30.37	6.85	0.00	18.22	43.00
Non-farm	54.27	1.32	61.26	54.79	100.00	81.78	53.67
No Reply	0.61	5.96	8.38	38.36	0.00	0.00	3.22
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. A11: Details of the Industry (%)



Apart from the year of starting it would be of interest to know the nature of industry started by the entrepreneurs. The Government through its MSME policy attempts to promote entrepreneurial activities in both Rural and Urban areas. In order to determine the nature of business started by these entrepreneurs, they were asked to specify whether their activity belongs to Farming or Non – Farming activities. The data obtained is presented in Table No. 5a.

The table shows that out of 993 units surveyed in different areas of Maharashtra, respondents from 55 units constituting 53.67% of the sample said they had started business relating to the non-farm sectors. 427 respondents constituting 43.00% of the sample said that their business activity was pertaining to the farming sector. There were 3.22% of the respondents who did not specify the nature of their business activity.

From the analysis it is observed that most of the businesses in the MSME sector of Maharashtra state pertain to Non - Farm sector. The farming sector related business activities are relatively less in the state.

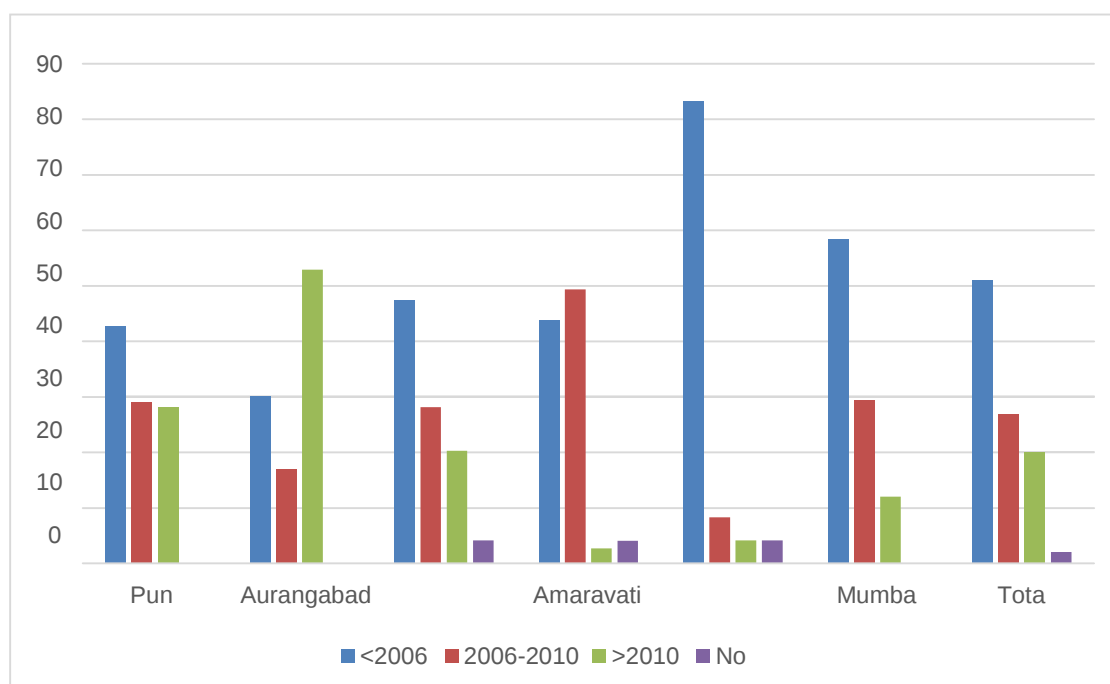
Table No. A12: Year of Starting

Year	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
<2006	140	46	91	32	20	131	460
2006-2010	95	26	54	36	2	66	279
>2010	92	81	39	2	1	27	242
No Reply	0	0	8	3	1	0	12
Total	327	153	192	73	24	224	993

Table No. A12: Year of Starting (%)

Year	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
<2006	42.81	30.07	47.40	43.84	83.33	58.48	50.98
2006-2010	29.05	16.99	28.13	49.32	8.33	29.46	26.88
>2010	28.13	52.94	20.31	2.74	4.17	12.05	20.05
No Reply	0		4.17	4.11	4.17	0.00	2.07
Total	100.00	100.00	100.00	100.00	100.00	100.00	100

Graph No. A12: Year of Starting (%)



Right from the independence, encouraging the Small Scale Industries (SSI), has been on the top agenda of Central and State Governments in India. Accordingly number of incentives and subsidies along with reservation have been provided to their sector from time to time. Enacting a separate policy under the Micro, Small and Medium Enterprises (MSME Act) in 2006 has made the development of their sector more focused. In order to determine whether the new policy initiative has encouraged new entrepreneurs in this sector, the question was asked to the respondents about the year of starting their enterprises, in the six regions of the study. The data collected is presented in table no 5f.

From the table it is observed that out of the 993 MSEM units surveyed, 460 constituting 50.98% of the total were started prior to 2006. Only 279 units constituting 26.88% of the sample units were started between 2006 – 2010. Only 242 enterprises constituting 20.05 % of the sample were started after 2010.

The analysis shows that more than 50% of the MSME units in Maharashtra were started prior to 2006. Around 25% of the units were started immediately after the MSME Act. The data clearly shows that the MSME Act of 2006 could not result in the increase in number of new enterprises in this sector. Spreading the awareness

about the special focus of the Government on this sector and the benefit for the new small and medium enterprises, would encourage the enterprises to emerge in this sector.

SECTION B: HUMAN RESOURCE INFORMATION

Table No.B1: Availability of workers

Availability	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Abundant	98	37	76	23	3	60	297
Adequate	199	70	61	34	17	146	528
Scarce	31	46	23	5	4	11	120
No Reply	0	0	32	11	0	6	49
Total	328	153	192	73	24	223	993

Table No. B1: Availability of workers (%)

Availability	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Abundant	29.88	24.18	39.58	31.51	12.50	26.79	29.88
Adequate	60.67	45.75	31.77	46.58	70.83	65.47	52.96
Scarce	9.45	30.07	11.98	6.85	16.67	4.91	12.07
No Reply	0.00	0.00	16.67	15.07	0.00	2.68	4.93
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.B1: Availability of workers (%)

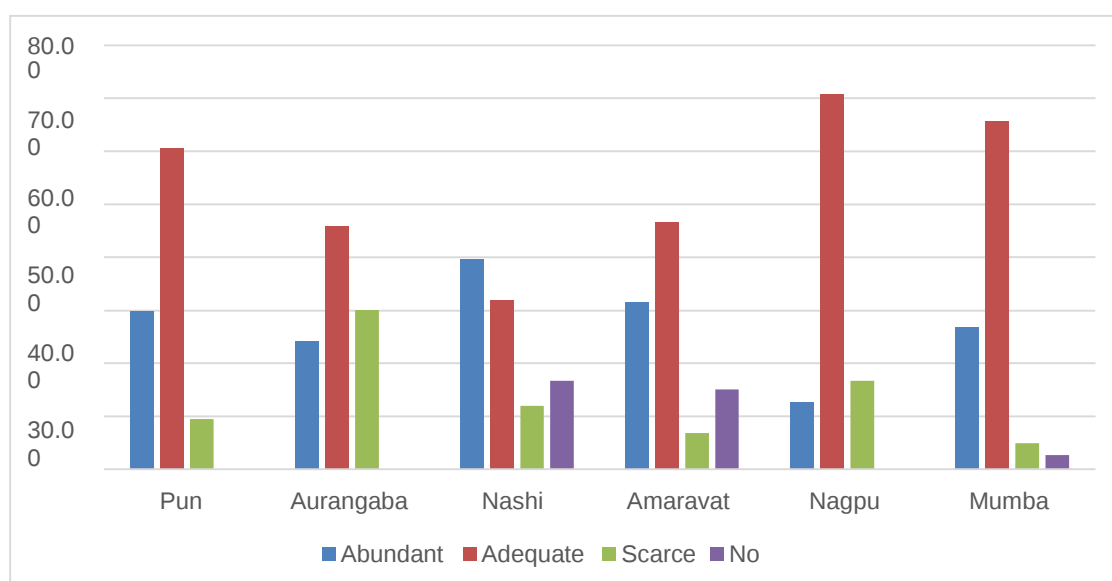


Table No.B2:. Caste-wise availability of Employees

Caste	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
General	252	88	85	34	17	136	612
SC	28	23	16	8	3	20	98
ST	2	11	33	1	0	7	54
NT	6	6	0	0	0	26	38
OBC	26	18	26	23	4	20	117
No Answer	15	7	32	5	0	15	74
Total	329	153	192	71	24	224	993

Table NoB2: Caste-wise availability of Employees (%)

Caste	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
General	76.59	57.52	44.27	47.89	70.83	60.71	61.63
SC	8.51	15.03	8.33	11.27	12.50	8.93	9.86
ST	0.60	7.19	17.19	1.41	0.00	3.13	5.43
NT	1.82	3.92	0.00	0.00	0.00	11.61	3.82
OBC	7.90	11.76	13.54	32.39	16.67	8.93	11.78
No Answer	4.55	4.58	16.67	7.04	0.00	6.70	7.42
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.B2: Caste-wise availability of Employees (%)

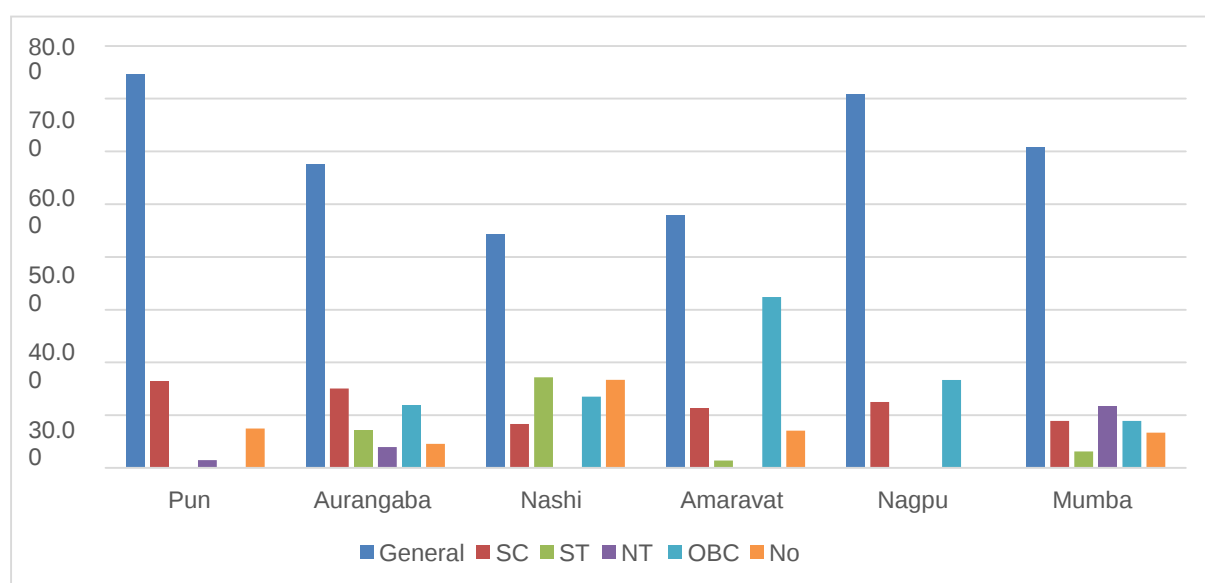


Table No. B3: Opinion about labour productivity

Opinion	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
High	55	24	33	2	3	37	154
Satisfactory	251	126	129	85	20	170	781
Poor	12	2	5	12	1	10	42
No Answer	5	1	5	4	0	1	16
Total	328	153	192	103	24	218	993

Table No. B3: Opinion about labour productivity (%)

Opinion	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
High	16.77	15.68	17.19	1.94	12.50	17.0	15.13
Satisfactory	76.52	82.35	67.19	82.52	83.33	78.0	76.72
Poor	3.66	1.30	2.60	11.65	4.17	4.6	4.13
No Answer	1.52	0.60	2.60	3.88	0.00	0.5	1.61
Total	100.00	100.00	100.00	100.00	100.00	100.0	100.00

Graph No. B3: Opinion about labour productivity (%)

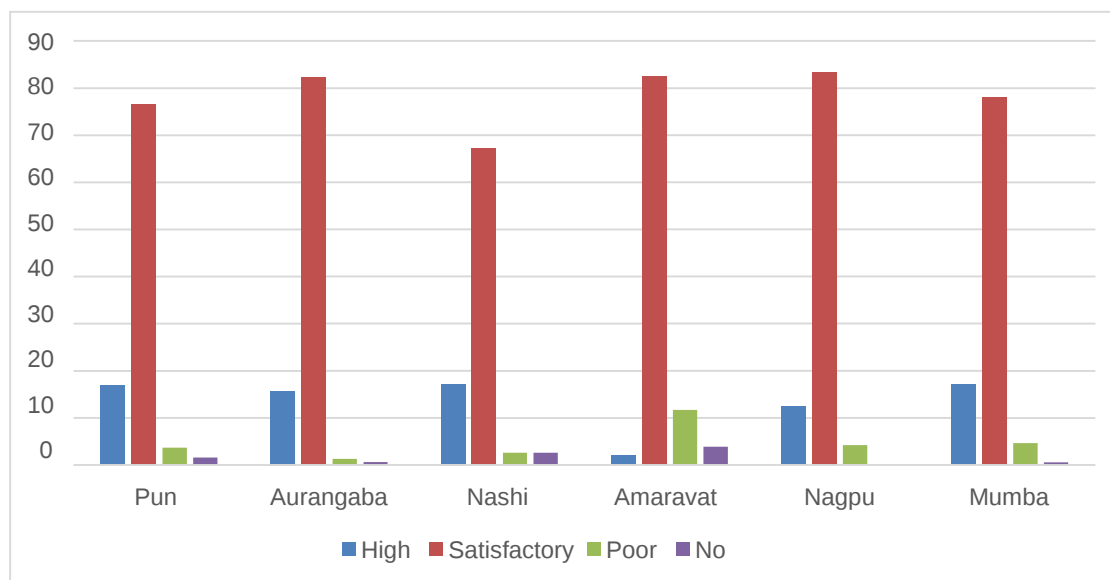


Table No.B4: Caste-wise difference in productivity

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	48	5	57	4	0	21	135
No	241	123	98	60	24	197	743
To some extent	39	25	7	3	0	3	77
No Reply	0	0	29	6	0	3	38
Grand Total	328	153	191	73	24	224	993

Table No.B4: Caste-wise difference in productivity (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	14.63	3.27	29.84	5.48	0.00	9.38	13.60
No	73.48	80.39	51.31	82.19	100.00	87.95	74.82
To some extent	11.89	16.34	3.66	4.11	0.00	1.34	7.75
No Reply	0.00	0.00	15.18	8.22	0.00	1.34	3.83
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.B4: Caste-wise difference in productivity (%)

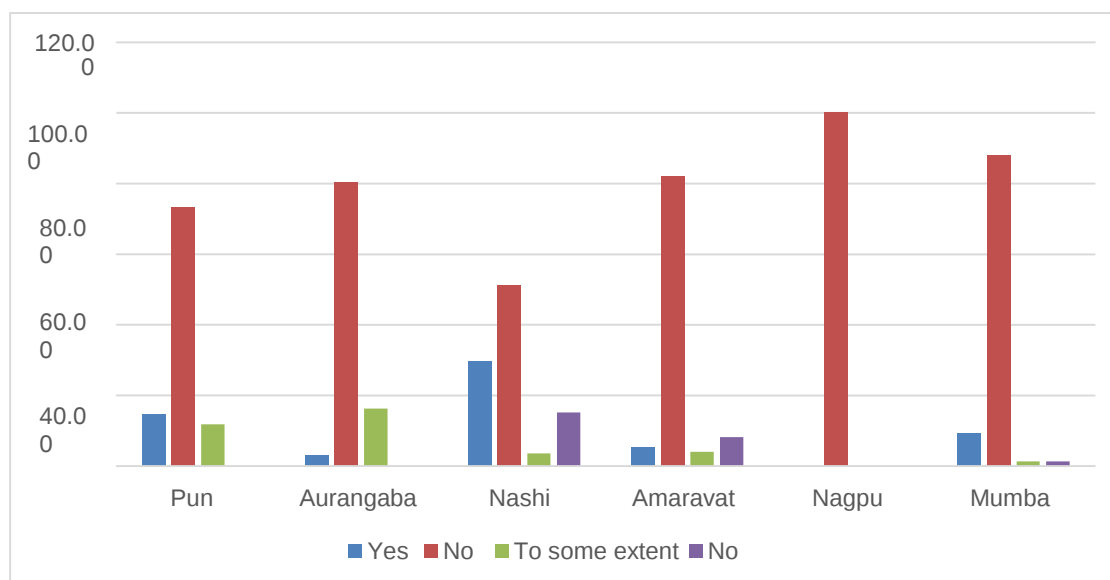


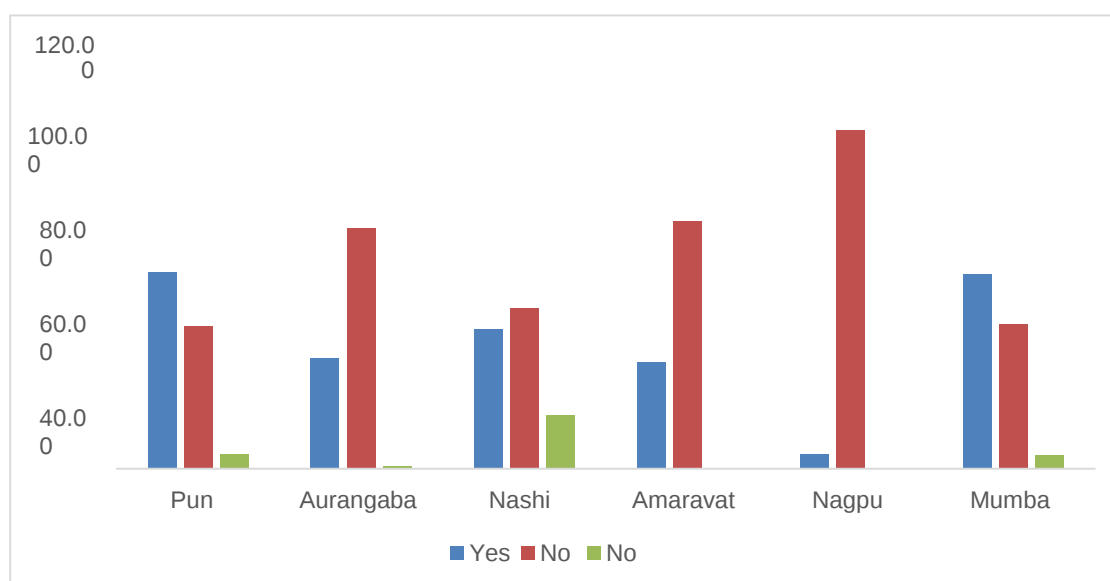
Table No.B5: Existence of recruitment & selection methods for workers

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	183	48	76	25	1	112	445
No	133	104	87	70	18	89	501
No Reply	8	1	29	0	0	9	47
Total	324	153	192	95	19	210	993

Table No.B5: Existence of recruitment & selection methods for workers (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	55.62	31.37	39.58	30.00	4.17	55.22	44.81
No	40.43	67.97	45.31	70.00	95.83	40.87	50.45
No Reply	3.95	0.65	15.10	0.00	0.00	3.91	4.73
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.B5: Existence of recruitment & selection methods for workers (%)



In order to know whether the MSME units region-wise in Maharashtra were having a well set method of recruitment and selection the question was asked to the respondents. This will help us to know whether unbiased and inclusive policies for recruitment are being followed in these organisations. The data obtained is presented in above table.

From the table it is observed that 501 respondents constituting 50.45% of the respondents said that they do not have a well set recruitment and selection procedure. 445 respondents constituting 44.81% of the sample said that they had procedures for this aspect. There were 4.73% of the respondents who did not give any response.

The analysis shows that there are almost equal number of firms which do have and those which do not have the well set procedures for recruitment and selection. But the percentage of firms that do not have the procedure is slightly higher.

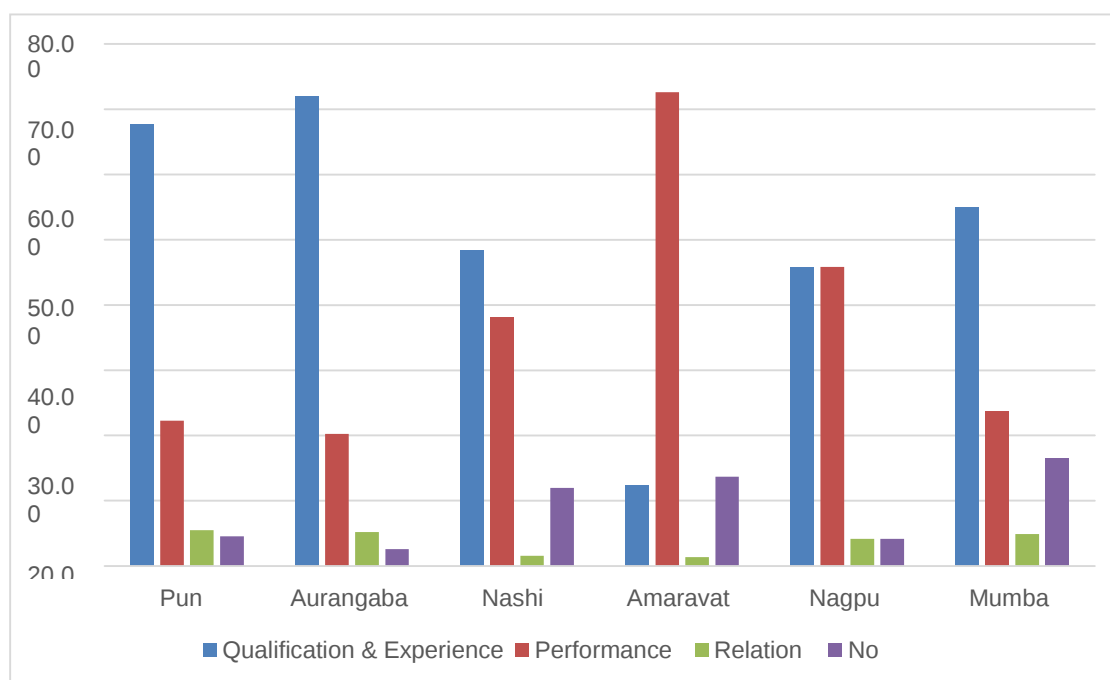
Table No.B6: Criteria for recruitment.

Criteria	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Qualification & Experience	222	110	93	9	11	123	568
Performance	73	31	73	53	11	53	294
Relation	18	8	3	1	1	11	42
No Reply	15	4	23	10	1	36	89
Total	328	153	192	73	24	223	993

Table No.B6: Criteria for recruitment(%)

Criteria	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Qualification & Experience	67.68	71.90	48.44	12.33	45.83	54.91	57.14
Performance	22.26	20.26	38.02	72.60	45.83	23.66	29.58
Relation	5.49	5.23	1.56	1.37	4.17	4.91	4.23
No Reply	4.57	2.61	11.98	13.70	4.17	16.52	9.05
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. B6: Criteria for recruitment.



Though the firms may not be having a well set recruitment method, we wanted to know the criteria they were considering while recruiting the personnel. The data relating to this is presented in the above table.

The table shows that 568 respondents constituting 57.14% of the sample said that they were considering qualification and experience as the main recruitment criteria. 294 respondents constituting 29.58% of the sample said that they were having performance as the criteria. It important to note that only 42 respondents constituting only 4.23% of the sample said that they considered relationship while recruitment. This percentage is very insignificant.

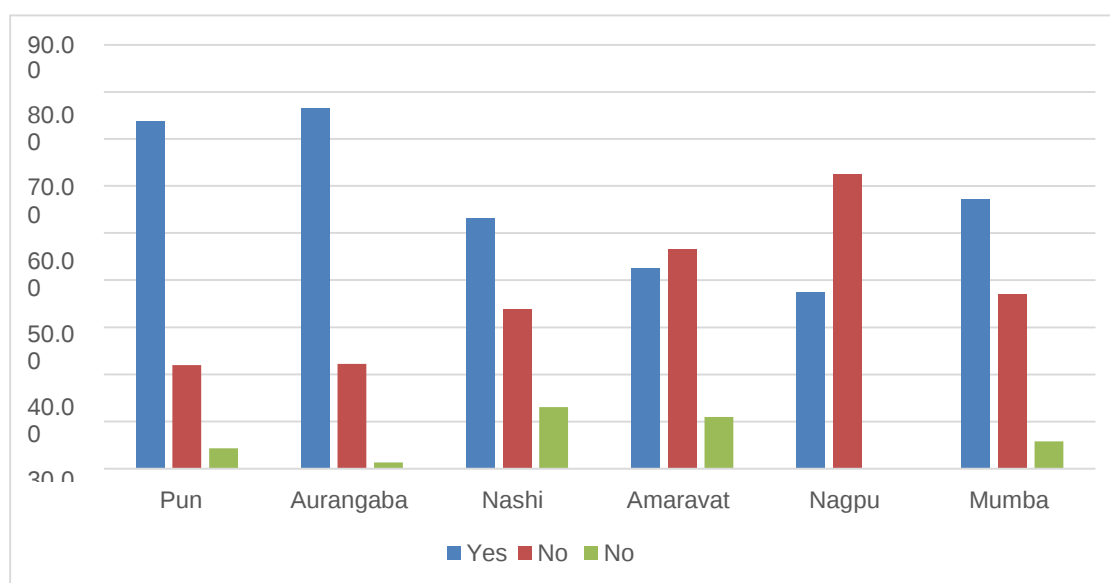
The analysis of this question shows that though the MSME units do not have set procedures for recruitment they are considering qualifications and experience of the prospective employees and not giving any preference to the relationships in the recruitment process. In this regard they can be said to be inclusive.

Table No.B7:. Regularly training of employees

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	242	117	102	31	9	128	629
No	72	34	65	34	15	83	303
No Reply	14	2	25	8	0	13	62
Total	328	153	192	73	24	224	994

Table No.B7: Regularly training of employees

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	73.78	76.47	53.13	42.47	37.50	57.14	63.28
No	21.95	22.22	33.85	46.58	62.50	37.05	30.48
No Reply	4.27	1.31	13.02	10.96	0.00	5.80	6.24
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.B7: Regularly training of employees

The MSME firms may be considering good parameters for recruitment, but it has to be found whether they regularly train their employees. Only then the employees are able to update their skills and there continue to productivity enhancement of their organisations. Due to this the data for regularity of training was collected from the respondents. The data obtained is presented in the above table.

The table shows that 629 respondents constituting 63.28% of the sample said that they were regularly training their employees. Only 303 respondents which form 30.48% of the sample said that they do not focus on regular training. There were no responses for in 6.24% of the respondents.

The analysis clearly shows that training is focused in majority of the MSME enterprises in Maharashtra. Region-wise too there is variation in this aspect of training.

SECTION C: FINANCE INFORMATION

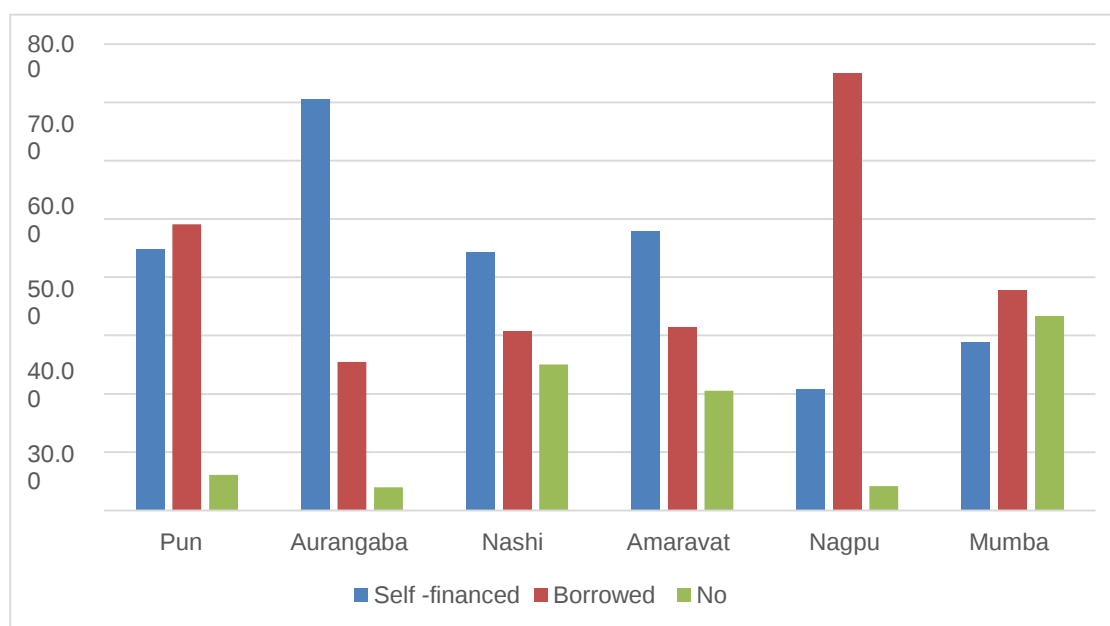
Table No.C1: Source of Venture capital

Source	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Self -financed	147	108	85	35	5	64	444
Borrowed	161	39	59	23	18	84	384
No Reply	20	6	48	15	1	75	163
Total	328	153	192	73	24	222	993

Table No. C1: Source of Venture capital (%)

Source	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Self -financed	44.82	70.59	44.27	47.95	20.83	28.83	44.76
Borrowed	49.09	25.49	30.73	31.51	75.00	37.84	38.71
No Reply	6.10	3.92	25.00	20.55	4.17	33.33	16.53
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C1: Source of Venture capital (%)



Financial inclusion of MSMEs is indicated by the dependence on the institutional sources for their venture capital. In order to obtain an idea about this aspect the sources of venture capital was asked to the respondents. The data obtained is presented in the above table.

The table shows that 444 respondents constituting 44.76% of the sample said that they were self-financing. 384 respondents constituting 38.71% of the respondents said they borrowed the money from institutional sources. 16.53% was the non response percentage.

The analysis shows that most of the MSME units in Maharashtra were depending on self-financing for venture capital. The component of borrowed money from institutional sources was observed to be relatively low. The Nagpur, Mumbai and Pune region are having the opposite trend than the other regions in the State.

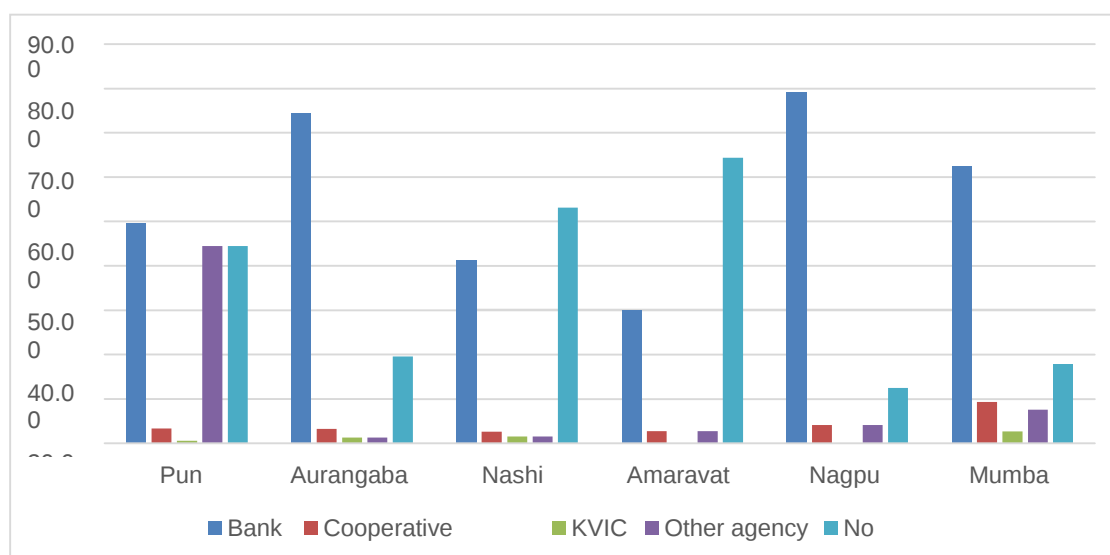
Table No.C2: Type of formal source of finance

Type	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Bank	63	44	31	9	7	54	207
Cooperative Society	4	2	2	1	1	7	17
KVIC	1	1	2	0	0	1	5
Other agency	3	1	1	1	1	6	13
No Reply	56	12	39	18	1	15	142
Total	127	60	75	29	10	83	384

Table No.C2: Type of formal source of finance (%)

Type	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Bank	49.70	74.51	41.15	30.14	79.17	62.50	54.02
Cooperative Society	3.35	3.27	2.60	2.74	4.17	9.38	4.53
KVIC	0.61	1.31	1.56	0.00	0.00	2.68	1.31
Other agency	44.51	1.31	1.56	2.74	4.17	7.59	3.12
No Reply	44.51	19.61	53.13	64.38	12.50	17.86	37.02
Total	142.68	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. C2: Type of formal source of finance (%)



Within the formal sources we wanted to determine the most accepted source of venture capital finance. They were used the choose from the option Bank, Co-operative societies, KVIC, or any other agency. The data obtained is tabulated in the

above table.

From the table it is observed that 207 respondents constituting 54.02% of the sample said that they had banks are the most important source of finance. The other formal sources were relatively less preferred. As their percentage preference among the MSME entrepreneurs is less than 5%.

The analysis shows that within the formal sources banks are observed to be the most preferred in the MSME sector.

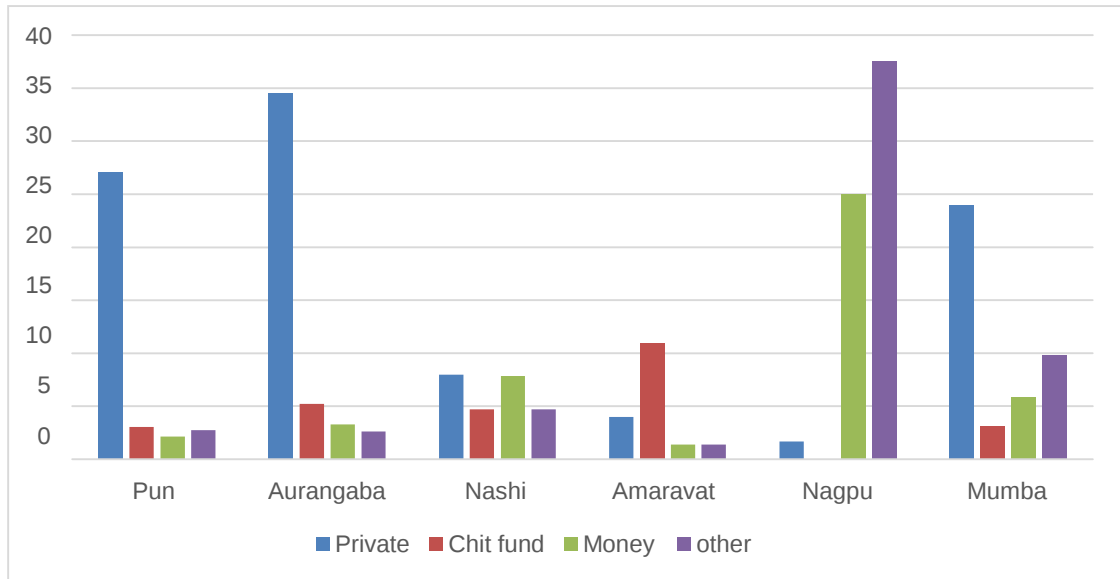
Table No C3: Type of Non-formal Source

Source	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Private	84	104	24	12	5	72	301
Chit fund	10	8	9	8	0	7	42
Money	7	5	15	1	6	13	47
Other Agency	9	4	9	1	9	22	54
Total	328	153	191	73	24	224	444

Table No.C3: Type of Non-formal Source

Source	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Private	27.09	34.55	7.97	3.98	1.66	23.92	67.79
Chit fund	3.05	5.23	4.71	10.96	0.00	3.13	9.45
Money Lender	2.13	3.27	7.85	1.37	25.00	5.80	10.58
Other Agency	2.74	2.61	4.71	1.37	37.50	9.82	12.16
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C3: Type of Non-formal Source



Within the non-formal sources we wanted to find out the major sources of venture capital finances. The question relating to this was asked to only those who said they had non-formal sources. The data for this is given in the above table.

From the table it is observed that 301 respondents constituting 67.79% of the sample said that they had private sources. Around 10% each said they were having either Chit-funds, Money lenders or Other agencies.

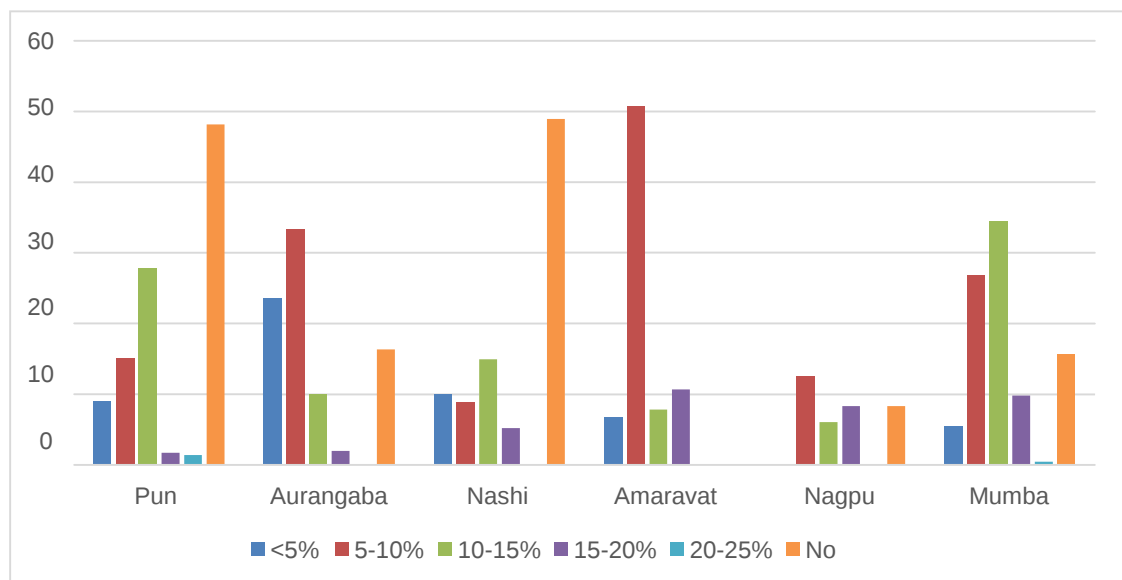
This clearly shows that the main non-formal source of venture capital finance in MSME sector is the private source. Except for Nagpur region the pattern of this parameter is observed to be the same.

Table No. C4: Rate of interest

Rate	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
<5%	32	36	19	5.00	0	12	104
5-10%	54	51	17	38.00	3	60	223
10-15%	78	28	42	22.00	17	94	281
15-20%	6	3	10	8.00	2	22	51
20-25%	5	0	0	0.00	0	1	6
No Reply	172	25	94	0.00	2	35	328
Total	357	153	192	75.00	24	224	993

Table No. C4: Rate of interest (%)

Rate	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
<5%	8.96	23.53	9.90	6.67	0.00	5.36	10.4
5-10%	15.13	33.33	8.85	50.67	12.50	26.79	22.45
10-15%	27.75	9.96	14.94	7.82	6.04	34.45	28.29
15-20%	1.68	1.96	5.21	10.67	8.33	9.82	5.13
20-25%	1.40	0.00	0.00	0.00	0.00	0.45	0.60
No Reply	48.18	16.34	48.96	0.00	8.33	15.63	33.03
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.0

Graph No. C4: Rate of interest (%)

To know the range of rate of interest being paid by the MSME entrepreneurs in the State the question was asked about the interest they were paying on the credit taken for the business. The data obtained is presented in the above table.

The table shows that 281 respondents constituting 28.29% of the sample said they were paying interest in the range of 10-15%. 223 respondents constituting 22.45% of the respondents their interest payment rate was in the range of 5-10%. The percentage of respondents who had to pay a very high rate of interest is significantly low.

The analysis shows that the interest rate being paid by MSME entrepreneurs is in the medium range of 5-15%. The exploitative rate of interest phenomenon as in agriculture is not found in this sector.

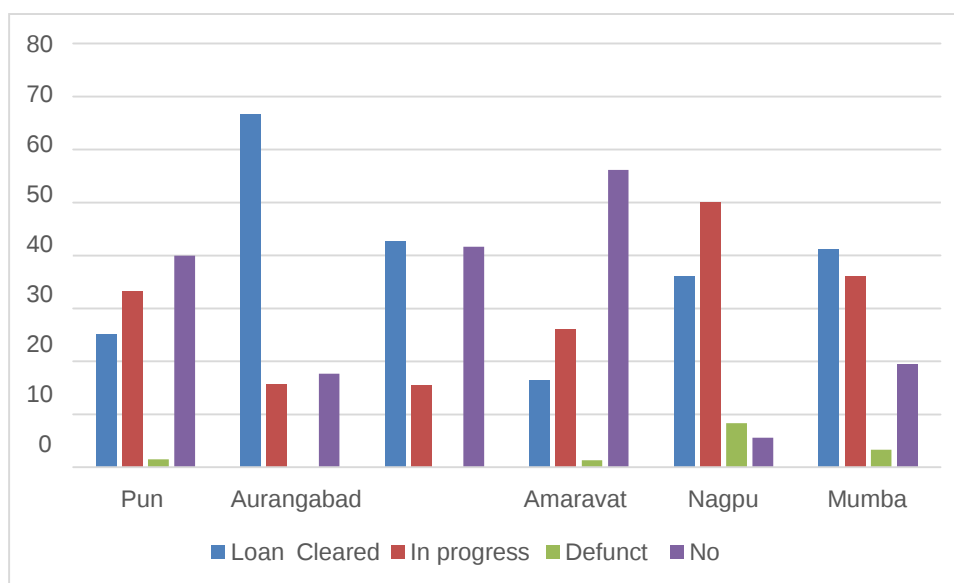
Table No. C5: Current Status of Loan

Status	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Loan Cleared	83	102	82	12	13	87	379
In progress	109	24	30	19	18	76	276
Defunct	5	0	0	1	3	7	16
No Reply	131	27	80	41	2	41	322
Total	328	153	192	73	36	211	993

Table No.C5: Current Status of Loan (%)

Status	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Loan Cleared	25.30	66.67	42.71	16.44	36.11	41.23	38.16
In progress	33.23	15.69	15.63	26.03	50.00	36.02	28.13
Defunct	1.52	0.00	0.00	1.37	8.33	3.32	1.63
No Reply	39.94	17.65	41.67	56.16	5.55	19.43	32.82
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C5: Current Status of Loan (%)



The rate of interest being paid by the entrepreneurs in this sector could be in the medium range, but if timely repayment is not done it results in amount to be repaid due to compounding effect. To know whether the sector is able to clear the loans on a regular basis the questions was asked about the status of their loan repayment. The data obtained is presented in the above table.

The table shows that 379 respondents constituting 38.16% of the sample said that they were able to clear their loans. 276 respondents constituting 28.13% of the respondents said their repayment was in progress. Only 1.63% of respondents said they were unable to repay their debts.

From the analysis it is found that majority of the entrepreneurs in the MSME sector of Maharashtra have either cleared or in the process of clearing their loans. The units which are unable to repay and therefore became defunct are observed to be very insignificant.

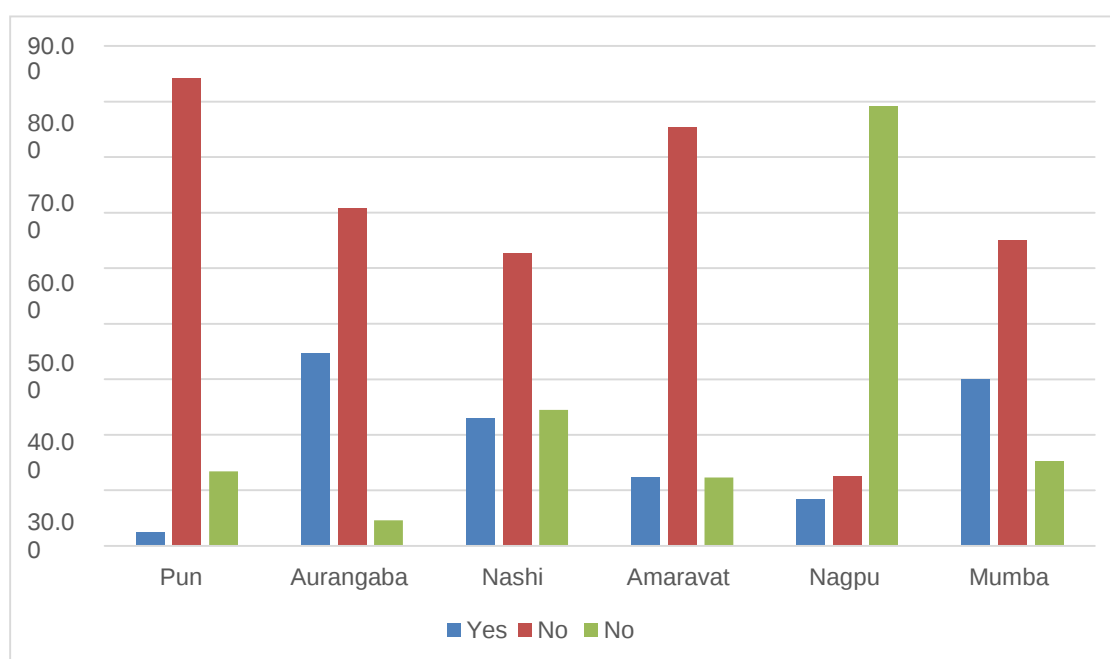
Table No.C6: Benefit by raising of investment limit of MSMEs

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	8	53	44	9	2	66	182
No	276	93	101	55	3	123	651
No Reply	44	7	47	9	19	34	160
Total	328	153	192	73	24	223	993

Table No.C6: Benefit by raising of investment limit of MSMEs (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	2.44	34.64	22.92	12.33	8.33	29.91	18.41
No	84.15	60.78	52.60	75.34	12.50	54.91	65.49
No Reply	13.41	4.58	24.48	12.33	79.17	15.18	16.10
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No C6: Benefit by raising of investment limit of MSMEs (%)



The Government increases the investment limit of the different category of industries in the MSME sector. The objective is to increase the number and scope of industries in the various categories of this sector. In order to know whether this kind of changes in the investment limit is benefiting the sector or not the question was asked to the respondents. The data obtained is presented in the above table.

The table shows that 651 respondents out of 993 constituting 65.49% of the sample said that such frequent variations in the investment limit did not benefit them in anyway. Only 182 respondents constituting 18.41% of the sample said that it was beneficial to them.

The analysis shows that majority of the existing entrepreneurs in the MSME sector in Maharashtra were not getting any benefit do to the changes in the investment limit of this sector.

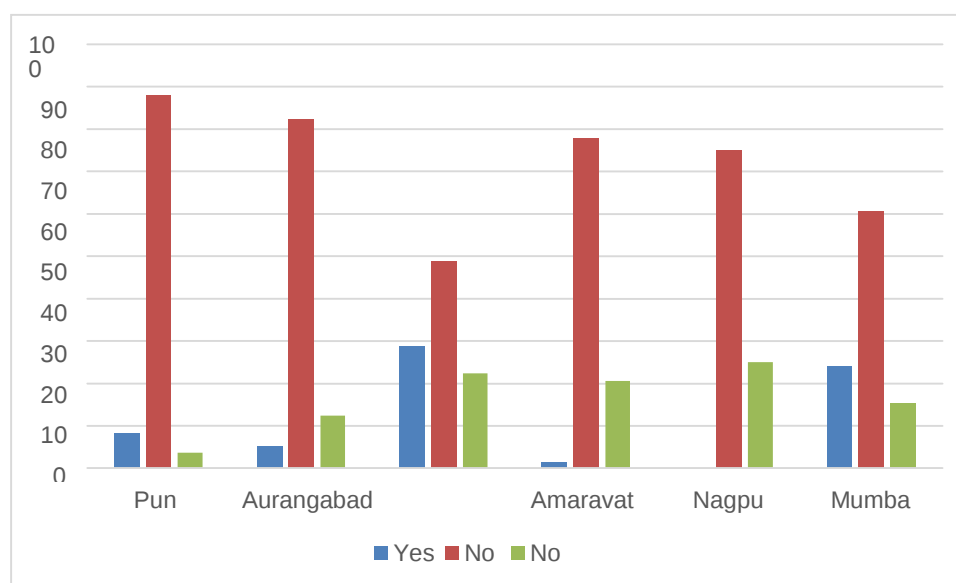
Table No.C7: Benefits under NEP for the supply of raw materials

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	27	8	55	1	0	55	146
No	288	126	94	53	18	139	718
No Reply	12	19	43	14	6	35	129
Total	327	153	192	68	24	229	993

Table No.C7: Benefits under NEP for the supply of raw materials (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	8.26	5.23	28.65	1.47	0.00	24.01	14.70
No	88.07	82.35	48.96	77.94	75.00	60.69	72.67
No Reply	3.67	12.42	22.40	20.59	25.00	15.28	13.06
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C7: Benefits under NEP for the supply of raw materials (%)



To know whether the MSME units obtained that benefit of increased supply of raw materials in the liberalisation era the question was asked to the respondents. The data obtained is presented in the above table.

The table shows that 718 respondents constituting 72.67% of the sample said that under the New Economic policy regime they did not get any benefit of increase in supply of raw materials. Only 146 respondents constituting 14.70% of the sample said that they had the benefit of increase in supply of raw materials.

The analysis shows that most of the MSME units in the State did not receive any benefit with regard to the increase in the supply of raw materials after the New Economic Policy was introduced.

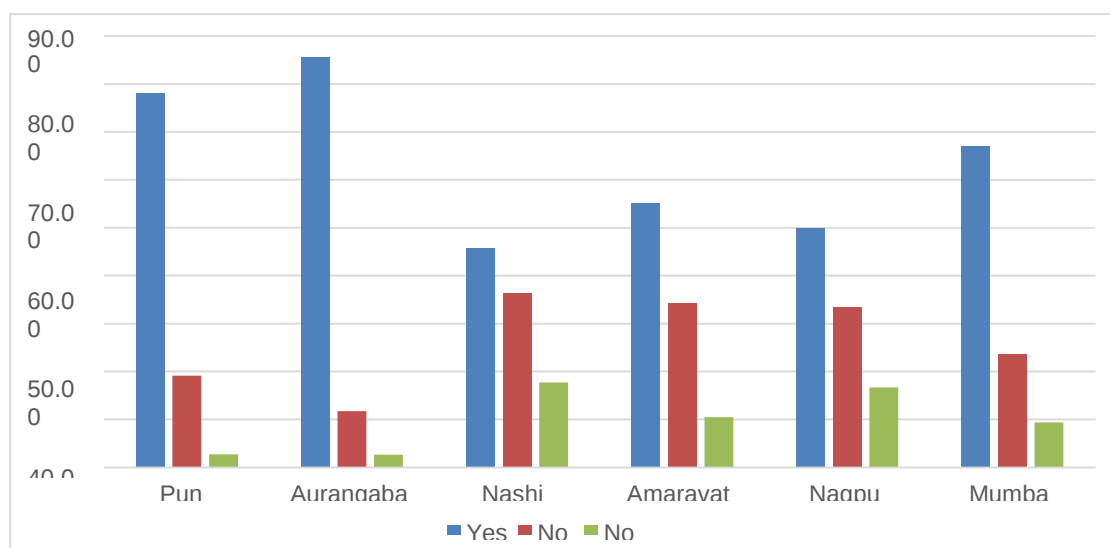
Table No.C8: Full capacity utilisation

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	257	131	88	37	12	154	679
No	63	18	70	23	8	53	235
No Reply	9	4	34	7	4	21	79
Total	329	153	192	67	24	228	993

Table No.C8: Full capacity utilisation

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	78.12	85.62	45.83	55.22	50.00	66.96	68.37
No	19.15	11.76	36.46	34.33	33.33	23.66	23.76
No Reply	2.74	2.61	17.71	10.45	16.67	9.38	7.99
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C8: Full capacity utilisation



In the liberalisation era it is expected that industries in all categories should be able to use their fullest capacity. To know whether the MSME units are able to achieve full capacity utilisation the question was asked to the respondents. The data obtained is given in the above table.

From the table it is observed that 679 respondents constituting 68.37% of the sample said that they were able to achieve full capacity utilisation. Only 235 respondents constituting 23.76% of the sample said that they were not able to use their full capacity even though there is liberalisation.

The analysis shows that majority(68.37%) of the MSME units are able to use their full capacity in the era of liberalisation. Only few units were not able to fully use their capacities.

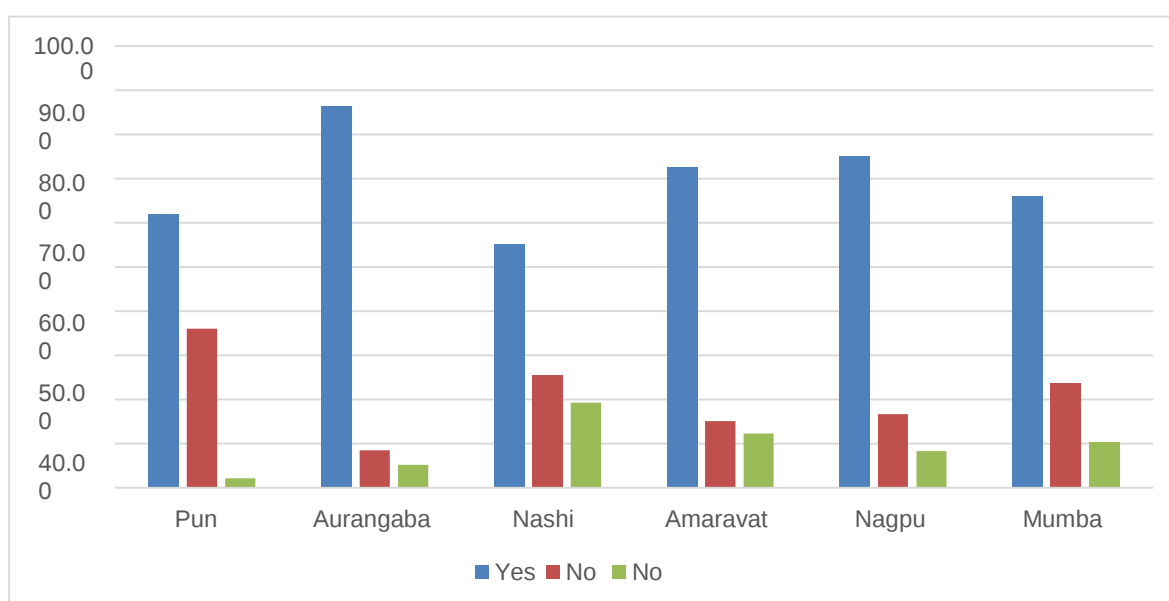
Table No.C9: Production though-out year

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	203	132	106	53	18	148	660
No	118	13	49	11	4	53	248
No Reply	7	8	37	9	2	22	85
Total	328	153	192	73	24	223	993

Table No.C9: Production though-out year (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	61.89	86.27	55.21	72.60	75.00	66.07	66.40
No	35.98	8.50	25.52	15.07	16.67	23.66	24.95
No Reply	2.13	5.23	19.27	12.33	8.33	10.27	8.65
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C9: Production through-out year (%)



One of the concerns of all business enterprises is the keeping the production through-out the year based on the demand conditions. Especially in the case of the MSME sector it is all the more critical as they operating margins are very less. In order to determine the number of units which operate through-out the year the question was asked to the respondents. The data obtained is presented in the above table.

From the table it is observed that 660 respondents constituting 66.40% of the sample said they produce through-out the year. Only 248 respondents constituting 24.95% of the sample said that they do not operate through-out the year.

The analysis clearly shows that more than 3/4ths of the units produce through-out the year. The problem of irregular production cycle is not observed to be significant in this sector.

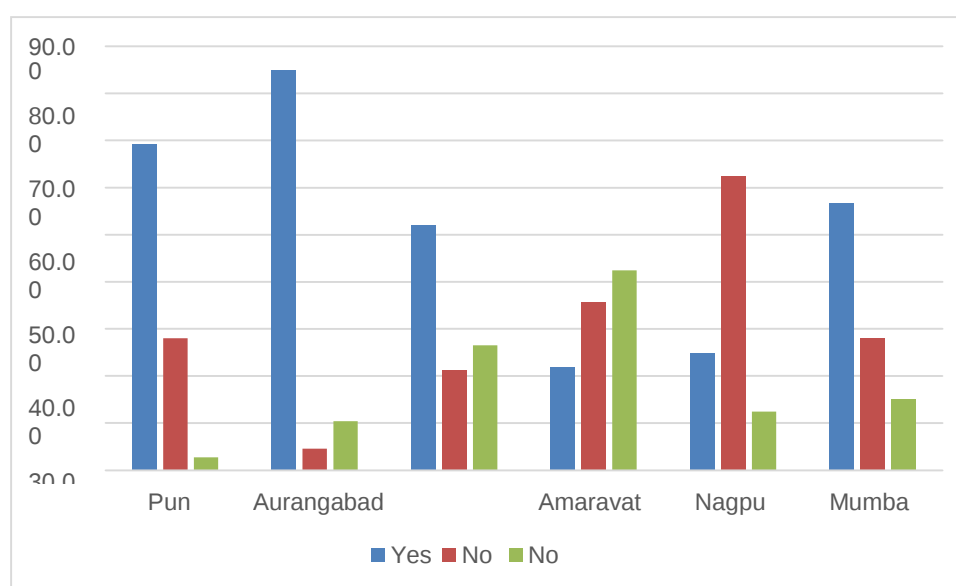
Table No.C10: Adequacy of Capital

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	227	130	100	16	6	127	606
No	92	7	41	26	15	63	244
No Reply	9	16	51	31	3	33	143
Total	328	153	192	73	24	223	993

Table No. C10: Adequacy of Capital (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	69.21	84.97	52.08	21.92	25.00	56.70	60.97
No	28.05	4.58	21.35	35.62	62.50	28.13	24.55
No Reply	2.74	10.46	26.56	42.47	12.50	15.18	14.49
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. C10: Adequacy of Capital (%)



It is usually expected due to the small scale the MSME sector could face the shortage of capital. The institutional financial sources follow non-inclusive policies then the sector could face a problem of capital scarcity. To determine whether the adequacy of capital is an issue or not the question was asked to the entrepreneurs in this sector. The data obtained is presented in the above table.

The table shows that 606 respondents constituting 60.97% of the sample said that capital was adequate. Only 24.55% of the respondents said they do not have adequate capital.

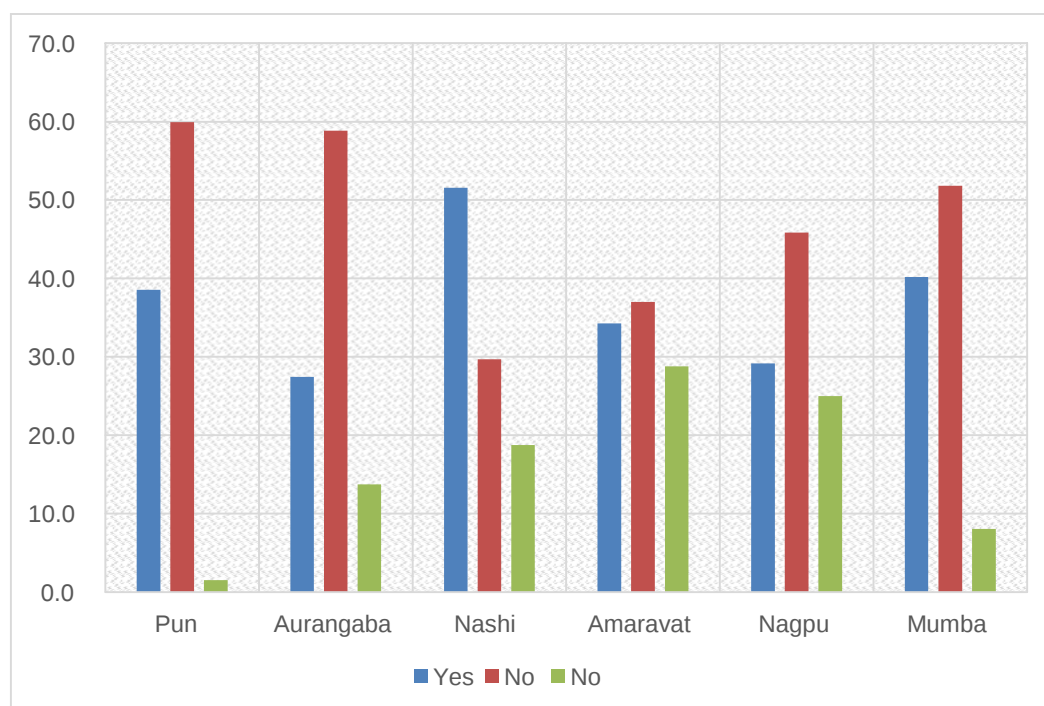
The analysis shows that capital adequacy problem is not being faced by MSME units in Maharashtra. Except in Nagpur the same trend is observed for adequacy of capital.

Table No.C11: Difficulty in securing loans from banks/ financial institutions

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	126	42	99	25	7	90	389
No	196	90	57	27	11	116	497
No Reply	5	21	36	21	6	18	107
Total	327	153	192	73	24	224	993

Table No C11: Difficulty in securing loans from banks/ financial institutions

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	38.53	27.45	51.56	34.25	29.17	40.18	39.17
No	59.94	58.82	29.69	36.99	45.83	51.79	50.05
No Reply	1.53	13.73	18.75	28.77	25.00	8.04	10.78
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C11: Difficulty in securing loans from banks/ financial institutions

Banks and Financial Institutions are inclusive with reference to the large businesses. The general hypothesis is that the MSME sector faces the brunt when it comes to availability of credit from these institutions. To know whether these units are facing

any difficulty in obtaining the loans the question was to the entrepreneurs in this sector. The data obtained is presented in the above table.

The data shows that 497 respondents constituting 50.05% of the sample said that they are not facing any credit availability problems from the banks or financial institutions. 389 constituting 3.17% of respondents mentioned that they were facing the problem for securing loans from these sources.

The analysis clearly shows that though half of the enterprises in the MSME sector in Maharashtra are not facing any problem in securing loans from banks and financial institutions, there is nearly 40% of the entrepreneurs in this sector who are facing the problem.

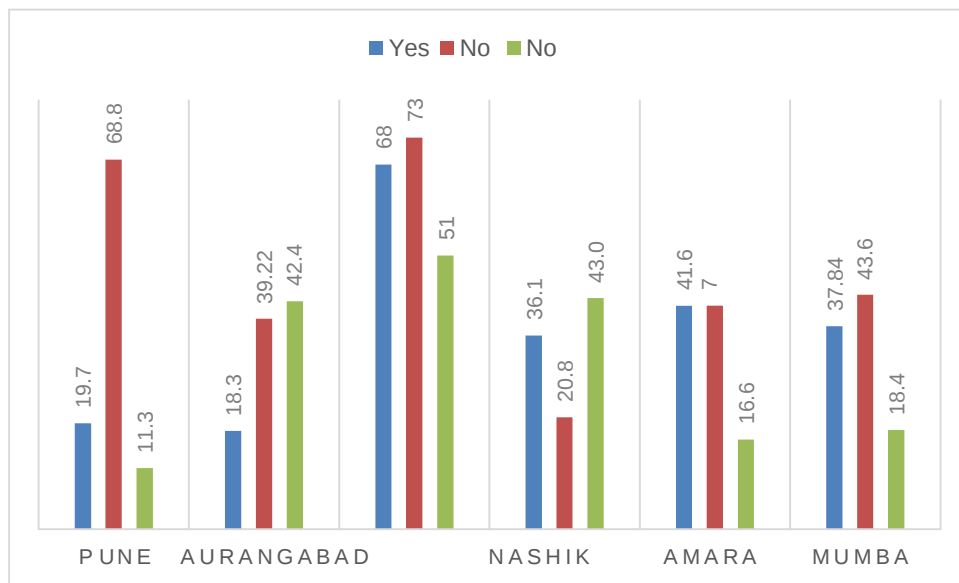
Table No. C12: Difficulty in finance due to social background

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	66	28	68	26	10	84	282
No	230	60	73	15	10	97	485
No Reply	38	65	51	31	4	41	230
Total	334	153	192	72	24	222	997

Table No.C12: Difficulty in obtaining finance due to social background (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	19.76	18.30	68	36.11	41.67	37.84	28.28
No	68.86	39.22	73	20.83	41.67	43.69	48.65
No Reply	11.38	42.48	51	43.06	16.67	18.47	23.07
Total	100.00	100.00	192	100.00	100.00	100.00	100.00

Graph No.C12: Difficulty in obtaining finance due to social background (%)



As one of the main objective of the present study is to assess the social inclusion of MSME sector the question regarding the social background was asked to the respondents. They asked to specify whether their social background proved a hurdle in obtaining finances. The data obtained is presented in the above table.

The table shows that 485 respondents constituting 48.65% of the sample said that their social background did not create any difficulty in obtaining the required finances for their businesses. 282 respondents constituting 28.28% of the sample said that they social background did create problems for them to obtain the business finance.

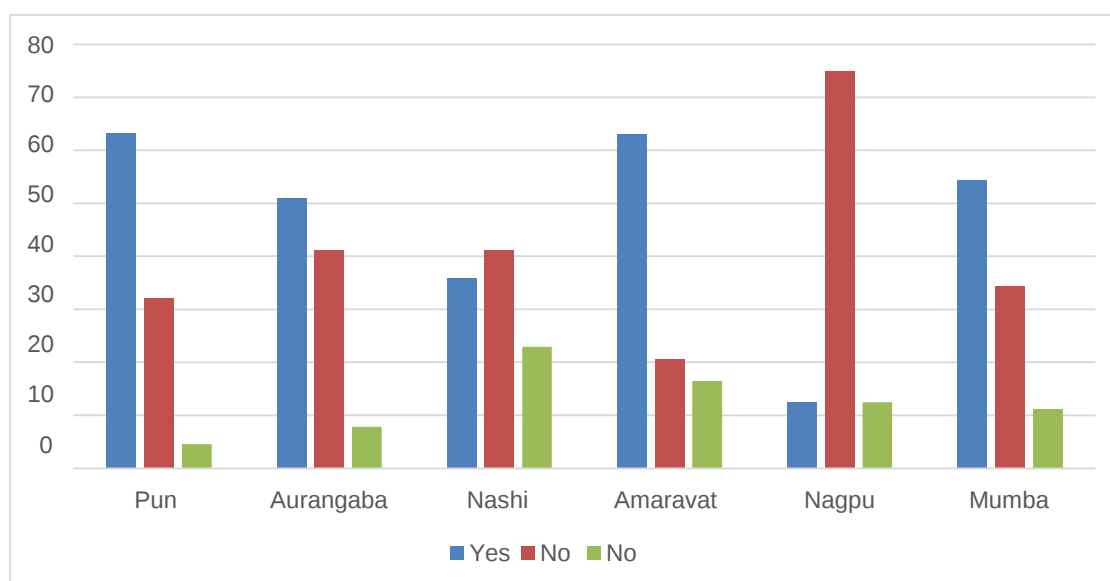
From the analysis it is clear that though slightly less than half of the MSME entrepreneurs do not consider social background as hindrance in obtaining business finances, there is a small percentage nearing 30% who reported that social background does create an hurdle in this regard.

Table No. C13: Credit facilities to customers

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	207	78	69	46	3	122	525
No	105	63	79	15	18	77	357
No Reply	15	12	44	12	3	25	111
Total	327	153	192	73	24	224	993

Table No. C13: Credit facilities to customers (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	63.30	50.98	35.94	63.01	12.50	54.46	52.87
No	32.11	41.18	41.15	20.55	75.00	34.38	35.95
No Reply	4.59	7.84	22.92	16.44	12.50	11.16	11.18
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C13: Credit facilities to customers (%)

In order to know the financial strength of the MSME enterprises the respondents were asked to mention they offer credit to their customers. Only those units which are strong and not financially excluded can afford such scheme to keep their customer base intact. The data for this aspect is presented in the above table.

From the table it is observed that 525 respondents constituting 52.87% of the sample said they were offering credit sales to their customers. 357 respondents forming 35.95% of the sample said that they did not have the practice of credit sales. Except Nagpur the similar pattern is observed in all the regions of Maharashtra.

The analysis shows that more than half of the entrepreneurs in MSME sector in Maharashtra were having the system of credit sales. Only just above 1/3rd of the units do not have the system of credit sales. This does indicate that not all units in MSME sector are financially strong to offer credit sales facility to their customers.

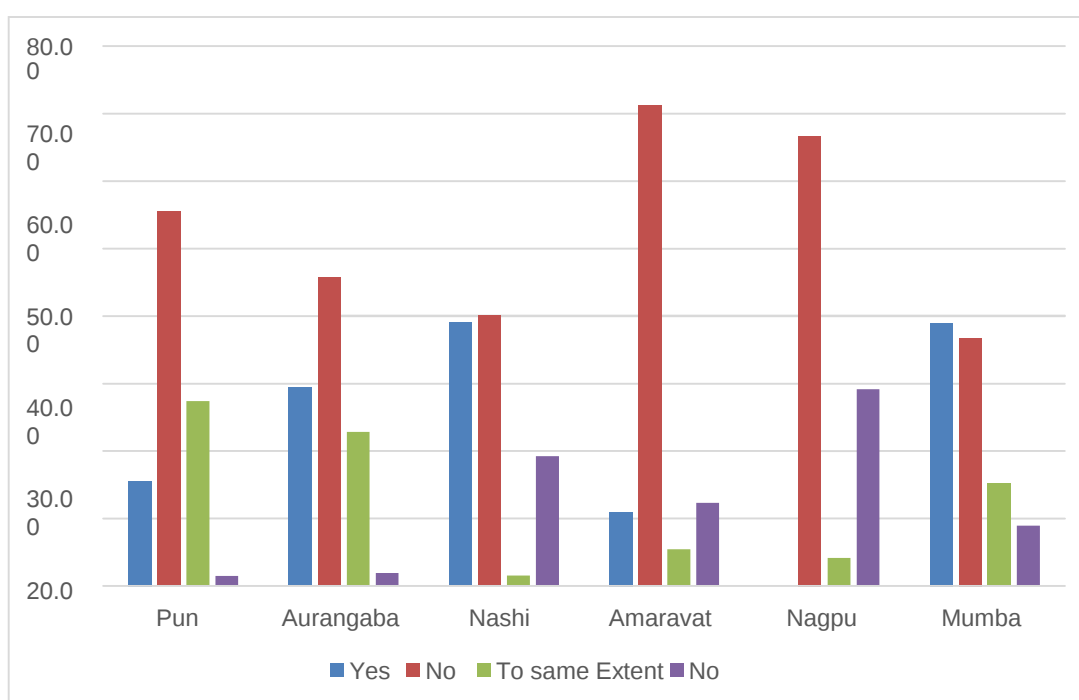
Table No.C14: Social background while extending credit facility

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	51	45	75	8	0	87	266
No	182	70	77	52	16	82	479
To same Extent	90	35	3	4	1	34	167
No Reply	5	3	37	9	7	20	81
Total	328	153	192	73	24	223	993

Table No.C14: Social background while extending credit facility(%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	15.55	29.41	39.06	10.96	0.00	39.01	26.79
No	55.49	45.75	40.10	71.23	66.67	36.77	48.24
To same Extent	27.44	22.88	1.56	5.48	4.17	15.25	16.82
No Reply	1.52	1.96	19.27	12.33	29.17	8.97	8.16
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C14: Social background while extending credit facility(%)



The MSME units may not be fully experiencing the exclusion issue, but it remains to be seen whether they do consider social background while offering the credit facilities. The data for this aspect is presented in the above table.

The table shows that 479 respondents constituting 48.24% of the sample mentioned that they do not consider the customers social background while offering credit facilities. 26.79% said they do consider while 16.82% respondents mentioned they do consider to some extent. In aggregate the social background for offering credit is important for nearly 42% of the entrepreneurs in MSME sector of Maharashtra.

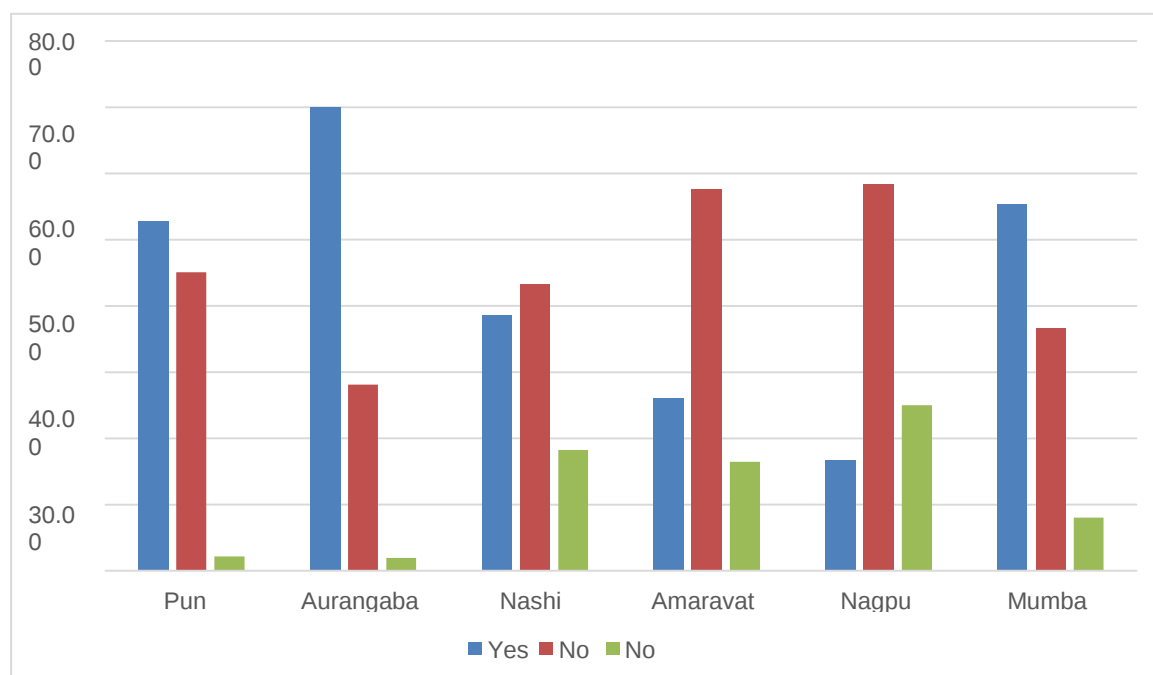
From the analysis it is clear that though for less than half of the MSME entrepreneurs social background is not important for extending the credit facilities there is at least 40% of the entrepreneurs in this sector who fully or to some extent consider the social background.

Table No.C15: Opinion on policy changes for profit earning

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	172	107	74	19	4	124	500
No	147	43	83	42	14	82	411
No Reply	7	3	35	12	6	19	82
Total	326	153	192	73	24	225	993

Table No.C15: Opinion on policy changes for profit earning (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	52.76	69.93	38.54	26.03	16.67	55.36	50.40
No	45.09	28.10	43.23	57.53	58.33	36.61	41.43
No Reply	2.15	1.96	18.23	16.44	25.00	8.04	8.17
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.C15: Opinion on policy changes for profit earning (%)

The industrial policy of the country is changed from time to time to include more economically and socially backward entrepreneurs. Along with the social objective the policies also promote the profit earnings of the enterprises to make them sustainable in the long run. In order to see whether the entrepreneurs in the MSME sector agree with this philosophy of the industrial policy they asked to give their

opinion. The data obtained is given in the above table.

From the table it can be seen that 500 respondents constituting 50.40% of the sample said that the changes in the industrial policies do promote profit earning of their enterprises. 41.43% of the respondents said that the changes do not contribute to profit increase.

The analysis shows that there are almost equal number of entrepreneurs who are of the opinion that the changes in the industrial policies bring about increase in profits.

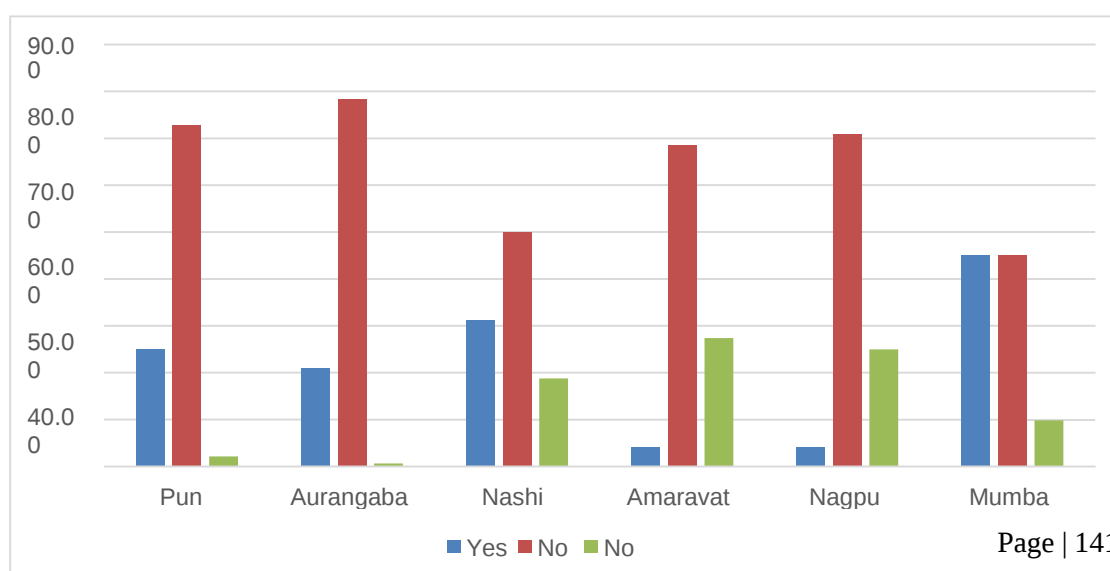
Table No. CQ16: Competition with multinational companies

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	82	32	60	3	1	101	279
No	239	119	96	50	17	101	622
No Reply	7	1	36	20	6	22	92
Total	328	152	192	73	24	224	993

Table No. CQ16: Competition with multinational companies(%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	25.00	21.05	31.25	4.11	4.17	45.09	28.10
No	72.87	78.29	50.00	68.49	70.83	45.09	62.64
No Reply	2.13	0.66	18.75	27.40	25.00	9.82	9.26
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. CQ16: Competition with multinational companies(%)



In the days of competition it is the survival of the fittest. Whether it is small or large industry it should have the strength to compete with the best in the market especially the multinational companies. In order to know the opinion of the MSME entrepreneurs regarding this aspect the question was to the respondents. The obtained is presented in the above table.

The table shows that 622 respondents constituting 62.64% of the sample submitted that they do not have the strength to compete with the MNCs. Only 279 respondents constituting 28.10% of the sample said that their MSME can compete with the multinationals.

The analysis shows that most of the entrepreneurs feel that the MSMEs in Maharashtra do not have the strength to compete with the multinational companies. In other words they are naturally excluded from the international market.

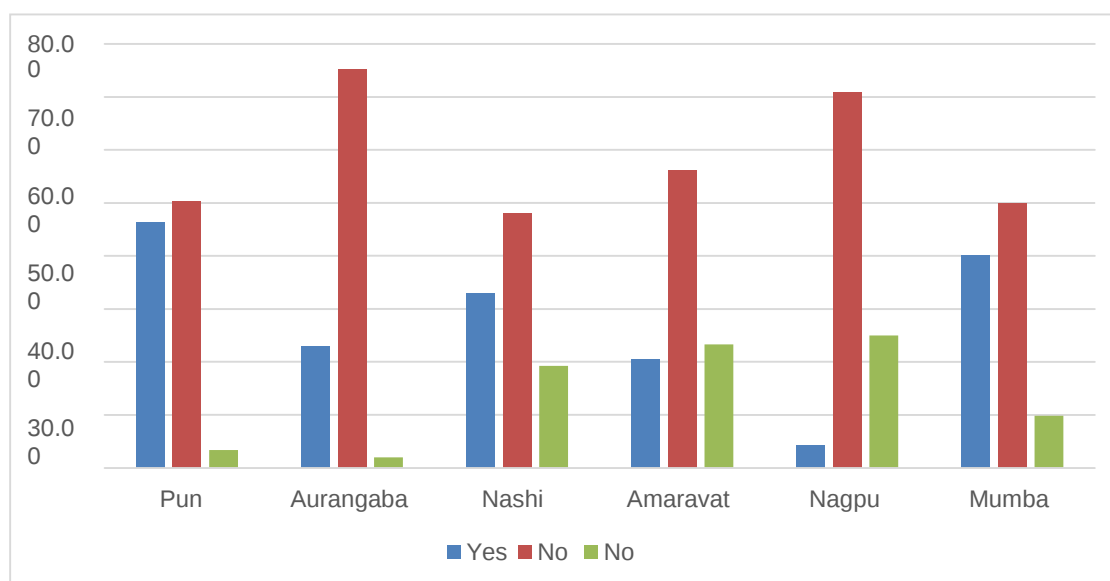
Table No. CQ17: Satisfaction regarding implementation of NEP

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	152	35	63	15	1	90	356
No	165	115	92	41	17	112	542
No Reply	11	3	37	17	6	21	95
Total	328	153	192	73	24	223	993

Table No. CQ17: Satisfaction regarding implementation of NEP? (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	46.34	22.88	32.81	20.55	4.17	40.18	35.81
No	50.30	75.16	47.92	56.16	70.83	50.00	54.53
No Reply	3.35	1.96	19.27	23.29	25.00	9.82	9.66
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No CQ17: Satisfaction regarding implementation of NEP



The New Economic Reforms opened up new areas of business activities for all the entrepreneurs. The implementation of the reforms might have given different perspectives about their utility for business environment. To know the opinion of the MSME entrepreneurs in this aspect the question about the NEP was asked to the respondents. The data obtained is presented in the above table.

The table shows that 542 respondents constituting 54.53% of the sample mentioned that they were not satisfied with the implementation of the economic reforms. Only 356 respondents constituting 35.81% of the sample said they were satisfied with the implementation of NEP. 9.66% of the respondents did not give any answer to this question.

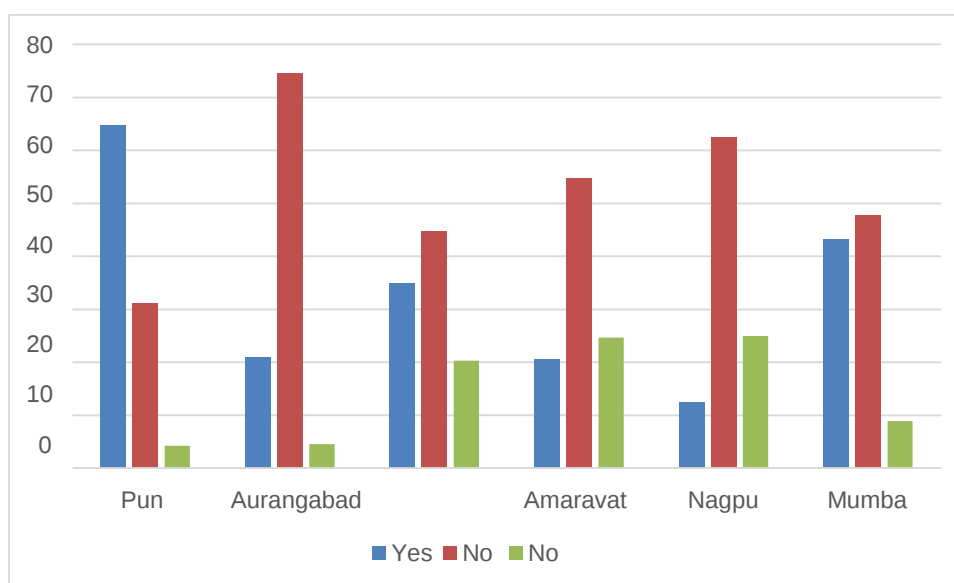
This shows that majority of the MSME entrepreneurs in the state are not satisfied with the implementation of the economic reforms. In their opinion the market based policies make the competition unfair to the entrepreneurs in the small scale sector.

Table No. CQ18: Liberal investment credit under NEP

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	212	32	67	15	3	97	426
No	102	114	86	40	15	107	464
No Reply	14	7	39	18	6	19	103
Total	328	153	192	73	24	223	993

Table No. CQ18: Liberal investment credit under NEP (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	64.63	20.92	34.90	20.55	12.50	43.30	42.86
No	31.09	74.51	44.79	54.79	62.50	47.77	46.68
No Reply	4.26	4.58	20.31	24.66	25.00	8.93	10.46
Total	328	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.CQ18: Liberal investment credit under NEP (%)

In order to verify whether the MSME entrepreneurs feel financially included in the new economic regime or not the question was asked to the respondents. If they are able to get liberal credit then it can be said that they are being financially included. The data regarding this obtained and tabulated above.

The table shows that 464 respondents constituting 46.68% of the respondents said that they did not get the benefit of liberal investment credit in the new economic regime. Around 43% of the respondents said that they obtained liberal investment credit. 10.4% of the respondents preferred not to answer this question.

The analysis shows that the opinion of MSME entrepreneurs in Maharashtra is marginally negative regarding the availability of liberal investment credit during the new economic regime.

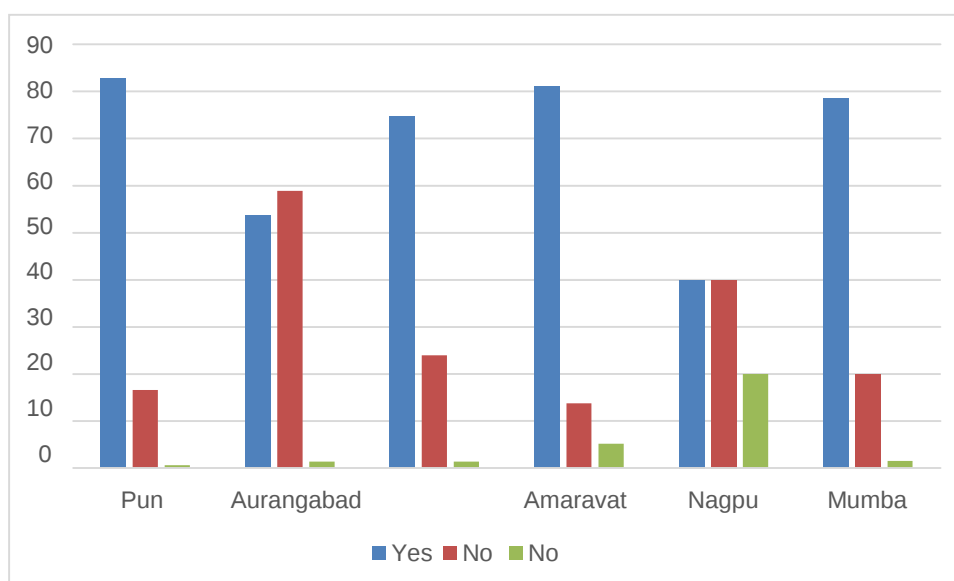
Table No. CQ19: Small industries influence self-employment

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	249	154	106	47	4	153	713
No	50	169	34	8	4	39	264
No Reply	2	4	2	3	2	3	16
Total	301	287	142	58	10	195	993

Table No. CQ19: Small industries influence self-employment (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	82.72	53.66	74.65	81.03	40	78.46	71.80
No	16.61	58.89	23.94	13.79	40	20	26.59
No Reply	0.66	1.39	1.41	5.17	20	1.54	1.61
Total	100	100	100	100	100	100	100

Graph No. CQ19: Small industries influence self-employment (%)



The small industries are more labour oriented and depend on the skills of the entrepreneur. It can therefore be expected that these units generate more self employment. To verify this the respondents were asked to mention their opinion. The data obtained is given in the above table.

The data shows that 713 respondents constituting 71.80% of the sample agreed with the statement that the MSME units do help in promoting self employment. Only 264 respondents constituting 26.59% of the sample did not agree with the statement. Except for minor difference in Aurangabad the responses in all the other regions of Maharashtra are the similar with regard to this question.

From the analysis it is clear that majority of the entrepreneurs in Maharashtra agree that the MSME sector helps in generating self employment.

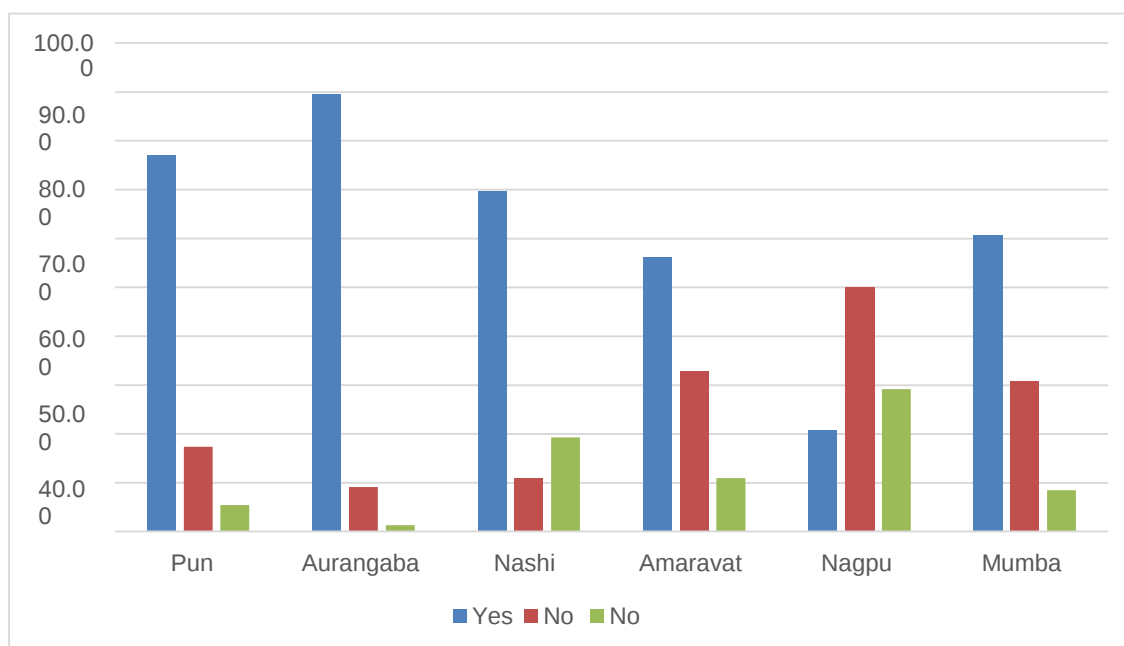
Table No. C20: Modernize industry for globalization

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	253	137	134	41	5	136	706
No	57	14	21	24	12	69	197
No Reply	18	2	37	8	7	18	90
Total	328	153	192	73	24	223	994

Table No.C20: Modernize industry for globalization (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	77.13	89.54	69.79	56.16	20.83	60.71	71.03
No	17.38	9.15	10.94	32.88	50.00	30.80	19.82
No Reply	5.49	1.31	19.27	10.96	29.17	8.48	9.15
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.20: Modernize industry for globalization



The small scale of the business poses limitation of expansion and growth on the MSME units. The globalisation has opened up the market for all foreign firms. To know whether the entrepreneurs in this sector can modernise their units as per the requirement of the competitive market, the question was asked to the respondents. The data obtained is presented in the above table.

The table shows that 706 respondents constituting 71.03% of the sample said that they can modernise their units as per the requirement of competition in a globalised market. Only 197 respondents constituting 19.82% of the sample said that modernisation will not be possible for their units.

The analysis shows that majority of the entrepreneurs in the MSME sector in the state are positive about modernising their units as per the requirement of competition in the globalised world.

SECTION D: MARKETING INFORMATION

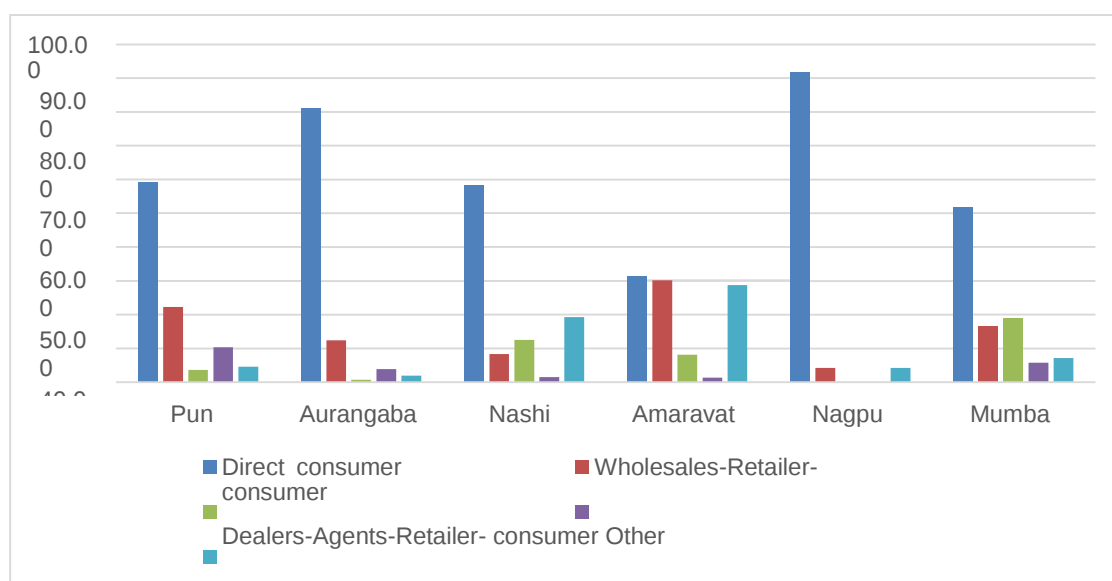
Table No.D1: Marketing Channel

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Direct consumer	194	124	112	23	22	116	591
Wholesales-Retailer-consumer	73	19	16	22	1	37	168
Dealers-Agents-Retailer- consumer	12	1	24	6	0	42	85
Other (specify)	34	6	3	1	0	13	57
No Reply	15	3	37	21	1	15	92
Total	328	153	192	73	24	223	993

Table No.D1: Marketing Channel (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Direct consumer	59.15	81.05	58.33	31.51	91.67	51.79	59.46
Wholesales-Retailer-consumer	22.26	12.42	8.33	30.14	4.17	16.52	16.90
Dealers-Agents-Retailer- consumer	3.66	0.65	12.50	8.22	0.00	18.75	8.55
Other (specify)	10.37	3.92	1.56	1.37	0.00	5.80	5.73
No Reply	4.57	1.96	19.27	28.77	4.17	7.14	9.36
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.D1: Marketing Channel (%)



The products manufactured have to reach the final consumer. For this there are number of channels which an entrepreneur can adopt such as direct sale to consumer, Wholesaler-Retailer-Consumer, or Dealers-Agents-Retailer-Consumer. In order to know the channels of sale used by the MSME entrepreneurs in Maharashtra the question was asked to the them. The data obtained is presented in the above table.

The data shows that 591 respondents constituting 59.46% of the sample said that they used the channel of direct sale to consumers. 168 respondents constituting 16.90% of the sample said they were using the channel of Wholesaler-Retailer-Consumer. Only 8.55% of the respondents said that they took the channel of dealers to reach the consumers.

The analysis shows that majority of the MSME entrepreneurs in Maharashtra were using the channel of direct sale to the consumers. The channel of dealers to consumers is used by less than 10% of the producers in the state. This indicates that most of the products manufactured in this sector are direct consumable products in the household sector.

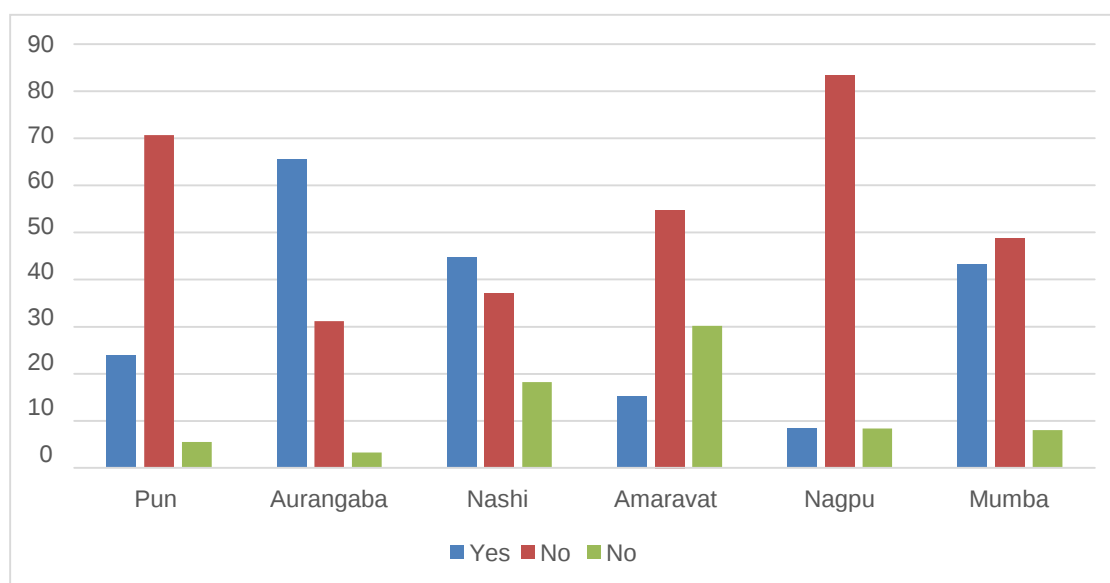
Table No.D2: Considering social background of marketing Intermediaries

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	78	101	86	11	2	97	375
No	231	48	71	40	20	109	519
No Reply	18	5	35	22	2	17	99
Total	327	154	192	73	24	223	993

Table No.D2: Considering social background of marketing Intermediaries(%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	23.85	65.58	44.79	15.07	8.33	43.30	37.73
No	70.64	31.17	36.98	54.79	83.33	48.66	52.21
No Reply	5.50	3.25	18.23	30.14	8.33	8.04	10.06
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. D2: Considering social background of marketing Intermediaries (%)



The concept of social inclusion should be not only reflected in the policies but also in the approaches of the entrepreneurs in this sector. In order to obtain an idea about this the respondents were asked to mention whether they considered the social background of the people while appointing the marketing intermediaries. The data relating to this aspect is presented in the above table.

The table shows that 519 respondents constituting 52.21% of the sample said that they do not consider the social background while appointing marketing intermediaries. 37.73% of the respondents said that they did consider the social background. 10.06% of the respondents preferred not to answer this question.

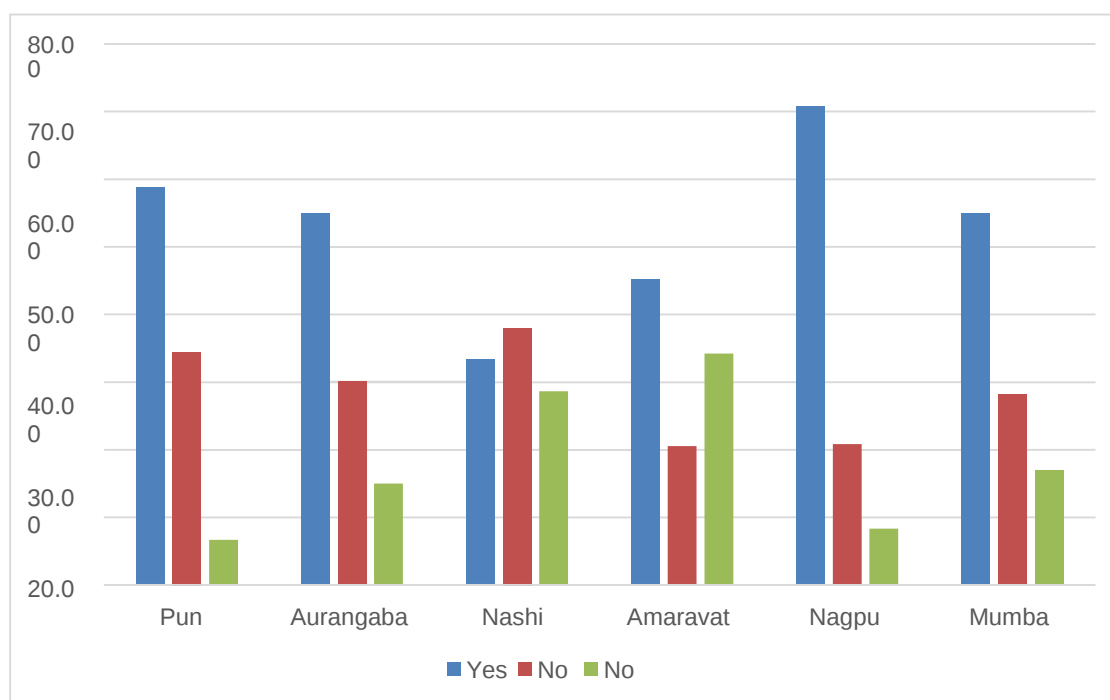
The analysis shows that though majority of the entrepreneurs in the MSME sector in Maharashtra do not consider the social background there a nearly 1/3rd entrepreneurs in this sector who consider the social background. In other words the approach of the entrepreneurs in this sector cannot be fully classified as inclusive.

Table No.D3: Conducting market survey for product

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	193	84	64	33	17	123	514
No	113	46	73	15	5	63	315
No Reply	22	23	55	25	2	37	164
Total	328	153	192	73	24	223	993

Table No.D3: Conducting market survey for product? (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	58.84	54.90	33.33	45.21	70.83	54.91	51.71
No	34.45	30.07	38.02	20.55	20.83	28.13	31.69
No Reply	6.71	15.03	28.65	34.25	8.33	16.96	16.60
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.D3: Conducting market survey for product (%)

In order to enter the right line of production it is necessary to choose the right product as per the market survey before the start of any business activity. Number of times it is observed that based on notions the small entrepreneurs enter a product line and get stuck in losses. For determining the number of entrepreneurs who adopted the market survey based approach the question was to the respondents. The data obtained is presented in the above table.

The table shows that 514 respondents constituting 51.71% of the sample said that they conducted the market survey for their product before entering the business line. 31.69% of the respondents said they did not conduct any kind of market survey. 16.60% of respondents did not provide any answer to this question.

The analysis shows that more than half of the respondents did conduct the market survey for their product before entering the present business line. But there are nearly 30% of the respondents who did not conduct such survey before starting their business activity in the MSME sector. This could be one of the reason for high failure of enterprises in this sector.

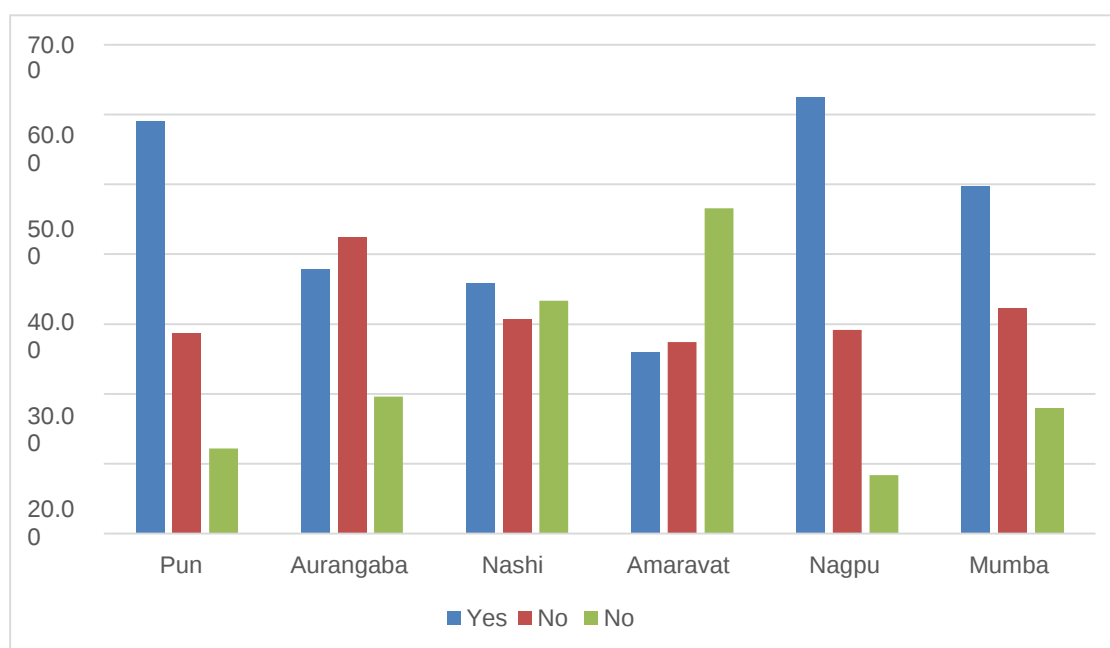
Table No.D4: Marketing problem for enterprises

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	194	58	69	19	15	111	466
No	94	65	59	20	7	72	317
No Reply	40	30	64	34	2	40	210
Total	328	153	192	73	24	223	993

Table No.D4: Marketing problem for enterprises(%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	59.15	37.91	35.94	26.03	62.50	49.78	46.93
No	28.66	42.48	30.73	27.40	29.17	32.29	31.92
No Reply	12.20	19.61	33.33	46.58	8.33	17.94	21.15
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.D4: Marketing problem for enterprises



After knowing the idea about the market survey we wanted to determine whether the units are facing any marketing problem. In order to know this aspect the entrepreneurs were asked to mention whether they were facing any marketing issues for their products. The data obtained is presented in the above table.

The table shows that 466 respondents constituting 46.93% of the sample said that they were facing marketing problems for their products. 31.92% of the respondents said they didn't face any marketing issues. There were no responses from 21.15% of the sample.

The analysis shows that there were slightly less than half respondents in the MSME sector in the state who did face marketing problems. One of the reason could be the lack of market survey being conducted at the start of their business activity.

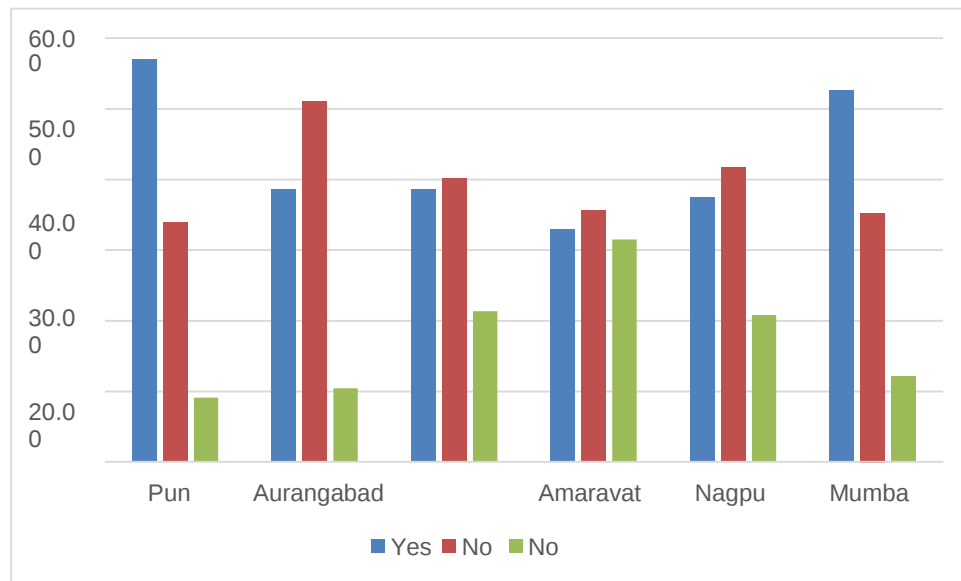
Table No D5: Problem in determining types of sales promotion

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	187	59	74	24	9	118	471
No	111	78	77	26	10	79	381
No Reply	30	16	41	23	5	26	141
Grand Total	328	153	192	73	24	223	993

Table No.D5: Problem in determining types of sales promotion (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	57.01	38.56	38.54	32.88	37.50	52.68	47.38
No	33.84	50.98	40.10	35.62	41.67	35.27	38.33
No Reply	9.15	10.46	21.35	31.51	20.83	12.05	14.29
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.D5: Problem in determining types of sales promotion



The industries adopt number of sales promotion activities. Based on the ability and the scale of operations the choice is made by the entrepreneurs. The social background and the support services also matter in this regard. To initially know whether the entrepreneurs in MSME sector are facing problems in determining the type of sales promotion, the question was asked. The data for this aspect is presented in the above table.

The table shows that 471 respondents constituting 47.38% of the sample said that they did face problems in choosing the channel of sales promotion for their product. 38.33% of the respondents said they did not face problems in this aspect.

The analysis shows that there are nearly half of the entrepreneurs in the MSME sector in Maharashtra who are facing the problem of choosing the type of sales promotion for their product.

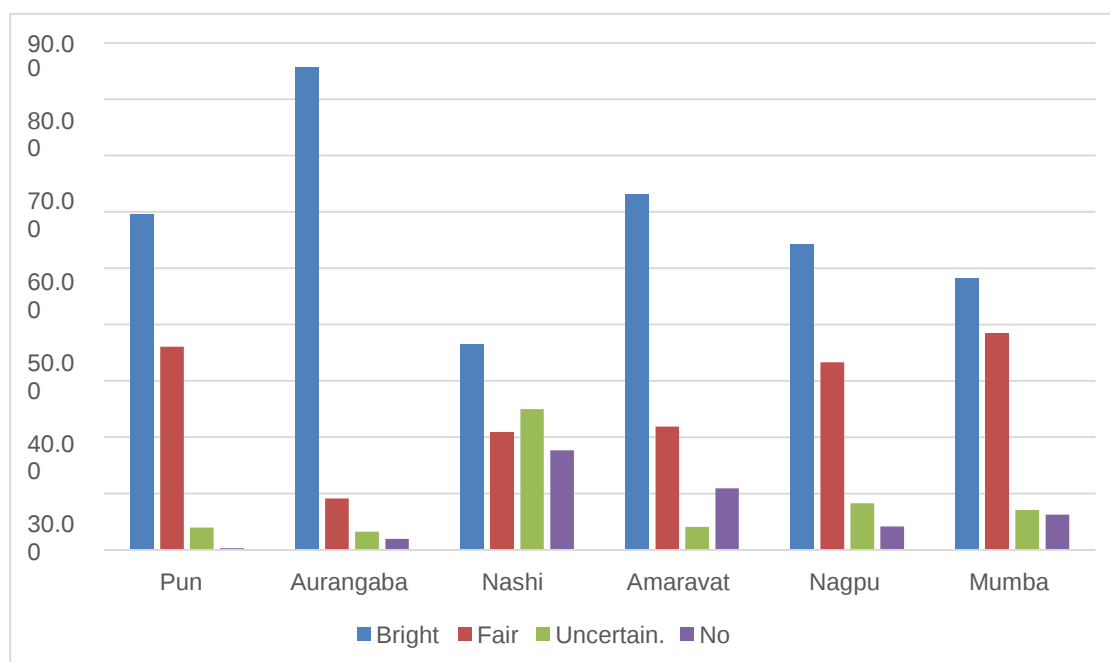
Table No.D6: Opinion about future of Business

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Bright	195	131	70	46	13	108	563
Fair	118	14	40	16	8	86	282
Uncertain.	13	5	48	3	2	16	87
No Reply	1	3	34	8	1	14	61
Total	327	153	192	73	24	224	993

Table No.D6: Opinion about future of Business (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Bright	59.63	85.62	36.46	63.01	54.17	48.21	56.70
Fair	36.09	9.15	20.83	21.92	33.33	38.39	28.40
Uncertain.	3.98	3.27	25.00	4.11	8.33	7.14	8.76
No Reply	0.31	1.96	17.71	10.96	4.17	6.25	6.14
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. D6: Opinion about future of Business



Given the competitive situation in the industrial market and the type of social set the industries have to face it is expected that the entrepreneurs especially in the MSME

sector may be despondent about their future business prospects. In order to know the opinion about the future expectations regarding their business they were asked to rank on the given scale. The data obtained is presented in the above table.

From the table it can be observed that 563 respondents constituting 56.70% of the sample said that they were predicting a bright future for their businesses. 282 respondents constituting 28.40% of the respondents said that they expected a fair future for their business in the current environment. Only 8.76% of the respondents said that they uncertain about their business future.

The analysis shows that majority of the MSME entrepreneurs in Maharashtra are positive about their business prospects.

SECTION E: PRODUCTION INFORMATION:

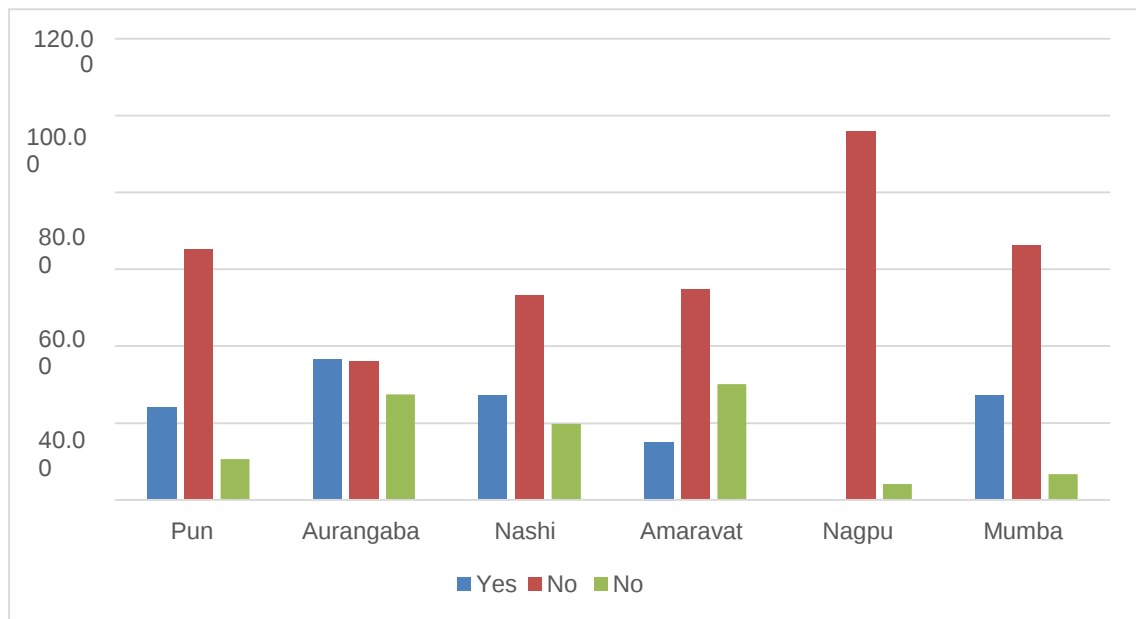
Table No.E1: Export of Product

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	79	56	52	11	0	61	259
No	214	55	102	40	23	148	582
No Reply	35	42	38	22	1	14	152
Total	328	153	192	73	24	223	993

Table No.E1: Export of Product (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	24.09	36.60	27.08	15.07	0.00	27.23	26.06
No	65.24	35.95	53.13	54.79	95.83	66.07	58.55
No Reply	10.67	27.45	19.79	30.14	4.17	6.70	15.39
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No E1: Export of Product (%)



For large scale industries it is easy to produce for international market. But in the age of competition the MSME sector should also aim to produce quality product for international market. In order to know whether the MSME units are exporting or not the question was asked to the respondents. The data obtained is presented in the above table.

The table shows that 582 respondents constituting 58.55% of the respondents said that they exported their products. Only 259 respondents constituting 26.06% of the respondents said that they were producing only for the local markets.

This clearly shows that there are more than half of the sample units of in the MSME sector who are exporting their products.

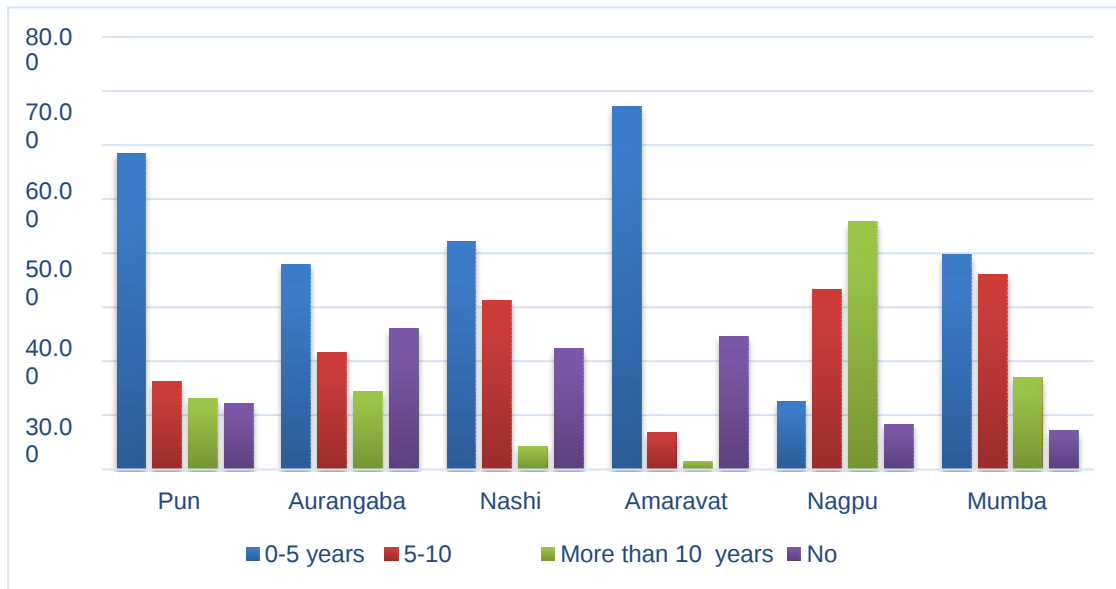
Table No. E2: Age of technology being used

Age	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
0-5 years	192	58	81	49	3	89	472
5-10 years	53	33	60	5	8	81	240
More than 10 years	43	22	8	1	11	38	123
No Reply	40	40	43	18	2	15	158
Total	328	153	192	73	24	223	993

Table No.E2: Age of technology being used (%)

Age	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
0-5 years	58.54	37.91	42.19	67.12	12.50	39.73	47.48
5-10 years	16.16	21.57	31.25	6.85	33.33	36.16	24.14
More than 10 years	13.11	14.38	4.17	1.37	45.83	16.96	12.37
No Reply	12.20	26.14	22.40	24.66	8.33	7.14	16.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No E2: Age of technology being used



For competing in the market locally as well as globally every firm is expected to use the latest technology. To know whether the MSME units are using the latest technology or not the question was asked to the respondents. The data is given in the above table.

The table shows that 472 respondents constituting 47.48% of the sample said that they were using the technology which was less than five years old. 24.14% of the entrepreneurs said that they technology they were using was between five to ten years old. Only 12.37% of the respondents said that their technology was more than ten years old.

From the analysis it is clear that nearly half of the units in the MSME sector in Maharashtra were using latest technologies for production which are less than five years old.

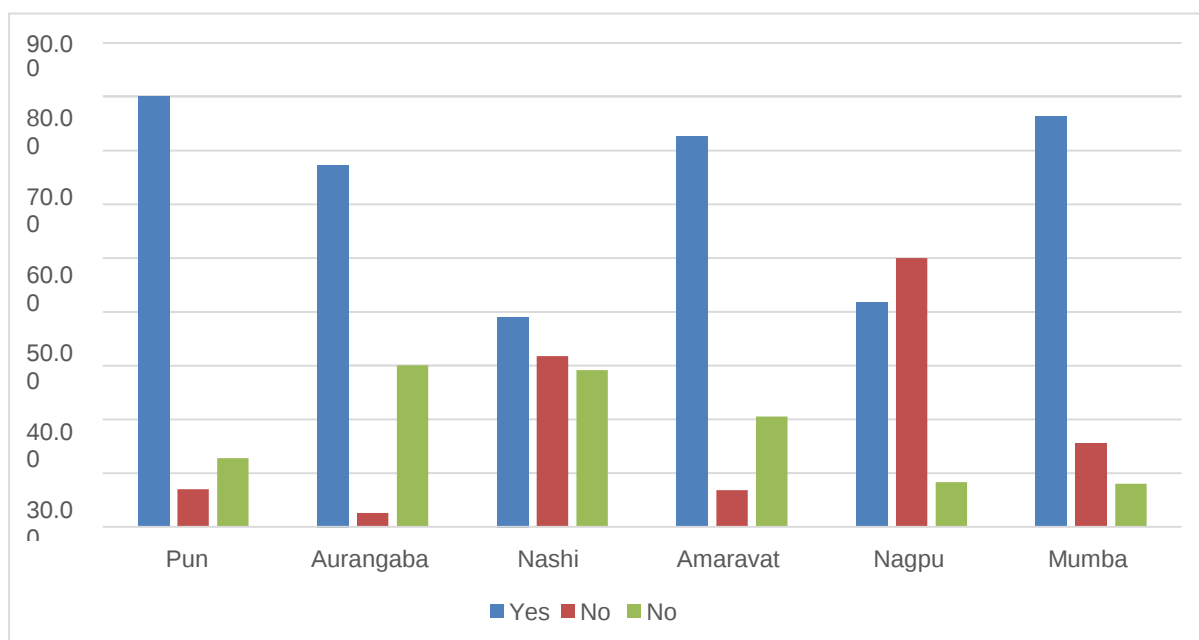
Table No E3: Full production capacity utilisation

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	262	103	75	53	10	171	674
No	23	4	61	5	12	35	140
No Reply	42	46	56	15	2	18	179
Total	327	153	192	73	24	224	993

Table No E3: Full production capacity utilisation (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	80.12	67.32	39.06	72.60	41.67	76.34	67.88
No	7.03	2.61	31.77	6.85	50.00	15.63	14.10
No Reply	12.84	30.07	29.17	20.55	8.33	8.04	18.03
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.E3: Full production capacity utilisation



Though the technology may be new the success of an enterprise is indicated by the utilisation of the installed capacity. Good demand for the products from this sector motivates the producers to fully utilise their installed capacities. To know the extent

of capacity utilisation in the MSME sector the question was asked to the respondents. The data collected is presented in the above table.

The table shows that 674 respondents constituting 67.88% of the sample said that they were able to have fully capacity utilisation. This indicates that the entrepreneurs in this sector are able to rightly assess the production requirement and thereby invest they correct required amount in the fixed capital. Only 14.10% of the respondents mentioned that they were not able to use the full capacity in their plants.

The analysis shows that more than 3/4ths of the MSME enterprises in Maharashtra state are able to utilise their full installed capacity. Their estimate of market demand as well as production capacity is correct. Only a minor percentage of the entrepreneurs responded otherwise.

SECTION F: GOVERNMENT POLICY RELATED INFORMATION

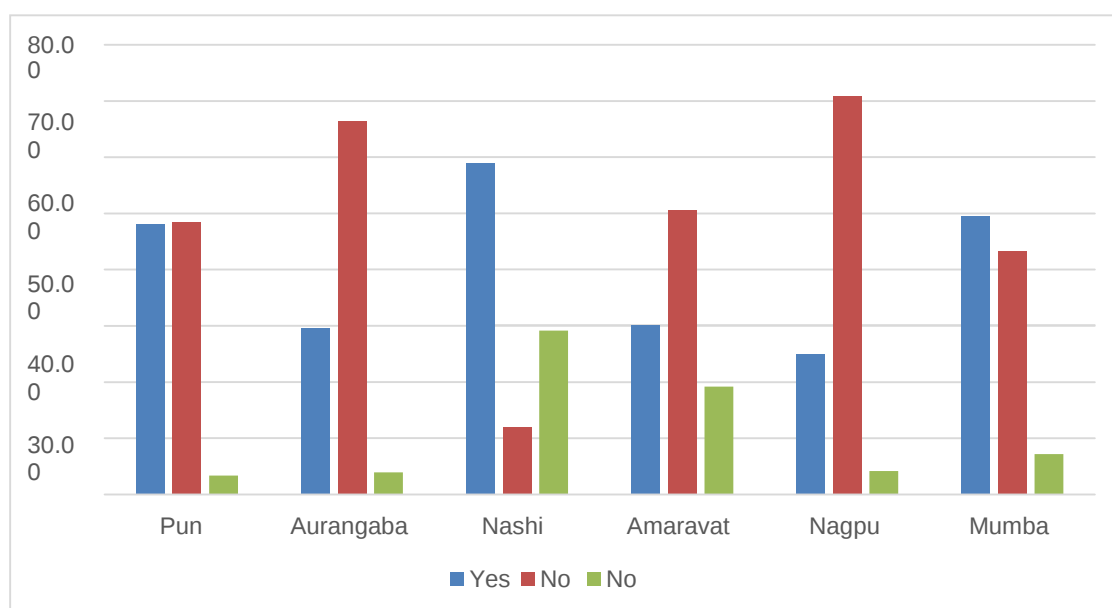
Table No.F1: Approached any Institute/ government for help

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	158	45	113	22	6	111	455
No	159	101	23	37	17	97	434
No Reply	11	6	56	14	1	16	104
Total	328	152	192	73	24	224	993

Table No.F1: Approached any Institute/ government for help (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	48.17	29.61	58.85	30.14	25.00	49.55	45.82
No	48.48	66.45	11.98	50.68	70.83	43.30	43.71
No Reply	3.35	3.95	29.17	19.18	4.17	7.14	10.47
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.F1: Approached any Institute/ government for help



Most of the industries in all the sectors are directly or indirectly supported by the government through various policies and schemes. To know whether these entrepreneurs approached the government for any kind of support the question was asked to the respondents. The data obtained is give in the above table.

The table shows that 445 respondents constituting 45.82% of the sample said that they had approached the government for help at some point for running their units. Almost an equal percentage 43.71% of the entrepreneurs said that they never approached the government for help.

The analysis does not show a clear picture about the dependence of the MSME units on the government.

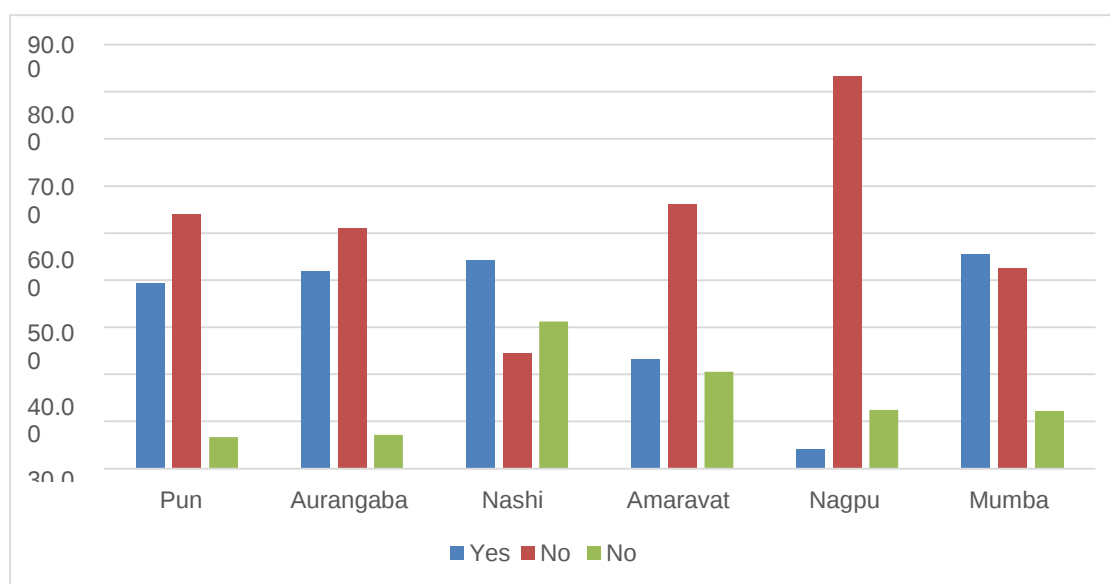
Table No.F2: Favourable response from government

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	129	64	85	17	1	102	398
No	177	78	47	41	20	95	458
No Reply	22	11	60	15	3	26	137
Total	328	153	192	73	24	223	993

Table No.F2: Favourable response from government (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	39.33	41.83	44.27	23.29	4.17	45.54	40.04
No	53.96	50.98	24.48	56.16	83.33	42.41	46.08
No Reply	6.71	7.19	31.25	20.55	12.50	12.05	13.88
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. F2: Favourable response from government (%)



It is expected that for an inclusive policy for industrial development the government has to follow an open minded approach whenever the entrepreneurs approach them. This should be visible in all the actions of functionaries in government offices. In order to know whether the entrepreneurs are getting a favourable response or not the question was asked to the respondents. The data obtained is presented in the above table.

The table shows that 458 respondents constituting 46.08% of the respondents mentioned that they did not get a favourable response from the regulating government offices. 40.04% of the respondents said that they get favorable responses whenever they approached these offices.

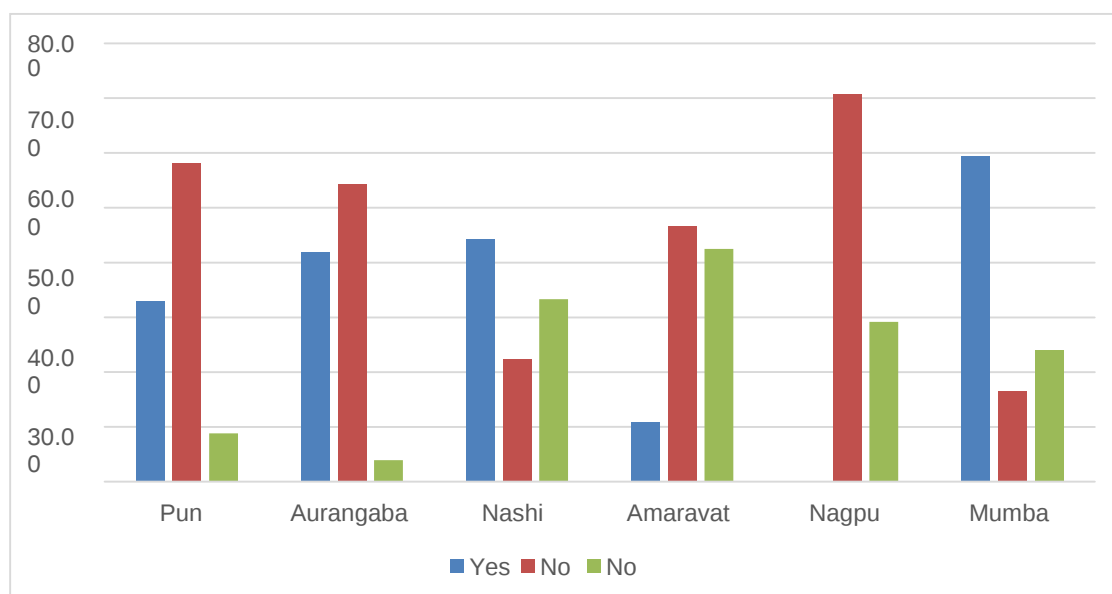
The results show that there are many entrepreneurs in the MSME sector of the state who are of the opinion that they do not get a favourable response from government offices. The approach of the these offices is not observed to be inclusive with respect to the development of the small scale sector.

Table No.F3: Awareness about support schemes of Govt. for MSME

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	108	64	85	8	0	133	398
No	191	83	43	34	17	37	405
No Reply	29	6	64	31	7	53	190
Total	328	153	192	73	24	223	993

Table No.F3: Awareness about support schemes of Govt. for MSME (%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	32.93	41.83	44.27	10.96	0.00	59.38	40.04
No	58.23	54.25	22.40	46.58	70.83	16.52	40.74
No Reply	8.84	3.92	33.33	42.47	29.17	24.11	19.22
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No.F3: Awareness about support schemes of Govt. for MSME

The government floats number of schemes for the development of the industries from time to time. This is also true for MSME sector in the state. To know whether the entrepreneurs are aware about these schemes the question was asked to the respondents. The data obtained is presented in the above table.

The table shows that 405 respondents constituting 40.74% of the sample said that they were not aware of the various development and support schemes from the government. 40.04% of the respondents mentioned that they were aware of the various schemes. 19.22% of the respondents did not answer the question.

The data clearly shows that the MSME entrepreneurs in the state are not fully aware about the various government schemes to promote the sector. Therefore, with reference to the awareness about the government schemes the policies are observed to be not inclusive.

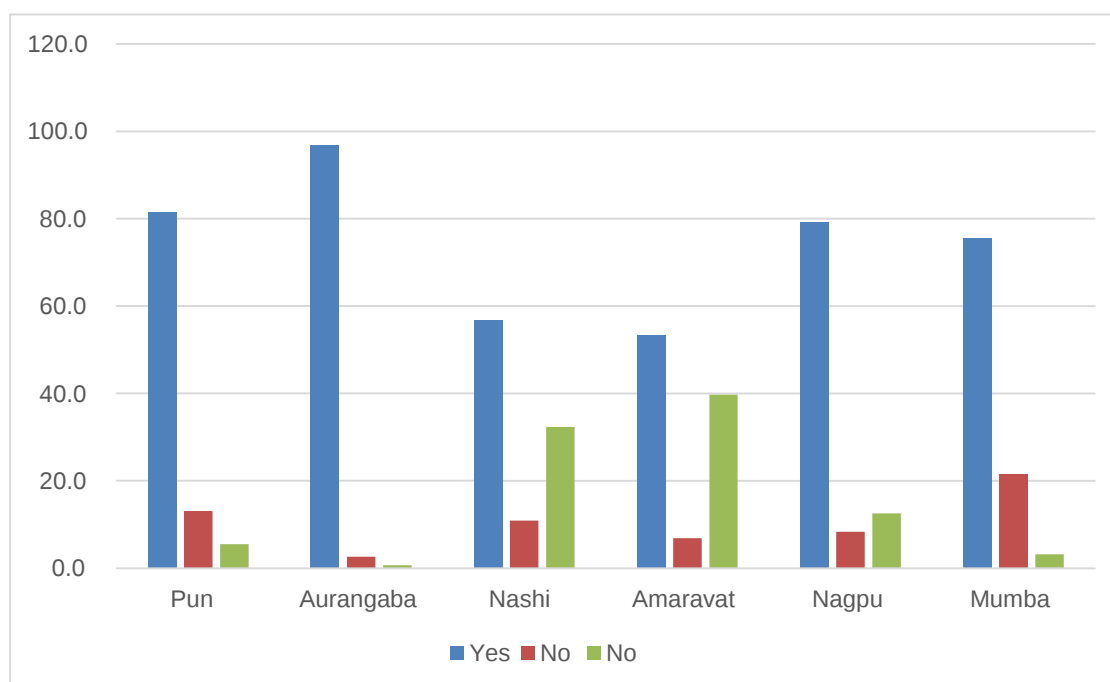
Table No.F 4: Opinion on MSME contribution to national development

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	267	148	109	39	19	169	751
No	43	4	21	5	2	48	123
No Reply	18	1	62	29	3	6	119
Total	328	153	192	73	24	223	993

Table No. F 4: Opinion on MSME contribution to national development(%)

Response	Pune	Aurangabad	Nashik	Amaravati	Nagpur	Mumbai	Total
Yes	81.40	96.73	56.77	53.42	79.17	75.45	75.55
No	13.11	2.61	10.94	6.85	8.33	21.43	12.37
No Reply	5.49	0.65	32.29	39.73	12.50	3.13	12.07
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Graph No. F 4: Opinion on MSME contribution to national development



At the end, with the experience the respondents have with the MSME sector, we intended to know whether they feel that this sector has the potential to contribute to national development. In order to know the opinion of the entrepreneurs about the larger role of this sector, the question was asked. The data obtained is presented in the above table.

From the table it can be observed that 751 respondents constituting 75.55% of the sample gave a positive response for this question. They said that the MSME sector had the potential to contribute to the national development. Only 12.37% of the respondents thought otherwise.

The analysis shows that majority of the entrepreneurs working in the MSME sector have a very positive opinion and mentioned that the sector had the potential to contribute to the national development.

HYPOTHESIS TESTING:

i) INDIA - MAHARASHTRA: NUMBER OF UNITS

In order to examine whether there is significant difference between the number of units registered in India and Maharashtra we formulate the following null and alternative hypothesis.

H₀: There is no significant difference between the number of MSME units started in India and Maharashtra.

H₁: There number of MSME units started in India are significantly higher than the MSME units Maharashtra.

Independent Samples t - Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
TOT UNITS IND-MH	Equal variances assumed	.626	.442	-7.794	14	.000	-26976.00000	3461.18282	-34399.49883	-19552.50117

As the data pertains to eight years the t-test is used for examining the null hypothesis. The results of t-test using the SPSS software are presented in the above table. From the table it can be seen that computed absolute value of t-statistic is 7.794. The critical value of t-statistic at 5% level of significance and 7 degrees of freedom is 1.895. As the calculated value of the test statistic is higher than the critical value, we reject the null hypothesis (**H₀**) and accept the alternative hypothesis (**H₁**) that the number of MSME units started in India are significantly higher than the MSME units Maharashtra. Alternatively the computed p-value is 0.000 which is less than the

critical p-value 0.05. Since the obtained p-value is less than 0.05 we do not accept the null hypothesis and conclude that the number of MSME units in India are significantly higher than in Maharashtra.

ii) INDIA - MAHARASHTRA: YoY% CHANGE

In order to examine whether there is significant difference between the YoY% change in the number of MSME units in India and Maharashtra we formulate the following null and alternative hypothesis.

H₀: There is no significant difference between the YoY% change in the number of MSME units started in India and Maharashtra.

H₁: The YoY% change in the number of MSME units in India is significantly higher than the MSME units Maharashtra.

Independent Samples t - Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
NUMBER YoY%	Equal variances assumed	4.858	.045	-.714	14	.487	-9.18625	12.85820	-36.76435	18.39185

As the data pertains to eight years the t-test is used for examining the null hypothesis. The results of t-test using the SPSS software are presented in the above table. From the table it can be seen that computed absolute value of t-statistic is 0.714. The critical value of t-statistic at 5% level of significance and 7 degrees of freedom is 1.895. As the calculated value of the test statistic is less than the critical value, we do not reject the null hypothesis (**H₀**) and conclude that the YoY% change in the number of MSME

units in India are not significantly higher than the YoY% change in MSME units in Maharashtra. Alternatively the computed p-value is 0.487 which is higher than the critical p-value 0.05. Since the obtained p-value is higher than 0.05 we accept the null hypothesis and conclude that the YoY% change in MSME units in India is not significantly different than YoY% change in MSME units in Maharashtra.

iii) INDIA - MAHARASHTRA: TOTAL INVESTMENT

In order to examine whether there is significant difference between the total investment in MSME sector in India and Maharashtra we formulate the following null and alternative hypothesis.

H₀: There is no significant difference between the total investment in MSME units in India and Maharashtra.

H₁: The total investment in MSME units in India are significantly higher than the total investments MSME units Maharashtra.

Independent Samples t - Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
TOT INV IND-MH	Equal variances assumed	27.849	.000	12.643	14	.000	808907.37500	63981.10818	671681.54590	946133.20410

The results of t-test using the SPSS software are presented in the above table. From the table it can be seen that computed value of t-statistic is 12.643. The critical value of t-statistic at 5% level of significance and 8 degrees of freedom is 1.860. As the

calculated value of the test statistic is higher than the critical value, we reject the null hypothesis (**H₀**) and accept the alternative hypothesis (**H₁**) that the investments in MSME units in India are significantly higher than the investments in MSME units in Maharashtra. Alternatively the computed p-value is 0.000 which is less than the critical p-value 0.05. Since the obtained p-value is less than 0.05 we do not accept the null hypothesis and conclude that the investments in MSME units in India are significantly higher than investments in the sector in Maharashtra.

iv) INDIA - MAHARASHTRA: TOTAL INVESTMENT YoY% CHANGE

In order to examine whether there is significant difference between the YoY% change in investment in the MSME sector in India and Maharashtra we formulate the following null and alternative hypothesis.

H₀: There is no significant difference between YoY% change in investment in the MSME sector in India and Maharashtra.

H₁: The YoY% change in investment in the MSME sector in India is significantly higher than the MSME units Maharashtra.

Independent Samples t - Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
INVESTMENT YoY%	Equal variances assumed	12.905	.003	-.274	14	.788	-3.65125	13.30914	-32.19652	24.89402

As the data pertains to eight years the t-test is used for examining the null hypothesis. The results of t-test using the SPSS software are presented in the above table. From the table it can be seen that computed absolute value of t-statistic is 0.274. The critical value of t-statistic at 5% level of significance and 7 degrees of freedom is 1.895. As the calculated value of the test statistic is less than the critical value, we do not reject the null hypothesis (**H₀**) and conclude that the YoY% change in investment in the MSME sector in India and Maharashtra are not significantly different. Alternatively the computed p-value is 0.788 which is higher than the critical p-value 0.05. Since the obtained p-value is higher than 0.05 we accept the null hypothesis and conclude that the YoY% change in investment in the MSME sector in India and Maharashtra are not significantly different

v) INDIA - MAHARASHTRA: EMPLOYMENT

In order to examine whether there is significant difference between the employment in MSME units in India and Maharashtra we formulate the following null and alternative hypothesis.

H₀: There is no significant difference between the employment in MSME units in India and Maharashtra.

H₁: The employment in MSME units in India are significantly higher than the employment in MSME units Maharashtra.

Independent Samples t - Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
TOT EMP IND-MH	Equal variances assumed	26.025	.000	27.640	14	.000	984.09000	35.60372	907.72761	1060.45239

The results of t-test using the SPSS software are presented in the above table. From the table it can be seen that computed value of t-statistic is 27.640. The critical value of t-statistic at 5% level of significance and 8 degrees of freedom is 1.860. As the calculated value of the test statistic is higher than the critical value, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) that the employment in MSME units in India are significantly higher than the employment in MSME units in Maharashtra. Alternatively the computed p-value is 0.000 which is less than the critical p-value 0.05. Since the obtained p-value is less than 0.05 we do not accept the null hypothesis and conclude that the employment in MSME units in India are significantly higher than employment in the sector in Maharashtra.

vi) INDIA - MAHARASHTRA: EMPLOYMENT YoY% CHANGE

In order to examine whether there is significant difference between the YoY% change in employment in MSME units in India and Maharashtra we formulate the following null and alternative hypothesis.

H_0 : There is no significant difference between the YoY% change in employment in MSME units in India and Maharashtra.

H₁: There YoY% change in employment in MSME units India are significantly higher than the YoY% change in employment in MSME units Maharashtra.

Independent Samples t - Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
TOT EMP IND-MH YoY	Equal variances assumed	10.869	.005	-3.359	14	.005	-17.64750	5.25387	- 28.91593	- 6.37907

As the data pertains to eight years the t-test is used for examining the null hypothesis. The results of t-test using the SPSS software are presented in the above table. From the table it can be seen that computed absolute value of t-statistic is 3.359. The critical value of t-statistic at 5% level of significance and 7 degrees of freedom is 1.895. As the calculated absolute value of the test statistic is higher than the critical value, we reject the null hypothesis (**H₀**) and accept the alternative hypothesis (**H₁**) that the YoY% change in employment in MSME units in India are significantly higher than the YoY% change in employment in MSME units Maharashtra. Alternatively the computed p-value is 0.005 which is less than the critical p-value 0.05. Since the obtained p-value is less than 0.05 we do not accept the null hypothesis and conclude that the YoY% change in employment MSME units in India are significantly higher than in Maharashtra.

CHAPTER – V

FINDINGS AND SUGGESTIONS

5.0 FINDINGS

1. The study shows that only 49.02% of the sample MSME units in Maharashtra were started after 2006.
2. Majority ie. 56.57% of the businesses in the MSME sector are observed to be in the non-farm sector in Maharashtra. In other words the non-farm industrial support products and services are the business line of the entrepreneurs in this sector.
3. It is observed that most of the entrepreneurs form the MSME sector in Maharashtra do not face any physical challenge.
4. The study finds that most (51.05%) of the entrepreneurs in the MSME sector had changed their line of business activity, since they first entered the business line for the first time.
5. It is found that 20.40% of the entrepreneurs in the MSME sector in Maharashtra are in the businesses their parents had started. This is followed by private service and farming which were the occupations of entrepreneurs parents. Relatively less number of entrepreneurs are their in this sector whose parents were either in government service of unemployed.
6. 91.74% of the MSME respondents belonged to Maharashtra state. The entrepreneurs coming from other states and initiating MSME activity is found to be significantly low.

7. Nearly half (49.84%) of the MSME entrepreneurs in Maharashtra are graduates. The entrepreneurs literate or educated only upto primary level were significantly less. This is an indication that education has an impact on imbining the entrepreneurial or risk taking ability in the individuals.
8. It is found that most of the entrepreneurs (84.08%) in the MSME sector are Hindus. Relatively less number of entrepreneurs are from other communities.
9. Majority (87.61%) of the entrepreneurs in Maharashtra are males. The female entrepreneurs in this sector are significantly less. It is therefore observed that MSME is not inclusive with regard to gender.
10. The MSME sector in Maharashtra includes maximum (81.56%) of entrepreneurs in the age-group of 25 to 55 years. Very high age-group entrepreneurs in this sector are insignificant in number.
11. More than 2/3rds of the respondents were owners of the MSME units.
12. Majority i.e. 61.36% of the entrepreneurs in the MSME sector in the state belong to open of general category. The entrepreneurs from backward classes such as SC, ST and NT are found to be less than 10% in the State.
13. It is observed that majority (75%) of the MSME units were located in urban or semi-urban areas. The enterprises in rural and backward areas is observed to significantly low.
14. The study shows that only half of the MSME entrepreneurs were members in professional bodies related to their line of business. This indicates that the awareness among the MSME entrepreneurs to get associated with professional bodies for business and personal growth is very low.
15. The awareness among the MSME entrepreneurs about the New Economic Policies of Government is observed to be very low. Only to have an income source they are in the business and do not understand the need to keep

themselves updated about the present day Government policies for their business prosperity.

16. It is found that not only the awareness about the New Policies is low, but the entrepreneurs receiving the benefits of these policies is also low.
17. More than 60% of the MSME units in Maharashtra are observed to be Sole Proprietorship concerns, followed by Partnership. The other forms of business organisations such as co-operatives, Corporates' are not preferred in the Small Sector.
18. It is found that more than 60% of the MSME units in Maharashtra are in service providing business. The rest 40% are in the manufacturing business. This clearly shows that MSME entrepreneurs prefer service as business proposition compared to manufacturing.
19. The study reveals that nearly 55% of the enterprises in Maharashtra under the MSME category are Micro units. This is followed by small enterprises. The Medium enterprises are found to be less than 15%.
20. The study finds that just above 50% of the MSME entrepreneurs in Maharashtra operate their business on self-owned land. Those operating their businesses on rental lands is observed to be only 30%.
21. More than 85% of the MSME units in the State are not facing any problem of availability of skilled workers. That is worker availability is not a problem for the MSME units in Maharashtra.
22. It is found that more than 60% of the MSME units are obtaining employees from General Category. The availability of skilled workforce in SC, ST, and NT and OBC category, who can be considered for employment in this sector is observed to be very less. In other words, with respect to skill formation among the backward classes for possible employment in MSME sector, there is no concept of inclusion.

23. Most of the MSME entrepreneurs rate the labour productivity in their units as satisfactory. The number of entrepreneurs who rank their labour productivity as high is significantly low. In other words, the MSME entrepreneurs in the State are facing the problem of obtaining highly skilled and productive labour force for their organisations.
24. The study shows that the MSME entrepreneurs do not find any labour productivity difference based on their caste.
25. Though the percentage of MSME firms having and those not having a well set procedure for recruitment and selection is almost the same, the percentage of firms which do not have the procedures are observed to be marginally higher. In other words the MSME units in Maharashtra are tending towards non-inclusion when it comes to the recruitment procedures.
26. It is found that the main criteria for recruitment in MSME organisations is experience and qualifications. Therefore recruitment in MSME sector can be said to be inclusive in this regard.
27. As regards the training of the employees is concerned majority of the MSME firms in Maharashtra are providing it, and there is region-wise variation. Pune and Aurangabad are on the positive side while Amaravati and Nagpur are on the negative side.
28. Majority of the MSME units in Maharashtra were depending on self-financing for venture capital. The component of borrowed money from institutional sources was observed to be relatively low. The Nagpur, Mumbai and Pune region are having the opposite trend than the other regions in the State.
29. The analysis shows that within the formal sources banks are observed to be the most preferred in the MSME sector.

30. It is found that the main non-formal source of venture capital finance in MSME sector is the private source. Except for Nagpur region the pattern of this parameter is observed to be the same.
31. The analysis shows that the interest rate being paid by MSME entrepreneurs is in the medium range of 5-15%. The exploitative rate of interest phenomenon as in agriculture is not found in this sector.
32. Majority of the entrepreneurs in the MSME sector of Maharashtra have either cleared or in the process of clearing their loans. The units which are unable to repay and therefore became defunct are observed to be very insignificant.
33. The analysis shows that majority of the existing entrepreneurs in the MSME sector in Maharashtra were not getting any benefit do to the changes in the investment limit of this sector.
34. Most of the MSME units in the State did not receive any benefit with regard to the increase in the supply of raw materials after the New Economic Policy was introduced.
35. The analysis shows that majority(68.37%) of the MSME units are able to use their full capacity in the era of liberalisation. Only few units were not able to fully use their capacities.
36. The analysis clearly shows that more than 3/4ths of the units produce throughout the year. The problem of irregular production cycle is not observed to be significant in this sector.
37. The analysis shows that capital adequacy problem is not being faced by MSME units in Maharashtra. Except in Nagpur the same trend is observed for adequacy of capital.

38. It is found that though half of the enterprises in the MSME sector in Maharashtra are not facing any problem in securing loans from banks and financial institutions, there is nearly 40% of the entrepreneurs in this sector who are facing the problem.
39. From the analysis it is clear that, though slightly less than half of the MSME entrepreneurs do not consider social background as hindrance in obtaining business finances, there is a small percentage nearing 30% who reported that social background does create an hurdle in this regard. The financial sector so cannot be fully said to be inclusive as observed from the responses furnished by the MSME entrepreneurs.
40. The analysis shows that more than half of the entrepreneurs in MSME sector in Maharashtra were having the system of credit sales. Only just above 1/3rd of the units do not have the system of credit sales. This does indicate that not all units in MSME sector are financially strong to offer credit sales facility to their customers.
41. It is observed that though for less than half of the MSME entrepreneurs social background is not important for extending the credit facilities there is atleast 40% of the entrepreneurs in this sector who fully or to some extent consider the social background.
42. The analysis shows that there are almost equal number of entrepreneurs who are of the opinion that the changes in the industrial policies bring about increase in profits.
43. The analysis shows that most of the entrepreneurs feel that the MSMEs in Maharashtra do not have the strength to compete with the multinational companies. In other words they are naturally excluded from the international market.

44. The MSME entrepreneurs in the state are not satisfied with the implementation of the economic reforms. In their opinion the market based policies make the competition unfair to the entrepreneurs in the small scale sector.
45. The opinion of MSME entrepreneurs in Maharashtra is marginally negative regarding the availability of liberal investment credit during the new economic regime.
46. Majority of the entrepreneurs in Maharashtra agree that the MSME sector helps in generating self employment.
47. The analysis shows that majority of the entrepreneurs in the MSME sector in the state are positive about modernising their units as per the requirement of competition in the globalised world.
48. The analysis shows that majority of the MSME entrepreneurs in Maharashtra were using the channel of direct sale to the consumers. The channel of dealers to consumers is used by less than 10% of the producers in the state. This indicates that most of the products manufactured in this sector are direct consumable products in the household sector.
49. Though majority of the entrepreneurs in the MSME sector in Maharashtra do not consider the social background there a nearly 1/3rd entrepreneurs in this sector who consider the social background. In other words the approach of the entrepreneurs in this sector cannot be fully classified as inclusive.
50. More than half of the respondents did conduct the market survey for their product before entering the present business line. But there are nearly 30% of the respondents who did not conduct such survey before starting their business activity in the MSME sector. This could be one of the reason for high failure of enterprises in this sector.

51. There were slightly less than half respondents in the MSME sector in the state who did face marketing problems. One of the reason could be the lack of market survey being conducted at the start of their business activity.
52. The analysis shows that there are nearly half of the entrepreneurs in the MSME sector in Maharashtra who are facing the problem of choosing the type of sales promotion for their product.
53. Majority of the MSME entrepreneurs in Maharashtra are observed to be positive about their business prospects.
54. There are more than half of the sample units of in the MSME sector who are exporting their products.
55. From the analysis it is clear that nearly half of the units in the MSME sector in Maharashtra were using latest technologies for production which are less than five years old.
56. More than 3/4ths of the MSME enterprises in Maharashtra state are able to utilise their full installed capacity. Their estimate of market demand as well as production capacity is correct.
57. Equal percentage of MSME units are observed to existing in the category of seeking and not seeking help from the government.
58. The results show that there are many entrepreneurs in the MSME sector of the state who are of the opinion that they do not get a favourable response from government offices. The approach of the these offices is not observed to be inclusive with respect to the development of the small scale sector.
59. The data clearly shows that the MSME entrepreneurs in the state are not fully aware about the various government schemes to promote the sector. Therefore, with reference to the awareness about the government schemes the policies are observed to be not inclusive.

5.1 SUGGESTIONS:

1. As most of the business enterprises which fall under the MSME category are started just a decade back, continued Government support is needed to sustain and make them stronger in the competitive market.
2. The farm-based MSME products and services should be also focused in the small sector policies.
3. The businesses in this sector is not continued for long run. There should be mechanism to continue the business and upscale it to a large enterprise, instead of changing the line in between.
4. More support services should be provided especially for first generation entrepreneurs so that they can develop a strong business foundation.
5. Inter-state migration of MSME entrepreneurs should be encouraged. Non-local entrepreneurs should be encouraged to share the entrepreneurial talents between states.
6. As literacy is observed to increase the risk-taking ability education and awareness programs should be promoted for the people in general.
7. MSME sector promotion should be encouraged all minority communities for greater reach of the benefits of the sector.
8. As most of the entrepreneurs are male dominated inclusive policies should be designed for encouraging female MSME entrepreneurs.
9. The enterprises in this sector are just a decade old. Support services for these units should be designed specially to ensure that they are continued by the families not only for the current but also future generations.

10. The entrepreneurs from the backward classes are observed to less in number. The government should plan for increasing the risk taking ability of this section of the people so that all classes of individuals are able to get the benefits of this sector.
11. To tackle the urban and semi-urban bias of the MSME enterprises, the rural and village enterprises should be encouraged.
12. Government can plan to make the membership in professional bodies compulsory for all the MSME entrepreneurs. This will make them professionally run organisations and increase the profitability.
13. NGOs and other small societies at local level should be tapped to spread the message of the New Economic Policies and opportunities for the prospective entrepreneurs in the MSME sector.
14. MSME units at the village and small towns can be promoted in the cooperative sector. This will not only spread the risk but also involve many members in the society.
15. More preference is observed for service providing organisations compared to manufacturing enterprises. Efforts should be made to tie-up with technical training institutions for incubating more manufacturing units in this sector.
16. Training centers for increasing the flow of SC, ST and NT category population in the MSME sector for employment should be set up. This will make the sector more inclusive.
17. Short term training for the employees in the MSME sector should be designed for making them highly skilled.
18. Procedures for standardising the recruitment processes should be put in place to make the entire recruitment and selection mechanism to be more inclusive, in this sector.

19. Banks and other institutional lending sources should be motivated to fund the venture capital of the entrepreneurs in this sector. In the absence of this they are forced to depend only on family finances which limits their growth potential.
20. The financing institutions should not consider the social background while extending the financial support to the new entrepreneurs in this sector. Only the business prospects and the support service to make it successful should be the main concern.
21. Due to the small scale of the activities the MSME sector is not able to compete in the international market. There should be separate set of policy measures to make this sector internationally competitive.
22. As it is proved that the MSME sector is the only solution for creating self-employment, new policy measures to strengthen this sector should be introduced.
23. The scale of activity and the nature of products of the MSME sector makes them to choose direct marketing method. Efforts should be made to increase the scale of their activities so that they are able to take the advantage of different channels of marketing.
24. The sector is not fully socially inclusive with respect to employment. In order to make it more socially inclusive the entrepreneurs should be encouraged to hire people from all social classes. Incentives can be provided to those organisations that are adopting the socially inclusive policies.
25. The study found that majority of the entrepreneurs in the MSME sector have started their enterprise without any prior market survey. This is one of the reason for the business problems they encounter in the later years. The institutions created to develop this sector should give training on conducting Market Survey for all prospective small entrepreneurs.

26. The staff in the Government offices dealing with the MSME sector should be trained to be more supportive and cooperative with the entrepreneurs of this sector. It only then these risk takers will be encouraged to continue and expand their businesses.
27. Continuous efforts are to be made to promote the schemes floated by the Government so that they reach the intended entrepreneurs of this sector. The Government can take the help of Business Schools and their students to promote MSME schemes.

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QUESTIONNAIRE

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INTERVIEW SCHEDULE

A. GENERAL INFORMATION:

1. Taluka : _____

2. Name of M I D C: _____

3. Name & address of company

4. Name of the respondent : _____

Designation of the respondent : _____

a) Age: i) < 25 yrs ii) 25-40 yrs iii) 40-55 yrs iv) 55 above

b) Sex: i) Male iii) Female

c) Community:

i) Caste a) General b) SC c) ST d) NT e) OBC

ii) Religion a) Hindu b) Muslim c) Christian d) Other

d) Education: a) Illiterate b) Primary c) Secondary d) Degree

e) Diploma/Other

e) Native State: a) Maharashtra b) Outside of Maharashtra

f) Occupation of parent: a) Unemployed b) Farming

c) Govt. Servant d) Private Service

e) Business

g) If business, are you continuing the same? 1) Yes 2) No

h) Physically Challenged: 1) Yes 2) No

5. Details of the Industry:

a) Farm b) Non-farm

b) Year of Starting: i) <2006 ii) 2006-2010 iii) >2010

c) Region & Location: i) Rural ii) Urban iii) Semi-Urban

iv) Industrial v) Backward vi) Living area

d) Membership in Association: i) Yes ii) No

6. Details of NEP

A) Do you know the New Industrial Policy/New Economic Policy of Government of India i) Yes ii) No

If yes, what is the main Content of the policy?

a)

b)

c)

B) Are you aware of LPG (Liberalization, Privatization and Globalization) of the Government? i) Yes ii) No

C) Do you avail any benefits from NEP/NIP i) Yes ii) No

If yes, mention the benefit

***Benefit.**

***Drawbacks**

1)

1)

2)

2)

3)

3)

7. Nature of Industry :

1. Single proprietor 2. Partnership 3. Corporate 4. Co-operative
5. Family concern

8. **Type of the organization:** 1. Manufacturing 2. Service

9. Type of the category: 1. Micro 2. Small 3. Medium

10. Factory land area _____ in square feet

11. Land ownership 1) Rental []

2) Self owned []

3) Lease []

a. If rental, Amount of rent per month in Rs. _____

b. If self-owned, current value of site in Rs. _____

B. HUMAN RESOURCE INFORMATION:

1. Personnel of the Organization (Employment Creation):

[illegible]

2. What is the status of availability of workers?
 1. Abundant 2. Adequate 3. Scarce
 - a) From Which Caste do you obtain the Maximum Number of Employees?
 - a) General b) SC c) ST d) NT e) OBC
3. Rate the labour productivity?
 1. High 2. Satisfactory 3. Poor
 - a) Do you find caste-wise difference in productivity?
 1. Ye 2. No 3. To some extent
4. a) Does your organization follow recruitment & selection methods for workers? Yes/No
 1. Yes 2. No
5. Which of the following you criteria consider while recruitment.
 1. Qualification & Experience
 2. Performance
 3. Relation
6. Do you regularly train your employees? 1. Yes 2. No
 - b) If yes, what are the criteria for selecting the employees for training.
 1. Seniority 2. Performance 3. Social background
7. Workers employed during the last year:

A]

Family workers	Average no of worker employment per day	No. of hours worked	Average Per Worker Wages
Male			
Female			
Total			

C. FINANCE INFORMATION:

1. a) Amount of initial Venture capital Rs. ____ Lakh
b) Source of Venture capital
 1. Self -financed
 2. Borrowed
3. If Both, Ratio of Borrowed amount to the total _____
- c) Source of finance, is borrowed from formal institutions.
 - a) Bank
 - b) Cooperative Society
 - c) KVIC
 - d) other agency
- d) From Non-formal institutions.
 - a) Private
 - b) Chit fund
 - c) Money
 - d) other agency
- e) Rate of interest:
 - a) <5%
 - b) 5-10%
 - c) 10-15%
 - d) 15-20%
 - e) 20-25%
- f) Current Status of Loan
 1. Loan Cleared
 2. In progress
 3. Defunct
4. If, in progress outstanding due Rs. _____ Lakhs
2. Have you benefited by raising of investment limit of MSMEs
 1. Yes
 2. No

If yes, mention one the Impact of increasing investment limit of under Economic reforms.

 - i)
 - ii)
 - iii)
3. Did you avail any benefits under NEP for the supply of raw materials?
 1. Yes
 2. No

If yes, what are the benefits?

4. Did you fully utilize capacity? 1. Yes 2. No
If No, mention the reasons a)
b)
c)
5. Do you produce though out year? 1. Yes 2. No
6. a) Whether the existing capital is adequate? Yes / No
b) If No, do you have plan to take more loan? Yes / No
7. a) Does your enterprises face difficulties in securing loans from banks/
financial Institutions? 1. Yes 2. No
b) Do you find difficulty in obtaining finance due to your social background?
1. Yes 2. No
If yes, mention the nature of financial difficulty
1. Less Credit 2. Delay in Sanctioning 3. No Credit
8. a) Does your organization offer credit facilities to your customers? Yes/No
b) Do you consider Social background while considering credit facility.
1. Yes 2. No 3. To some Extent
9. Do you agree that the policy changes promote the enterprise for profit
earning? 1. Yes 2. No
10. Is it possible to complete your MSMEs with multinational companies?
1. Yes 2. No
11. Are you satisfied with the implementation of NEP? 1. Yes 2. No
12. Have you got liberal investment credit under? 1. Yes 2. No
13. Do you agree that that the small industries influence t self-employment?
1. Yes 2. No

14. Can you modernize your industries for globalization? 1. Yes 2. No

D. MARKETING INFORMATION:

1. a) Which channel are used by your organization for marketing the produce?
 - i) Direct consumer
 - ii) Wholesales-Retailer- consumer
 - iii) Dealers-Agents-Retailer- consumer
 - iv) Other (specify)b) Do you consider social background while appointing marketing Intermediaries? 1. Yes 2. No
2. a) Do you conduct market survey for your product? Yes/No
b) If yes, mention the scope of the market survey.
 1. Local
 2. State
 3. National
 4. International.
3. a) Does you enterprises face any marketing problem? Yes/No
b) If yes, mention the types of problem marketing problem faced.
 - 1) Competition of substitute product
 2. Low budget for marketing
 3. Wide spread market
 4. Lack of trained market staff
 - 5) Social Background
 6. Others_____
4. a) Does your organization face any problem while determining types of sales promotion to use? Yes/No
b) If yes, which problems are faced by your organization
 1. Lack adequate funds.
 2. Difficulty to locate the potential customers
 3. Lack of proper personnel to undertake the exercise
 4. Difficulty in predicting the additional sales to be obtained
 5. Social Background
 6. Others option_____

5. Is your industry adversely affected by the forces of globalization? Yes/No
6. Can you predict how the business future of your unit will be?
 1. Bright 2. Fair 3. Uncertain.
7. Are you interested in the market competition forces for the growth under NEP measures
 1. Yes 2. No

E) PRODUCTION INFORMATION:

1. Give details of the output produced in your industry for the following years.
 Name of output: 1. _____ 2. _____
 3. _____ 4. _____
2. Do you Export your Product 1. Yes 2. No
3. How old is the technology you are using in your organization?
 1. 0-5 years 2. 5-10 years 3. More than 10 years
4. a) Is your production capacity fully utilized? Yes/No
 If no, what are the problems in fully using them
 1. Lack of finance 2. Lack of organization 3. Lack of skilled workers 4. Othes

F) GOVERNMENT POLICY RELATED INFORMATION:

1. a) Have you ever approached any Institute/ government for help?
 1. Yes 2. No.
- b) If yes specify the purpose
 1. Training 2. Workshops 3. Consultancy
 4. Development & Support Services 5. Finance
- c) Do you get favourable response from government? 1. Yes 2. No

3. a) Are you aware about various development support schemes of Govt. for MSME? Yes/No

b) If yes, how much is your awareness

1. Very High 2. High 3. Moderate 4. Low 5. Very low

4. Do you think that the Micro, small & medium enterprises lead to the development of the nation? Yes/No

G. ANY SUGGETIONS:

A. For MSME units _____

B. For Government _____

C. For Industry Association _____

Respondent Signature

Mobile:

Email Id: