



Role of Micro, Small and Medium Enterprises in Indian Economic Development

KEYWORDS

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ABSTRACT *Micro, Small and Medium Enterprises (MSMEs) play very significant role in almost all countries of the world irrespective of their development stage. Developed countries like Japan, China, Malaysia, Taiwan, the United States of America and the United Kingdom have developed through the MSMEs many aspects of business such as employment generation, export, tax, income, innovation, competitiveness. The recent wave of Globalization has influenced overall business of the world. The MSMEs have prospered better under this wave of Globalization. Particularly in India, they have made a significant impact on income distribution, social stability, domestic resources utilization technique, structural and regional development, exports, employment and creation of a broad entrepreneurial base. Hence, the MSMEs' are rightly regarded as the backbone of modern Indian economy. With the advent of planned economy in 1951, and the subsequent industrial policy of the Government of India, both planners and the Government have earmarked for small and medium industries a special role in the economy.*

Introduction

The MSMEs form the backbone of the Indian manufacturing sector and have become engines of economic growth in India. It is estimated that the MSMEs account for almost 90 per cent of the industrial units in India and 40 per cent of value addition in the manufacturing sector. It is increasingly recognised that the MSMEs play a crucial role in employment creation and income generation in the Asian Region. The MSMEs can be easily established since their requirements in terms of capital; technology, management and even utilities are not as demanding as it is in the case of large enterprises. Their development is closely associated with more equitable distribution of income and thus important as regards poverty alleviation. At the same time, the MSMEs serve as a training ground for emerging entrepreneurs in some of the Asian region. The full potential of the MSMEs has yet to be tapped as there are a number of constraints hampering its development.

The Micro, Small and Medium Entrepreneurs, by and large, represent a stage in economic transition from traditional to modern technology. The variation in the transitional nature of this process is reflected in the diversity of Small-Scale Industries. Most Small-Scale Industries use simple skills and machinery. Besides playing an important role in the country's economic development, small enterprises because of their unique economic and organizational characteristics play a social and political role in local employment creation, balanced resource utilization, income generation and in helping to promote change in a gradual and peaceful manner. Socio-economic factors affecting Small-Scale Industrial entrepreneurs came to the forefront during the industrial revolution, with nations of entrepreneurial importance gaining favour by the mid-twentieth century. During the 1960's, the behaviour of the individual came to be highlighted as a major factor contributing to Small-Scale Industrial entrepreneurship. Thus, the supply of Small-Scale Entrepreneurs came to be recognized as critical to development of Small-Scale Industries.

In India, state and private enterprises co-exist. The Small and Medium Enterprises sector and business are left completely to private enterprises. Of late, development of the MSMEs has become extremely important to achieve all round development in the country. Consequently, many MSME opportunities are emerging out in fields like electric goods and appli-

cations, medicine, engineering, agriculture, communication, atomic-energy, telecommunications, food technology, packing and the like. These opportunities have been increasing rapidly. A robust and vibrant MSMEs can derive benefits from the new opportunities in both public and private modes. In recent years both government and private agencies have initiated strategies and programmes for developing the MSMEs skills among people. The MSMEs produced a wide range of industrial products such as food products, beverage, tobacco and tobacco products, cotton textiles, wool, silk, synthetic products, jute, hemp & jute products, wood and wood products, furniture and fixtures, paper and paper products, printing publishing and allied industries, machinery, machines, apparatus, appliances and electrical machinery. MSMEs also have a large number of service industries.

DEFINITIONS

Definition of Micro, Small and Medium Enterprises changed over years with the changing circumstances and pressing problems of the Indian economy. Various institutions, government agencies, individuals had defined small industrial units in different ways.

Small Industrial Units (1948): The factory sector units registered under the Factories act of 1948 from organized sector. All traditional units and the remaining units of small industries segment not covered under the Factories Act of 1948 constitute the unorganized sector. Such units generally employ fewer than 10 workers, if power is used and fewer than 20 workers, if power is not used.

The Union Budget 2002-03: The Union Finance Minister announced the change for the small industries definition i.e., enhancement of small industries investment ceiling for specified hosiery / hand tool items. The investment limit in plant and machinery with regard to industrial undertakings manufacturing specified items in the hosiery and hand tool sub-sectors was enhanced from Rs.1 crore to Rs.5 crores.

Micro, Small and Medium Enterprises (MSME) Development Act, 2006: The Micro, Small and Medium Enterprises (MSME) sector has been recognised as an engine of growth all over the world. Many countries have established a SME Development Agencies as the nodal agencies to coordinate

and oversee all Government interventions in respect of the development of this sector. In India, the term Medium establishment has for the first time been defined in terms of a separate Act, governing the promotion and development of Micro, Small and Medium Enterprises (MSME). This came into force from 2nd October, 2006¹.

The definitions given by the Act are as follows

(a) For Manufacturing Enterprises

- A micro enterprise is one where the investment in plant and machinery does not exceed Rs.25 lakh;
- A small enterprise is one where the investment in plant and machinery is more than Rs.25 lakh but does not exceed Rs.5 crore;
- A medium enterprise is one where the investment in plant and machinery is more than Rs 5 crore but does not exceed Rs 10 crore.

(b) For Servicing Enterprises

- A micro enterprise is one where the investment in plant and machinery does not exceed Rs.10 lakh;
- A small enterprise is one where the investment in plant and machinery is more than Rs.10 lakh but does not exceed Rs.2 crore
- A medium enterprise is one where the investment in plant and machinery is more than Rs.2 crore but does not exceed Rs.5 crore.

Role of MSMEs in Indian Economic Development

The role of MSMEs in the economic and social development of the country is well established. The MSMEs sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. this sector contribute 8 per cent of the country's GDP, 45 per cent of the manufactured output and 40 per cent of the exports. MSMEs provide employment to about 600 lakh persons through 260 lakh enterprises. the labour- to-capital ratio in MSMEs and the overall growth in the MSMEs sector are much higher than in the large industries. the geographic distribution of the MSMEs is also more even. thus, MSMEs are important for the national objective of growth with equity and inclusion. the MSMEs sector in india is highly heterogeneous in terms of the size of the enterprises, variety of products and services produced and the levels of technology employed. while one end of the MSMEs spectrum contains highly innovative and high growth enterprises, more than 94 per cent of the MSMEs are unregistered, with a large number established in the informal or unorganised sector. with the liberalisation and globalisation of India's economy, the MSMEs sector is facing several challenges in the areas of technology, access to credit and equity capital, and intense competition in marketing. In recognition of the potential of the MSMEs sector for employment generation and the challenges faced by it, the Government has emphasised on its growth and development.

Government policy towards MSMEs

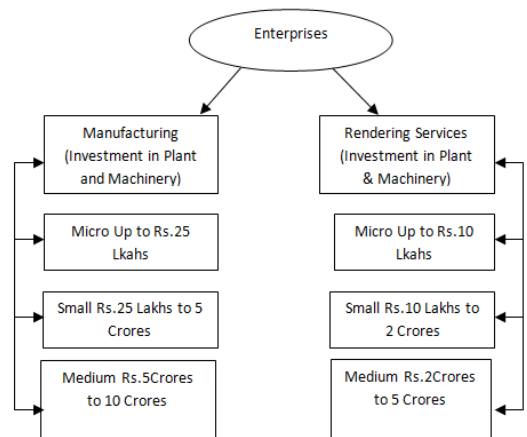
The primary responsibility of promotion and development of micro, small and medium enterprises lies with the state Governments. However, the Government of India, in recognition of the potential of these sectors in both creation of wealth and employment, and of the need for countrywide framework of policies and measures for their promotion and development, has always taken active interest in supplementing the efforts of the State Governments in several ways. The Government of India set up the Small Industries Development Organization (SIDO) in 1954, a public sector enterprises called the National Small Industries Corporation Limited (NSIC) in 1955, and enacted the Khadi and Village Industries Commission Act in 1956. The establishment of Khadi and Village Industries Commission (KVIC), Coir Board and MSMEs -development Institutes [formerly known as Small Industries Service Institutes (SISIs)] in nearly every State followed².

Over the year, the Central Government has formulated policy

packages for the promotion and development of the sector and has been also implementing a large number of scheme and programmes. The policies and programmes implemented by the Ministry span across different areas of operations of the MSMEs, covering credit, marketing, technology, skill development, infrastructure development, fiscal matters and legal/regulatory framework. these programmes are implemented through various organisations under the Ministry, commercial banks, Small Industries Development Bank of India (SIDBI), and the State/ UT government. Besides, the Ministry runs three training institutes, namely the National Institutes for Micro, Small and Medium Enterprises (NIMSME), Hyderabad; National Institute for Entrepreneurship and Small Business Development (NIESBUD), NOIDA; and Indian Institute of Entrepreneurship (IIE), Guwahati, with the objective of training and development of human resource relevant to small industries as also entrepreneurship, It has also supported in setting up a large number of Entrepreneurship Development Institutes (EDI) in various States. The Office of the Development Commissioner (MSME) assists the Ministry in formulating, Co-ordinating, implementing and monitoring different policies and programmes for the promotion and development of MSMEs in the country. In addition, it provides a comprehensive range of common facilities, technology support services, marketing assistance, etc. through its network of 30 MSME- DIs; 28 Branch MSME-DIs ; 4 MSME Testing Centres (MSME-TIs); and 1 MSME- Technology Development Centre- Hand Tools (MSME-TDC-Hand Tools). MOMSME also operates a network of tool rooms and technology development centres which are autonomous bodies registered as societies under the societies Act.

State Level Institutional Support

State governments execute different promotional and developmental projects/ schemes and provide a number of supporting incentives for development and promotion of the MSME sector in their respective States. These are executed through State Directorate of Industries, who has District Industries Centers (DICs) under them to implement Central/ State Level schemes. The State Industrial Development & Financial Institutions (SIDFI) and State Financial Corporations (SFC) look after the needs of the MSME sector³. The classification of enterprises is presented in figure.



Source: Salient Provision of MSME Act, 2006.

Performance of MSMEs in India

The micro, small and medium enterprises (MSME) sector plays a significant role in the improvement of production, employment and exports of the country. This sector accounts for about 45 percent of manufacturing output and 40 percent of total exports of the country. This sector employs about 60 million persons in over 26 million units throughout the country. Further, this sector has consistently registered a higher growth rate than the rest of the industrial sector.

These are over 6000 products ranging from traditional to high-tech items which are being manufactured by the MSMEs in India. It is well known that the MSMEs provide the maximum opportunities for the self employment and jobs

after agriculture. The data on various economic parameters to evaluate the performance of this sector are presented in table 1.

Table 1

Performance of Micro, Small and Medium Enterprises (MSMEs) Sector in India During 1990-91 to 2010-11

Year	Number of Total MSMEs (in lakh)	Fixed Investment (Rs. Crore)	Production (Rs. Crores)	Employment (Lakh persons)	Average Investment (3 ÷ 2)	Average Production (4 ÷ 2)	Average Employment (5 ÷ 2)
1	2	3	4	5	6	7	8
1990-91	67.87	93555	78802	158.34	1378.44	1161.07	2.33
1991-92	70.63	100351	80615	166.99	1420.80	1141.37	2.36
1992-93	73.51	109623	84413	174.84	1491.27	1148.32	2.38
1993-94	76.49	115797	98796	182.64	1513.88	1291.62	2.39
1994-95	79.60	123790	122154	191.40	1555.15	1534.60	2.40
1995-96	82.84	125750	147712	197.93	1517.99	1783.10	2.39
1996-97	86.21	130560	167805	205.86	1514.44	1946.47	2.39
1997-98	89.71	133242	187217	213.16	1485.25	2086.91	2.38
1998-99	93.36	135482	210454	220.55	1451.18	2254.22	2.36
1999-00	97.15	139982	233760	229.10	1440.89	2406.18	2.36
2000-01	101.1	146845	261297	238.73	1452.47	2584.54	2.36
2001-02	105.21	154389	282270	249.33	1467.44	2682.92	2.37
2002-03	109.49	162317	314850	260.21	1482.48	2875.61	2.38
2003-04	113.95	170219	364547	271.42	1493.80	3199.18	2.38
2004-05	118.59	178699	429796	282.57	1506.86	3624.22	2.38
2005-06	123.42	188113	497842	294.91	1524.17	4033.72	2.39
2006-07	261.01	500758	709398	594.61	1918.54	2717.90	2.28
2007-08	272.79	558190	790759	626.34	2046.23	2898.78	2.30
2008-09	285.16	621753	880805	659.35	2180.37	3088.81	2.31
2009-10	298.10	693835	982919	695.38	2327.52	3297.28	2.33
2010-11	311.52	773487	1095758	732.17	2482.94	3517.46	2.35
Mean	138.94	255082.71	381998.52	325.99			
CV	61.84	86.71	83.77	60.48			
LGR	8.49	11.34	12.45	8.35			
CGR	7.7	9.9	13.7	7.6			
t-value	7.097**	6.058**	10.388**	7.238**			

** Significant at 1 per cent level

Note: The data for the period up to 2005-06 are only for small scale industries (MSMEs). Subsequent to 2005-06, data with reference to micro, small and medium enterprises are being compiled.

Source: 1 Reserve Bank of India and Ministry of Micro, Small and Medium Enterprises (MSMEs), Govt. of India., 2. www.indiastat.com.

It can be observed from table 1 that the number of MSMEs have increased from 67.87 lakh units in 1990-91 to 311.52 lakh units by 2010-11. During the reform period, the growth of MSME units has been gradual and steady which is evident from the increase from 97.15 lakh units in 1999-2000 to 311.52 lakh units in 2010-2011. There has been a steady growth in investment, production and employment during 2010-2011 over 1990-91. The fixed investment and production increased from Rs.93,555 crore and Rs.78,802 crore in 1990-91 to Rs.773,487 crore and Rs.1,095,758 crore in 2010-11 respectively at current prices. There has been a steady increase of employment of MSMEs. The employment in MSMEs increased from 158.34 lakh in 1990-91 to 732.17 lakh during 2010-11 respectively. Thus, significant at 1 per cent

level progress has been achieved by MSMEs in India during the last two decades as indicated by linear growth rate, compound growth rate and 't' values. The details of share of MSME sector and India's merchandise during 1980-81 to 2010-11 are presented in table 2.

Table 2

The Share of MSME Sector and India's Merchandise Exports during 1980-81 to 2010-2011

(Rs. In Crore)

Year	Total Exports	Exports from MSME Sector	MSME Sector Share (%)
1980-81	6711	1600	23.8

1981-82	7803	2070	26.5
1982-83	8908	2045	22.9
1983-84	9872	2164	21.9
1984-85	11744	2553	21.7
1985-86	10895	2800	25.7
1986-87	12567	3648	29.0
1987-88	15741	4535	28.8
1988-89	20232	5490	27.1
1989-90	27681	7626	27.5
1990-91	32553	9664	29.7
1991-92	44042	13883	31.5
1992-93	53688	17784	33.1
1993-94	69751	25307	36.2
1994-95	82674	29068	35.2
1995-96	106353	36470	34.3
1996-97	118817	39248	33.0
1997-98	130101	44442	34.2
1998-99	139752	48979	35.0
1999-00	159561	54200	33.9
2000-01	203571	69797	34.3
2001-02	209018	71244	34.0
2002-03	255137	86013	33.7
2003-04	293367	97644	33.2
2004-05	375340	124417	33.1
2005-06	456418	150242	32.9
2006-07	571779	182538	31.9
2007-08	655864	202017	30.8
2008-09	840755	219227	26.1
2009-10	945534	229714	27.2
2010-11	1142649	NA	NA

Source: Directorate general of commercial intelligence & statistics (DGCI&S).

From the table 2, the share of MSMEs sector to total exports increased consistently from 23.8 per cent during 1980-81 to 27.6 per cent during 1989-90 and to 27.20 per cent during 2009-10. It is striking to observe that the share of MSME sector has oscillated between a minimum of 21.7 per cent and a maximum of 29.0 per cent during the pre-reform period. In absolute terms, the exports of MSMEs sector have increased from Rs.1600 crore in 1980-81 to Rs.7626 crore in 1989-90. During the post-reform period the share of small scale sector in the total exports has ranged between a minimum of 29.7 per cent and maximum of 36.2 per cent. In absolute terms, the value of exports of MSMEs sector has increased from Rs.9664 crore in 1990-91 to Rs.2,29,714 crore in 2009-10. State-wise percentage distribution of number of registered micro, small and medium enterprises by the type of organisation in India are presented in table 3.

Table 3
State-wise Percentage Distribution of Number of Registered MSMEs by the Type of Organization in 2010-11

S. No	State/UT Name	NUMBER OF ENTREPRISES HAVING TYPE OF ORGANIZATION							Total
		Proprietary	Partnership	Private co.	Public ltd	Co-operative	Others		
1	Jammu & Kashmir	91.05	5.44	1.07	0.82	0.08	1.54	100.00	
2	Himachal Pradesh	91.43	3.96	2.56	1.15	0.65	0.25	100.00	
3	Punjab	81.67	13.96	2.93	0.75	0.27	0.43	100.00	
4	Chandigarh	73.10	17.27	5.42	3.61	0.21	0.30	100.00	
5	Uttaranchal	94.82	2.76	1.29	0.55	0.26	0.32	100.00	
6	Haryana	77.80	8.05	6.82	1.67	0.37	5.29	100.00	
7	Delhi	55.78	25.49	13.21	4.16	0.64	0.72	100.00	
8	Rajasthan	88.51	5.82	4.31	0.61	0.16	0.59	100.00	
9	Uttar Pradesh	94.25	2.57	1.63	0.48	0.15	0.92	100.00	
10	Bihar	96.34	1.52	0.26	0.37	0.16	1.35	100.00	
11	Sikkim	80.32	4.10	9.02	0	3.28	3.28	100.00	
12	Arunachal Pradesh	93.29	2.64	2.48	0.73	0.34	0.48	100.00	
13	Nagaland	90.77	1.35	1.20	0.37	5.26	1.05	100.00	
14	Manipur	99.29	0.29	0.09	0.02	0.07	0.24	100.00	
15	Mizoram	98.31	0.44	0.24	0.26	0.08	0.67	100.00	
16	Tripura	88.76	6.33	2.04	0.84	0.52	1.49	100.00	
17	Meghalaya	97.82	0.27	1.09	0.08	0.44	0.30	100.00	
18	Assam	93.93	2.39	1.69	0.41	0.27	1.31	100.00	
19	West Bengal	84.29	8.89	5.09	0.94	0.36	0.43	100.00	
20	Jharkhand	94.61	2.86	1.33	0.60	0.08	0.52	100.00	
21	Orissa	90.86	3.38	3.57	0.46	1.09	0.63	100.00	
22	Chhattisgarh	96.13	1.80	0.82	0.34	0.18	0.73	100.00	
23	Madhya Pradesh	97.26	1.38	0.87	0.28	0.08	0.13	100.00	
24	Gujarat	83.48	3.09	3.59	0.49	0.15	9.19	100.00	
25	Daman & Diu	30.30	36.36	24.92	6.57	0.17	1.68	100.00	
26	Dadra & Nagar Haveli	10.66	11.10	23.54	11.77	2.85	40.09	100.00	
27	Maharashtra	78.32	7.24	11.81	1.16	0.59	0.88	100.00	
28	Andhra Pradesh	84.68	9.57	3.05	0.57	0.39	1.74	100.00	
29	Karnataka	94.39	2.55	1.63	0.39	0.36	0.68	100.00	
30	Goa	77.03	11.59	7.22	2.17	0.23	1.76	100.00	
31	Lakshadweep	100	0	0	0	0	0	100.00	
32	Kerala	93.04	3.10	0.81	0.41	0.71	1.93	100.00	
33	Tamil Nadu	93.73	3.06	1.69	0.19	0.22	1.11	100.00	
34	Pondicherry	72.78	11.65	10.68	2.21	0.96	1.72	100.00	
35	Andaman & Nicobar Islands	91.07	2.53	4.4	0.67	0.53	0.8	100.00	
	All India	90.66	4.01	2.77	0.54	0.30	2.26	100.00	

Source: Census of Micro, Small and Medium Enterprises, 2010-11, Ministry of Micro, Small and Medium Enterprises, New Delhi.

The state-wise percentage distribution of number of registered MSMEs by the type of organization is furnished in table 3. Of all the type of organizations, proprietary category is conspicuous with 90.66 per cent MSMEs in the country. This is however, distantly followed by partnership and private company category of units of 4.01 and 2.77 per cent respectively. Among the states, the proprietary category recorded the highest percentage of 99.29 in Manipur and lowest of 10.66 per cent in Dadra & Nagar Haveli. This range is however, highly pronounced in the case of partnership from 0 (zero) in Lakshadweep to 36.36 of Daman & Diu while the percentage varied from 0.24 per cent in Mizoram to 24.92 per cent of Daman and Diu in the case of private company organization. Except union territories like Daman and Diu and Dadra and Nagar Haveli, majority of states and union territories (17) witnessed more than 90 per cent of investment under proprietary category, followed by 9 states in the range of 80 to 90 per cent and 5 states in the range of 70 to 80 per cent. State-wise percentage distribution of number of micro, small and medium enterprises by nature of operation in India is presented in table 4.

Table 4
State-wise percentage Distribution of Number of MSMEs by Nature of Operation in India 2010-11

State / UT Code	Number of Units Nature of Operation				
	State / UT Name	Perennial	Seasonal	Casual	Total
01	Jammu & Kashmir	94.95	4.94	0.11	100.00
02	Himachal Pradesh	93.81	6.16	0.03	100.00
03	Punjab	92.90	7.07	0.03	100.00
04	Chandigarh	99.20	0.70	0.10	100.00
05	Uttaranchal	95.38	4.56	0.06	100.00
06	Haryana	95.48	4.50	0.02	100.00
07	Delhi	98.72	0.91	0.37	100.00
08	Rajasthan	96.49	3.48	0.03	100.00
09	Uttar Pradesh	96.96	2.91	0.13	100.00
10	Bihar	94.16	5.82	0.02	100.00
11	Sikkim	86.07	13.11	0.82	100.00
12	Arunachal Pradesh	91.13	8.87	0	100.00
13	Nagaland	97.97	1.95	0.08	100.00
14	Manipur	97.97	1.32	0.71	100.00
15	Mizoram	97.55	2.26	0.19	100.00
16	Tripura	87.93	11.47	0.60	100.00
17	Meghalaya	82.79	17.21	0	100.00
18	Assam	95.50	4.33	0.17	100.00
19	West Bengal	96.11	3.87	0.02	100.00
20	Jharkhand	97.39	2.61	0	100.00
21	Orissa	95.45	4.32	0.23	100.00
22	Chhattisgarh	94.60	5.37	0.03	100.00
23	Madhya Pradesh	94.33	5.12	0.55	100.00
24	Gujarat	99.19	0.69	0.12	100.00
25	Daman & Diu	100	0	0	100.00
26	Dadra & Nagar Haveli	99.48	0.46	0.06	100.00

27	Maharashtra	94.21	5.59	0.20	100.00
28	Andhra Pradesh	94.89	4.64	0.47	100.00
29	Karnataka	95.58	3.94	0.48	100.00
30	Goa	94.58	4.81	0.61	100.00
31	Lakshadweep	100	0	0	100.00
32	Kerala	98.38	1.22	0.40	100.00
33	Tamil Nadu	99.27	0.54	0.19	100.00
34	Pondicherry	96.55	3.38	0.07	100.00
35	Andaman & Nicobar Islands	98.8	0.93	0.27	100.00
	All India	96.81	2.97	0.22	100.00

Source: Census of Micro, Small and Medium Enterprises, 2010-11, Ministry of Micro, Small and Medium Enterprises, New Delhi.

The state wise percentage distribution of number of MSMEs by nature of operation is presented in table 4. As per the table a large share of 96.81 per cent of MSMEs is perennial in nature operating throughout the year. The seasonal and casual categories during 2010-11 occupy a percentage of 2.97 and 0.22 respectively. Three states, i.e., Meghalaya, Sikkim and Tripura (relatively poor states) are observed to have units having seasonal operations with percentages in double digit. The percentage of units in the above states under the seasonal operations accounts for 17.21, 13.11 and 11.47 in the case of Meghalaya, Sikkim and Tripura respectively. All the remaining states show single digit percentage of units under the seasonal and casual category of operations. Category-wise distribution of MSMEs functioning in India in 2009-2010 is shown in table 5.

Table 5
Category-wise Distribution of MSMEs Functioning in India in 2010-11

Sl. No.	Name of Industries	No. of MSMEs Functioning
1.	Manufacture of Wearing Apparel, Dressing and Dyeing of Fur	2145505
2.	Manufacture of Food Products	1786890
3.	Manufacture of Furniture & Manufacturing N.E.C.	746916
4.	Manufacture of Fabricated Metal Products	637740
5.	Manufacture of Wood and Wood Products	606761
6.	Manufacture of Textiles	451304
7.	Manufacture of Other Non-Metallic Product	331415
8.	Manufacture of Tobacco Products	190510
9.	Manufacture of Machinery and Equipment N.E.C	169953
10.	Manufacture of Luggage, Hand Bags Saddler, Harness & Footwear	159585
11.	Manufacture of Rubber and Plastic Products	135638
12.	Manufacture of Chemical and Chemical Products	132809

13.	Manufacture of Electrical Machinery & Apparatus N.E.C	103281
14.	Manufacture of Basic Metals	102279
15.	Manufacture of Radio, Television and Communication Equipment and Apparatus	52541
16.	Manufacture of Paper & Paper Products	31648
17.	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	20893
18.	Manufacture of Other Transport Equipments	19405
19.	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	15275
20.	Manufacture of Others	19397
21.	Repairs of Personal and Household Goods	1714135
22.	Post and Telecommunications	681125
23.	Repair & Maintenance of Motor Vehicles and Motorcycles	628273
24.	Publishing, Printing and Reproduction of Recorded Media	186453
25.	Computer and Related Activities	72631
26.	Other Business Activities	291848
27.	Other Service Activities	907451
	Total	12341665

Source: 1. Lok Sabha Started Question No. 124, dated 01-08-2011.

2. www.indiastat.com.

Table 5 shows the number of MSMEs functioning in India at the end of March 2010. The total number of units-both registered and unregistered account for 123.42 lakh units. The prominent MSMEs are in the category of manufacture of Wearing Apparel, Dressing and Dyeing of Fur (21.46 lakh units). Followed by manufacture of Food Products (17.87 lakh units) and manufacture of furniture and NEC (7.47 lakh units) respectively. As per the table, of the total 27 categories of industries, total 10 categories of units account for about 80 per cent and remaining 20 per cent of units working as 17 categories.

REFERENCE

1. Micro Small and Medium Enterprises (MSMEs) Development Act, 2006, MSMEs Classification, 2011, New Delhi. | 2. www. Khadi and Village Industries Commission (KVIC), Coir Board and MSMEs -development Institutes 2010. | 3. Salient Provision of Micro, Small and Medium Enterprises Development Act, 2006. |