



Micro, Small and Medium Enterprises – A Case Study of Maharashtra

KEYWORDS

Entrepreneur, Entrepreneurship Development, MSMEs.

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ABSTRACT *Entrepreneurship is a backbone of economy. They are playing vital role of increase the industrial sector as well as economic growth of country. Entrepreneurs are driven to achieve success in their business along with the qualities of a entrepreneurs. They saw the bigger picture but wisely started their business as a very small unit. Entrepreneurs set the example of turning their dream into reality. The MSMEs play a crucial role in the Indian economy, structure due to its significant contribution in terms of output, export and employment. So they are engine of growth. They also help to mitigate the poverty.*

Introduction:

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian Economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

The state of Maharashtra has top position in industrial sector of India. But, there are a few people who have entered medium and large-scale sectors. This has resulted in a temporary imbalance in the industrial structure. Over the last few decades, small entrepreneurs have emerged as leaders in industrial sector. The pattern and features of entrepreneurship of Maharashtra have lesson for the development of other regions. So is of interest to study the entrepreneurial efforts in Maharashtra and the factors, which have contributed, to their success. There are many factors, which generally affect the growth, and functioning of entrepreneurship. These may include previous occupation, family background, caste, origin, education technical know-how, financial position, government help, personality, traits of entrepreneurs, etc. These factors not only go to make good or bad entrepreneurs but ultimately affect the process of production and industrial development. Thus, in order to promote industrialization it becomes necessary to develop those factors or create those conditions, which help promote entrepreneurship and then industrialization.

Entrepreneurship and Industrial development:

Entrepreneurs play an important role in developing and contributing to the economy of a nation. It is a all the more in a developing world where are ample opportunities for innovations to develop the available resources and initiate entrepreneurial ventures. Entrepreneurship has gained greater significance at global level under changing economic scenario. Global economy in general and Indian economy in particularly is poised for accelerated growth driven by entrepreneurship. Admits environment odds super mall culture we find plenty of scope for entrepreneurship in trading and manufacturing. Entrepreneurship as a stabilizing force limits entrepreneurship to reading markets

disequilibria, while entrepreneurship defined as owning and operating a business, denies the possibility of entrepreneurial beaviour by non-owners, employees and managers who have no equity stake in the business.

Objectives of the study:

1. To review the progress of MSMEs in Maharashtra.
2. To study the Progress of employment and investment of MSMEs in Maharashtra.

Research Methodology:

The design of the study is descriptive research method. The manufacturing and services enterprises in Maharashtra can be classified as Micro, Small and Large enterprises. According to Economic Survey of Maharashtra, there were 1, 81,119 MSMEs registered with the directorate of Industries as on 31st March, 2013.

Data Sources:

The study is based on secondary data. The sources of secondary data include annual report of MSMEs, Economic Survey of Maharashtra, DIC and Various papers and articles.

Tools and technique:

The most appropriate research tool like; percentage and indices etc. are used to analysis the effectiveness of MSMEs in Maharashtra..

Literature review:

A number of research scholars have studied micro, small and medium industries. Some of the important previous research literatures covering various dimensions of MSMEs are presented here. Lokhande, M. A. (2007) observed that the Women, having inherent managerial skills, can successfully run any type of business enterprise provided a conducive business environment is created. It is a matter of satisfaction that the government and non-government organisation have been striving hard for promotion of women entrepreneurship through different schemes of assistance. Today's women entrepreneurs are leading is every field of economic activity. However, their number is small which needs to be increased significantly. Das, S. K (2014) the Entrepreneurship Development is considered as a key factor to fight against unemployment, poverty and achieve overall socio-economic growth in our state. Lokhande, M. A. (2005) concluded that the equity base of SC/ST entre-

preneurs, was very weak and they had to rely on borrowed funds. Sanction and disbursement of loan usually took a long time. Highlighting on the difficulties of Dalit entrepreneurs. Sharma, P (2013) aptly observed that she focus promoting women entrepreneurship. She also focuses men and women are equal partners in all walks of life especially in the economic development. D.Venkatramaraju, (2011) the small scale industries encompass vast scope activities like manufacturing, Services, retailing, financing construction, infrastructure etc. SSI units play a vital role of economic development. Kumar, S (2013) The observed that MSMEs are the engine that not only contributing to high rate of economic growth but also creates demand for goods and services that leads to inclusive and balanced of the economy. MSMEs of today may be MNCs of tomorrow. Lokhande M.A. (2015) observed in his studies that entrepreneurs have strong will to archive, to be ahead of others, self reliance and creation of separate identity coupled with making money public wealth out of ventures there are numerous emerging growth centres at rural and semi - rural areas wherein entrepreneurial activities are being undertaken by young persons having different socio-economic backgrounds. Kalam, P.G. (2012) observed that given paper there are many fluctuations in total number of units because of closing and sickness but it given the trend development in SSI in term entrepreneurship development SSI play a very important role. Sudha, V (2012) the SMEs sector to fully utilize its potential, it is essential that the entrepreneurs along with the government support take necessary steps for further development. It is quite evident that, nurturing this sector is essential for the economic well being of the nation.

MSMEs Scenario in Maharashtra:

Maharashtra has been in the forefront in sustaining industrial growth and in creating environment conducive to industrial development. Investment – friendly industrial policies, excellent infrastructure and a strong and productive human resource base have made it a favoured destination for manufacturing, export and financial service sectors. However, the year 2008 – 09 witnessed a heavy turmoil in the global economy, which had an impact on the Indian as well as State economy.

It appears from table 2 that there were 181119 MSME units in Maharashtra as on 31st march, 2013. The aggregate employment generation by these units was 23.36 lakhs. As per as regional development of MSMEs is concerned, it was found that western Maharashtra had 41.45% units followed by Konkan region having 26.49% units and Vidarbha region accounted 13.60% of the total MSMEs in Maharashtra. The regions lagging behind in development of MSEM were North Maharashtra and Marathwada having 11.86% and 6.6% units respectively. The disclosure of the study is that there is regional disparity in Maharashtra as far as promotion of MSMEs and Employment generation is concerned.

**Table 1 Region wise number of MSMEs and Employment Generation
(As on 31st March, 2013)**

Region wise Industries	No. Of MSMEs	Percentage	Employment (In Lakh)	Percentage
Konkan Region	47,984	26.49	7.48	32.00
Marathwada Region	11,954	06.60	1.49	06.40
Vidarbha Region	24,634	13.60	3.01	12.80

Western Maharashtra	75,080	41.45	8.68	37.20
North Maharashtra	21,467	11.86	2.70	11.60
Total	1,81,119	100.00	23.36	100.00

Source: Economic Survey of Maharashtra 2012-13/2013-14.

Progress of MSMEs in Maharashtra:

The manufacturing and service categories of enterprises have been classified into Micro, Small and Medium enterprises (MSMEs) based on their investment in plant & Machinery for manufacturing enterprises and on equipment in case of enterprises providing or rendering services.

The data depicted in table 2 indicated annual growth of MSME units, investment and employment generation. The growth of small units ranged between 1.83% to 21.85% during 2007-08 to 2013-14. The highest growth in number of units was during 2010-11 i.e, 21.85% and the negative growth was observed during 2013-14 i.e, 10.61%. The growth of investment in MSMEs in Maharashtra was found positive during 2008-09, 2010-11 and 2012-13 where as negative growth in investment was observed during 2009-10, 2011-12 and 2013-14. Employment generation by MSME units had shown a mixed growth trend during 2007-08 to 2013-14.

Table 2 Year wise Investment & Employment of MSMEs in Maharashtra

Year wise	No. Of MSMEs	Percentage	Investment (Crore)	Percentage	Employment (In Lakh)	Percentage
1	2	3	4	5	6	7
2007-08	10,244	-	2,281	-	1.39	-
2008-09	11,682	14.03	3,295	44.45	1.71	23.02
2009-10	11,896	1.83	3,028	-8.11	1.50	-12.29
2010-11	14,496	21.85	5,563	83.71	1.87	24.67
2011-12	15,606	7.65	4,443	-20.14	2.07	10.69
2012-13	16,136	3.39	5,455	22.77	2.06	-0.49
2013-14	14,424	-10.61	4,700	-13.85	1.81	-12.14
Total	94,484	38.14	28,765	108.83	12.41	33.46

Source: Economic Survey of Maharashtra- 2013-14.

Note: Note: Figures in col- 3, 5 & 7 indicate percentage growth over previous year.

Conclusion:

The present study shown that there is a continuous growth of number of MSMEs units. The growth of these sectors enhances employment, investment and exports of the state as well as in our country. Entrepreneurship Development is considered as a key factor to fight against unemployment, poverty and achieve overall socio economic growth in our state. Last but not the least, growth rate of MSME's is very good and healthy sign towards progress and prosperity of Maharashtra.

MSME's will continue to play a vital role in our country where poverty and an employment is a serious problem. MSME's are the engine that not only contributes to high rate of economic growth but also creates demand for goods and services that leads to inclusive and balanced growth of the economy. It also helps to reduce social imbalances and faster sustainable development MSME's of today may be the MNCS of tomorrow. Therefore, top most priority should be given to this sector.

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