

International Journal of Scientific Research

Listed in International ISSN Directory, Paris

Volume 1 | Issue 1 | June 2012



ISSN No. 2277 – 8179

A Multi-Subject Journal
Journal for All Subjects



ISSN No. 2277 – 8179

International Journal of Scientific Research Journal for All Subjects

Advertisement Details

Position	B/W (Single Color)	Fore Color
Full Inside Cover	₹ 6250	₹ 12500
Full Page (Inside)	₹ 5000	-

Subscription Details

Period	Amount Payable
One Year (12 Issues)	₹ 3000
Two Year (24 issues)	₹ 5800
Three Year (36 issues)	₹ 8700
Five Year (60 issues)	₹ 14400

You can download the Advertisement / Subscription Form from website www.gra.in. You will require to print the form. Please fill the form completely and send it to the **Editor, International Journal of Scientific Research** along with the payment in the form of Demand Draft/Cheque at Par drawn in favour of **International Journal of Scientific Research** payable at Ahmedabad.

Editor-In-Chief

Khansa Memon
Editor, Sarah Publishing Academy

Editorial Advisory Board

Dr. Ashok S. Pawar
Associate Professor, Dept. of Economic
Dr. Babaasaheb Ambedkar
Marathwada University, Aurangabad

Dr.(Prof) Vijay Kumar Soni
Principal,
Jai Meenesh College, Phagi,
Jaipur, Rajasthan

Dr. A.R. Saravankumar
Assistant Professor in Education
DDE, Alagappa University,
Tamilnadu

Dr.R.Ramachandran
Commerce Dde
Annamalai University
Tamilnadu India

Dr. R. Ganpathy
Assistant Professor in Commerce
Directorate of Distance Education
Alagappa University Karaikudi.

Dr. Amit Bandyopadhyay
Assistant Professor
Department of Physiology
University of Calcutta

Dr. V. Kumaravel ,
Professor and Head
Vivekanandha Buss. School for Women
Tiruchengode, Namakkal Dist

Dr. K. Prabhakar,
Professor,
Department of Manag. Studies,
Velammal Engg College, Chennai

Dr. Sunita J. Rathod
Maharashtra Education
Service Group-B
DIET Dist. Jalna

1. Thoughts, language vision and example in published research paper are entirely of author of research paper. It is not necessary that both editor and editorial board are satisfied by the research paper. The responsibility of the matter of research paper/article is entirely of author.
2. Editing of the **International Journal of Scientific Research** is processed without any remittance. The selection and publication is done after recommendations of at least two subject expert referees.
3. In any condition if any National/International University denies accepting the research paper published in IJSR then it is not the responsibility of Editor, Publisher and Management.
4. Only the first author is entitled to receive the copies of all co-authors
5. Before re-use of published research paper in any manner, it is compulsory to take written permission from the Editor-IJSR, unless it will be assumed as disobedience of copyright rules.
5. All the legal undertaking related to **International Journal of Scientific Research** is subject to Ahmedabad Jurisdiction.
7. The research journal will be sent by normal post. If the journal is not received by the author of research papers then it will not be the responsibility of the Editor and publisher. The amount for registered post should be borne by author of the research paper in case of second copy of the journal.

Editor,

INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH

3, SUHANA, Nr. Rubi Apartment, B/H NID, Rajnagar Road,
Paldi – 380007. Ahmedabad-Gujarat. (INDIA)

Contact: +91 98247 02127, +91 88660 03636

www.theglobaljournals.com | ijsr@theglobaljournals.com

Index

Sr. No	Title	Subject	Page. No.
1.	The Impact Of FIIs On Indian Stock Market <i>Dr. Vinod K. Ramani</i>	Accountancy	1-3
2.	Human Resource Management New Dimention <i>Dr. Kishor V. Bhesaniya, A. R. Sakhida, C. C. Gediwala</i>	Accountancy	4-6
3.	Sequencing The Hypervariable Region V3 Of 16S RRNA Of Bacteria Isolated From RAM <i>V. S. Wadhai, Savitri R. Dewangan</i>	Biology	7-10
4.	Credit Rating Methodology for rating Small and Medium Enterprises A Comprehensive Outline <i>Dr. Bheemanagouda</i>	Commerce	11-13
5.	Growth And Performance Of Micro Small And Medium Enterprises (MSMES) In India <i>Dr. M. K. Maru</i>	Commerce	14-15
6.	Uses Of College Funds In Assam-with Reference To Lakhimpur District <i>Dr. Niranjan Kakati</i>	Commerce	16-17
7.	The Study On Awareness Of Solar Energy Products In House Holds, Coimbatore <i>Dr. M. Dhanabhakym, T. Sumathi</i>	Commerce	18-20
8.	Connotation Of Systematised Warehouse Management System In Supply Chain Of Small Scale Firms <i>Dr. Vipul Chalotra</i>	Commerce	21-23
9.	Distribution Mix Straregy Of Jammu And Kashmir Co-operatives Supply And Marketing Federation Limited (JAKFED) In Jammu District Of J&k <i>Tarsem Lal</i>	Commerce	24-25
10.	A Study On Irrigation Projects In Maharashtra State <i>Dr. Pawar, Ashok S., Dr. Rathod Sunita J.</i>	Economics	26-27
11.	A Study Of Food Security In South Asia <i>Dr. Pawar, Ashok S., Dr. Rathod Sunita J.</i>	Economics	28-30
12.	Inter-District Variations In The Performance Of Self Help Groups (SHGS) In Tamil Nadu. <i>Dr. A. Shyamala</i>	Economics	31-34
13.	Challenges of Indian Agriculture and Rural Development <i>Dr. Sangappa. V. Mamanshetty</i>	Economics	35-36

14.	Enhancing Science Process Skills and Scientific Attitude and Analysing their Interactions. :- An Intervention through Inquiry Learning Approach <i>Sreetanuka Nath, Dr. Sybil Thomas</i>	Education	37-42
15.	Effect Of Piston Geometry On Combustion Efficiency <i>A. B. Damor, I. H. Bhoraniya, V. H. Chaudhari</i>	Engineering	43-45
16.	Multipoint Hand Gesture Recognition For Controlling Bot <i>Nishant M Labhane, Prashant Harsh, Meghan Kulkarni</i>	Engineering	46-48
17.	To Study the working conditions Level in Rajasthan Healthcare Department <i>Dr. Ashwin G. Modi, Sushman Sharma</i>	Healthcare	49-51
18.	Impact Of Nutrition Education On Nutritional Knowledge, Dietary Practices And Physical Endurance Of Amateur Badminton Players <i>Dr. Anjali A. Rajwade</i>	Home Science	52-53
19.	Impact Of Maternal Nutrition Education Module On Knowledge And Nutritional Status In Urban Pregnant Women <i>Dr. Anjali A. Rajwade</i>	Home Science	54-56
20.	Feminism and Gender Representation in Indian Writing in English <i>Bhaveshkumar B Rana</i>	Literature	57-59
21.	Impact of Grievances on Industrial Relations <i>Anuradha Averineni</i>	Management	60-61
22.	Bioactive Polyphenols Of Bombax Ceiba <i>K.Shakila, D. Sukumar, R. Priya, R.Rajaselvi</i>	Management	62-63
23.	A Study On Employee Motivation In Health Care Industry In A Private Multi-Speciality Organization <i>Dr. C. Swarnalatha, T. S. Prasanna</i>	Management	64-67
24.	Tax-advantaged Mutual Funds V/s. Rest of the Population <i>Dr. Deepak H. Tekwani</i>	Management	68-69
25.	Perception Analysis On Employees Motivation Techniques <i>Dr. M. Dhanabhakym, R. Umadevi</i>	Management	70-73
26.	A Feasibility Study of Islamic Banking System in India Miles to Go <i>Dr. Sharif Memon</i>	Management	74-77
27.	Rural Marketing Practices in India: Emerging Issues <i>Kavita A. Trivedi</i>	Management	78-79
28.	Impact of Micro, Small and Medium Enterprises on Indian Economy using the ranking method in Today's Context <i>Vimal P. Jagad</i>	Management	80-81

29.	Paradigm Changes in Healthcare Marketing <i>Dr Mahalaxmi Krishnan</i>	Marketing	82-84
30.	Evolution of New Consumer Class in India <i>Dr. Sanjeev Verma</i>	Marketing	85-86
31.	Socio-Economic and Demographic Determinants of Reproductive Tract Infections (RTIs). <i>Dr. K. JOTHY</i>	Social Sciences	87-89

ISSN : 2277 – 8179



June, 2012

Growth And Performance Of Micro Small And Medium Enterprises (MSMEs) In India

* Dr. M. K. Maru

Abstract

This article deals with micro, small and medium enterprises and their role in economic growth and employment generation in the Indian context. MSMEs have emerged as a vibrant and dynamic sector of the Indian economy. MSME's contribution to national GDP is 8% and is projected to go up by a minimum of 5% and reach 22% share of India's GDP by 2012. Around 95% of the MSEs are industrial units and its present contribution to Industrial production is 39% and is expected to go up to 45%. MSMEs' share to national exports currently is 33%, which will increase to over 40% in next five years. MSMEs providing employment to 322.28 lakh persons in 2007-08 and is projected to provide employment to 391.73 lakh persons in 2011-12

Keywords :

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 at comparatively lower capital cost than large industries 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 majority of people living in rural areas are drawing their livelihood from agriculture and allied sectors. However, the growth and balanced development of other sectors such as industry and services are also necessary to sustain the growth of Indian economy in an inclusive manner. The Government of India is striving to improve the economic and social conditions of rural population and non-farm sector through a host of measures including creation of productive employment opportunities based on optimal use of local raw materials and skills as well as undertaking interventions aimed at improving supply chain, enhancing skills, upgrading technology, expanding markets and capacity building of the entrepreneurs. On 9 May 2007, subsequent to an amendment of the Government of India (Allocation of Business) Rules, 1961, the Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises (MSMEs). This Ministry now designs policies, programmes, projects and schemes and monitors their implementation with view to assist MSMEs and helps them scale up. Ministry of MSMEs has classified Micro, Small and Medium units.

The primary responsibility of promotion and development of MSMEs is of the state Government. However, the Government of India, supplements the efforts of the state Governments through different initiatives. The role of the Ministry of Micro, Small and Medium Enterprises (M/O MSME) and its organizations is to assist the states in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario.

TABLE - 1 : Classification Of MSME

(Investment in plant and machinery / equipments)
(Excluding land and building)

Enterprises	Manufacturing Enterprises	Service Enterprises
Micro	Up to Rs. 25 lakh	Up to Rs. 10 lakh
Small	More than Rs. 25 lakh and up to Rs. 5 crore.	More than Rs. 10 lakh and up to Rs. 2 crore
Medium	More than Rs. 5 crore and up to Rs. 10 crore.	More than Rs. 2 crore and up to Rs. 5 crore.

The schemes and programmes undertaken by the Ministry and its organizations seek to facilitate :

- adequate flow of credit from financial institutions/banks,
- support for technology upgradation and modernization,
- integrated infrastructural facilities,
- modern testing facilities and quality certification,
- entrepreneurship development and skill upgradation through appropriate training facilities,
- support product development, design intervention and packaging,
- welfare of artisans and workers,
- assistance for better access to domestic and export markets and
- cluster-wise measures to promote capacity-building and empowerment of the units and their collectives.

Products Of MSMEs

The micro, small and medium enterprises (MSME) sector contributes significantly to the manufacturing output, employment and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 percent of total exports of the country. The sector is estimated to employ about 59 million persons in over 26 million units throughout the country. The sector is estimated to employ about 59 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.

* Associate Professor, Shri P.D. Malaviya College Of Commerce Gondal Road, Rajkot

There are over 8000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs in India. It is well known that the MSME sector provides the maximum opportunities for both self-employment and jobs after agriculture sector.

TABLE - 2 : Products Distribution Of Msmes

Serial no.	Products name	Percentage
1	Food Products	22%
2	Chemical & Chemical Products	12%
3	Basic Metal Industry	10%
4	Metal Products	08%
5	Electrical & machinery Parts	06%
6	Rubber & Plastic Products	06%
7	Others	36%

Performance Of MSMEs

The Ministry of MSMEs provides estimates in respect of various performance relating to the sector. The performance of MSMEs is analyzed by means of the number of MSME units, investments, value of output, employment generation and exports of MSME products. Micro, Small and Medium Enterprises are the driving force behind a large number of innovations and contribute to the growth of national economies through employment creation, investment and exports. Their contribution to poverty reduction and a wider distribution of wealth in developing economies cannot be under-rated. It is estimated that there are around 15 Crores MSME's in 130 Countries employing about 65% of the total labour force. The time series data in respect of the sector on various economic parameters is as noted in the below table.

TABLE - 3 : Performance Of MSME Sector

(Units, Investments, Production, Employment & Exports)

Year	Total MSMEs (lakh numbers)	Fixed Investments (Rs. Crore)	Production (Rs. Crore) Current prices	Employment (lakh person)	Exports (Rs. Crore)
2004-05	118.59	178699	429796	282.57	124417
2005-06	123.42	188113	497842	294.91	150242
2006-07	126.01	200758	709398	594.61	182538
2007-08	272.79	558190	790759	626.34	202017
2008-09	285.16	621753	880805	659.35	NA
2009-10	298.08	693835	982919	695.38	NA

(Source : Annual Report of Ministry of MSME of the Year 2010-11)

(The data for the period upto 2005-06 is only for small scale industries (SSI). Subsequent to 2005-06, data with reference to MSMEs are being compiled.)

The table 3 shows that the exports from MSME has increased from Rs. 124417 crore in 2004-05 to Rs. 202017 crore in 2007-08. However, export oriented MSMEs are likely to be impacted from imminent global slowdown. Little progress has been made to diversify our export basket. The number of MSMEs has increased steadily in India from 118.59 lakh in 2004-05 to 298.08 lakh in 2009-10. This could be possible due to the conducive policy environment during the liberalization era after 1991. Similarly number of persons employed in MSMEs has risen from 282.57 lakh in 2004-05 to 695.38 lakh in 2009-10.

Growth Rates Of MSME Sector

In the world, micro, small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment

growth and account for a major share of industrial production and exports. In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. MSMEs in India account for more than 80% of the total number of industrial enterprises and produce over 8000 value-added products. It is estimated that in terms of value, the sector accounts for 45% of the manufacturing output and 40% of the total export of the country and employs over 6 crore people. Further, in recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low capital cost. As per available statistics, this sector employs an estimated 6 crore persons spread over 2.6 crore enterprises and the labour intensity in the MSME sector is estimated to be almost 4 times higher than the large enterprises.

TABLE - 4 : Growth Rates Of MSME Sector

Serial no.	Year	Growth rate of Index of Industrial Production (base 2001-02) (%)	Overall Industrial Growth Rate of Sector (IPP) (%)
1	2004-05	10.88	08.40
2	2005-06	12.32	08.20
3	2006-07	12.60	11.60
4	2007-08	13.00	08.50
5	2008-09	NA	02.80
6	2009-10	NA	10.40

It can be witnessed from the above table 4 of growth rate of MSME sector that the contribution of the MSME sector to overall industrial production has increased from 10.88 percent in 2004-05 to 13 percent in 2007-08. Table shows that the MSME sector observed better growth rates the overall industrial sector in India.

TABLE - 5 : Contribution Of MSEs In GDP

(Contribution of MSEs (%) at 1999-2000 prices)

Year	Total Industrial Production	Gross Domestic Products (GDP)
2004-2005	38.62	5.84
2005-2006	38.56	5.83
2006-2007	45.62	7.20
2007-2008	45.24	8.00
2008-2009	44.86	8.72

(The data for the period upto 2005-06 is only for small scale industries (SSI). Subsequent to 2005-06, data with reference to MSMEs are being compiled.)

Above table 5 shows that the contribution of the MSE sector to the Gross Domestic Products (GDP) has increased from 5.84 in 2004-2005 to 8.72 in 2008-09 during the global recession. This is the important matter of MSE sector to the Indian context.

Conclusion

Micro, Small and Medium Enterprises (MSME) Sector is the pillar of broad-based economic growth in any country, and this is particularly true of India. The potential of this sector to garner revenue and create employment opportunities while playing a key role in India's competitiveness in the global markets, is considerable. The MSME sector has maintained a higher rate of growth vis-à-vis the overall Industrial sector. It contributes 8% of India's Gross Domestic Product (GDP), besides accounting for 45% of the country's manufacturing output and 40% of the total exports. It is also estimated to provide employment to about 60 million people spread over 26 million units across the country, which is second only to the agricultural sector.

References

Ministry of MSME, Govt. of India, Annual report 2010-11 | Ministry of MSME, Govt. of India, Annual report 2009-10 | www.msme.gov.in



Sara Publishing Academy
INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH
Journal for All Subjects

Editor,
INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH

3, SUHANA, Nr. Rubi Apartment, B/H NID, Rajnagar Road,
Paldi – 380007. Ahmedabad-Gujarat. (INDIA)

Contact: +91 98247 02127, +91 88660 03636

Www.theglobaljournals.com | ijsr@theglobaljournals.com