ABSTRACT

1. Introduction:

The small scale industry sector in India over the past 50 years has made significant contribution towards building a strong and stable national economy. It has attained successive heights by enhancing its fundamental strength and resilience. The small scale industries have acquired pre- eminent position in the economic structure of the country. The contribution of the sector both towards the economic advancement and removal of economic disparities across the sections of society has been tremendous.

2. Importance of SSI:

The SSI sector is a prominent sector for our country, due to its effective contribution in export and the employment creation, it is a key sector in planed development of Indian economy. SSI sector has very significant and exclusive strengths some of which are:

1. It is a labour intensive and easy to start.
2. It is much flexible in operational point of view due to its quick adoptability.
3. SSI sector is mainly helping in reducing regional imbalance due to various locational strengths of our country.
4. SSI sector is most significant in boosting entrepreneurship development and hence to create enterprising environment. This ultimately creates more self employment opportunities.

2.1. Contribution of SSI in Indian economy:

There is an encouraging growth of SSI in our country. By observing last 20 years growth, its seems that SSI sector has attained steady growth rate and it is in boom in last 10 years. Recording 32.20 lakhs registered units in India with 119.45 lakhs unregistered units. The sector has the total strengths of 151.66 Lakhs. The
promising sector is giving employment opportunities to more than 3 crore population with a production of Rs. 471663 crore.

Maharashtra is always a leading state in Industrial development of the country. It has about 2 lakhs of SSI units in the state contributing 7.23 percent of the total India’s SSI sector. The SSI sector in the State is engaged in various activities like automobile, leather, plastic, food processing, handicrafts, pharmaceuticals, textile and garmenting, etc.

3. Study Area:

Pune is a well known cultural capital of the state and equally known for its industrial development. Pimpri Chinchwad Industrial Area is one of the manufacturing hubs of the country. Especially, auto industries and I.T. based industries are being clusterised in the area. Pimpri Chinchwad Industrial Area has large scale units of TELCO, BAJAJ Auto, ALFA LAVAL, Hindustan Antibiotic, etc. More than 5000 SMEs are engaged in ancillary work of auto components in the study area. This is a auto and engineering cluster that has been recognized by Govt. of India and is supported by various schemes. The comparative contribution of the study area i.e. Pimpri Chinchwad Municipal Corporation Industrial Area with Pune District and Maharashtra, is summarized as bellow:

<table>
<thead>
<tr>
<th>Area</th>
<th>No. of Units</th>
<th>Percentage Contribution (Base Maharashtra Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra</td>
<td>233078</td>
<td>100</td>
</tr>
<tr>
<td>Pune District</td>
<td>13173</td>
<td>5.65</td>
</tr>
<tr>
<td>PCMC (Study Area)</td>
<td>6817</td>
<td>2.92</td>
</tr>
</tbody>
</table>

Above table clearly shows the importance of study area. The study area which has shown about 3 percent of total SSI sector of the state. This unique feature of the study area attracts the researcher to select the area for research.
4. **Hypothesis:**

SSI sector is always a promising sector for the development of any country. All developed economies in the world have started their journey by addressing and supporting the SSI sector on top priority. India is also on the same path and now the country of attraction for the world. As SSI sector in India has gone through various phases, it has shown the steady and promising growth. Therefore it is interesting to study the role of SSI in the development of the country. It is worth to understand various parameters and issues associated with S.S.I. sector. Furthermore, it is worth to note the impact and challenges before the sector. Keeping this in mind following aspects can be outlined to construct the hypothesis of the present work.

1. S.S.I. sector is playing a vital role in effective development of the region.
2. The growth of SSI units in PCMC was considerable upto 1991, then after, from 1991 to 2001 the rate of sickness was very high but gradually it slowed down.
3. There are number of problems arised due to recession as a result of this the industrial units became sick.
4. Industrial recession adversely affected on entrepreneurs, workers, society and other stakeholders in the study period.
5. Industrial recession may be an opportunity to empower and reset for future growth of industries and allied sectors.

Thus, the hypothesis may be given as below:

"The S.S.I. sector in P.C.M.C. has shown continuous growth and played important role in the development of the region. It has faced the sickness in the period from 1991 to 2001 due to recession and the challenges put forth by globalization. A proper strategy may be useful to resolve the consequences of sickness".

5. **Objectives:**

The main objective of the present research study is to understand role of SSI sector, its inherent strengths in development of the region by considering various social and economical parameters and also to understand the challenges before the sector. Therefore following objective have been kept in mind for the present study:

1. To study growth and role of S.S.I. units in development of Pimpri-Chinchwad Industrial Area.
2 To identify sick units in different types of industries.
3 To examine the factors influencing S.S.I. and analyse problems of the sector.
4 To study the impact of sick units on socio-economic environment.
5 To understand the influence of recent policies like cluster based approach for survival of S.S.I. adopted from 2005 onwards.
6 To design planning strategy to resolve the problem of the sick units in the study area.

6. Methodology:

The study has been carried out according to following steps:

6.1 Collection of secondary data:

The secondary data have been collected from well known libraries like Jaikar library, University of Pune, Gokhale Institute of Economics, Pune, YASHADA, Pune, Maratha Chamber of Commerce, Pune, publication from Govt. of India, Industrial Census-Publication, economic survey of India, Directorate of Industries, Govt. of Maharashtra, Various state and central Government of Undertakings, Publication, bulletins from Reserve Bank of India, Banks Financial Institutions, Industries Associations and Research Institutes like Maharashtra Economic development council. The data is also collected from local authorities of the study area namely Pimpri Chinchwad Municipal Corporation, Maharashtra Industrial Development Corporation and almost all concern agencies.

6.2 Mapping of study area:

Study area which is the concentrated industrial area spread mainly in Pimpri-Chinchwad-Bhosari area well known as Pimpri Chinchwad Industrial Area. The developing authority of the area is Maharashtra Industrial Development Corporation (MIDC) and the area is administered by Pimpri-Chinchwad Municipal Corporation (PCMC). As the study area lies in MIDC, the layout plan along with relevant maps are collected from the authorities of MIDC and PCMC.
6.3 Primary Survey:

In order to understand the ground realities and update scenario, field survey was carried out. The survey is conducted to understand the various perspectives and parameters related to growth of SSI in PCMC area. While considering the growth and its impacts, it was also necessary to understand problem areas of the SSI sector and its solutions by finding the gaps. The data is collected by rigorous field survey, information has collected with the help of questionnaires, observations, discussions with key persons, stakeholders, employees, financial institutions, DIC, MIDC, MPCB, Banks, Chartered Accountants, Industries Associations, Directorate of Economics and Statics, Directorate of Industries, MSME Institutes, SIDBI, Consultants, PCMC, etc.

The investigation is based on quantitative data analysis which is carried out employing proper quantitative and computer techniques.

6.4 Sick Units:

The study of sick units start with the information procured from District Industries Centre, Banks and Industries Association, etc. This kind of secondary data have been used to identify different sectors in which proportions of sick unit is low or significant. If proportion is significant the causes and effects of the same have been understood on the basis of personal interview with the knowledgeable person. This would also help for better understanding of problems of SSI in PCMC.

6.5 Impact of sick units:

The impact of the sickness of S.S.I. units has also been sensed with the help of both primary and secondary data.

Thus, the study has been carried out with geographical approach in which synthesis of information is quite significant.

7. Arrangement of the Text:

The present work is organized in 5 chapters. The study area covers a period of 20 years of term from past upto now to see the challenges and progress of the SSI sector in Pimpri- Chinchwad Industrial Area of the Pune District.

7.1 Chapter one deals with introduction of the SSI sector which includes objectives methodology hypothesis and review of previous literature. It is also includes the
revised definition of SSI and introduction of MSMED act 2006. This act since is being enforced the SSI sector is now termed as MSME sector.

7.2 The second chapter deals with studying the growth and prospects of SSI. The chapter mainly covers the data known as secondary data available with various stakeholders. Central and state level agencies, Reserve Bank of India, financial institutions, reputed publications, data is specially compared and analysed in this chapter.

7.3 The third chapter mainly covers the problems and prospects of SSI based on primary data. The data, information, statistics is collected and analysed by field survey through questionnaires, interaction, discussion, meetings, observations, etc.

7.4 Chapter four deals with the challenges before SSI. In this chapter the sickness in small scale industries is specially observed and analysed. Economical as well as social impacts are also studied by collecting data for the stakeholders. The chapter also includes few of the live case studies.

7.5 Chapter five deals with the conclusions and suggestion made after in-depth look and study of SSI sector by analyzing the data in elaborate manner. This chapter also includes major finding, limitations and solutions for the authorities.

8. Suggestions:

S.S.I. sector can further be boosted if the suggestions made on the basis of present work are implemented. The suggestions are as follows:

1. Clusterisation of enterprises.
2. Knowledge updates of entrepreneurs through the use of I.T. revolution like distance mode or virtual class rooms.
3. Sharing of manpower, professionals, extra capacity of the enterprises.
4. It has also been suggested for proper restructuring plans of government, rationalizing the schemes, single window assistance and maximum implementations through active participation of stakeholders i.e. projects on PPP mode (Public Private Partnership)
9. Scope of the study:

The present study has discussed the prospects and problems of SSI sector focusing in PCMC industrial area. The present study aims to find out the correlation between industrial development and urbanization of PCMC area. The study has presented information to understand the strength as well as challenges before SSI sector. The primary and secondary data which is collected from various stake holders is being carefully analysed to find out the practical solutions for further strengthening of SSI sector.

While studying it was paralally observed the weakness of the SSI sector specially the sickness in SSI units and its reasons and remedies to overcome the sickness of SSI units. The present study also focused on role of Government, the concept of clustering, various incentive schemes from state and central Government. Role of banks and guidelines from RBI, The role of industries associations are specially studied to find out their role and importance to boost the SSI sector. The present research work and findings theirin may further brings new research opportunities in studying the role of manufacturing sector in GDP, the solutions to enhance the share of manufacturing sector which is currently 16 percent in GDP.

Also the changing role of bankers in sustaining the SSI sector may be the further scope of the research.

10. Limitations of the study:

While carrying out the present study the researcher has to face some difficulties due to which the study could not avoid following limitations.

1. As the research area is one of the prominent industrial area of the region, there was limitations in getting permissions and availing the finance base information from the entrepreneurs.

2. There is no any separate manpower engaged in dealing with data (being the SSI unit, the owner himself handles all business activities). He cannot share enough time in one visit. It was the repeated efforts to collect the information from the same unit.

3. Researcher being a fulltime employee of college, it also gets limited time.
4. The focused area which was largely suffering from sickness in the earlier days of the research; gone into healthy situation in the research time. The entrepreneurs were reluctant in giving information on sickness (there is fear that declaring himself as sick their credibility may affect). This was also the reason for not getting more information about sickness.

5. The researcher also faced difficulties in getting information from banks regarding availability of financial data as they might feel it will lead to breaking of secrecy clause between customer and banker.

6. Researcher also found difficulties in getting continuous past data with different parameters from various government agencies.

11. Overall conclusion:

   The research study has identified information and knowledge based regarding strengths and weaknesses of the SSI sector. According to research there is a significant role of SSI sector in effective development of Pimpri-Chinchwad regions. Confirming by various attributes it has been proved that due to spreading of SSI sector in PCMC area it leads to outstanding development of the area. The sector has also the challenges like sickness of SSI which is also studied and evaluated in the research. Thus by studying strengths and challenges of the SSI sector the study, suggestions and conclusions made may be more vital and significant for the future generation. The research concludes that SSI sector in study area is having unique features, new generation entrepreneurs are showing well growth due to advance and update knowledge level and supporting government schemes. Good quality entrepreneurship developed due to SSI sector which are facing dynamically with the new challenges before the sector. It is also concluded that PCMC area is now manufacturing hub of auto industries which may definitely play a leading role in the next industrial revolution of the country. The central as well as state government are making complementary steps in this regards but much more can be done for the sector to explore its potential in multifold manner. Thus the study concludes that the hypothesis stated in the beginning has been proved.