Chapter - 2

Review of Literature

Various macro as well as micro level studies Small and Medium Enterprises (SME) and their impact on economic development in India and also the contribution of MIDC in the development of Small and Medium Enterprises (SME) have been conducted by different social scientists and economists.

Origin of Industrial Belts:
The 'Industrial Belt Concept' was originated from 'Industrial Estate Concept'. The Industrial Estates consist of ready built sheds which cater to the needs of Small and Medium Enterprises (SME). The sheds in the Industrial Estates were not suitable for large scale industries. Further, the requirement of space is very large for the large scale units which the Industrial Estates could not provide. Therefore, there arose a need for Industrial Belts which allot developed plots in various sizes to small, medium and large scale industries. In many States in India, separate Corporations were created for setting up of Industrial Belts or Industrial Parks.

The objectives of the Industrial Belts are:
i. Promoting rapid industrialization of the country
ii. Increasing national and local employment
iii. Achieving a more balanced regional distribution of employment and production and consequently more balanced regional growth
iv. Attracting private investment
v. Bringing industries and industrial employment to rural areas
vi. Improving product quality and increasing productivity
vii. Achieving economies in investment in public infrastructure
viii. Reducing cost of capital investment to the industrialists
ix. To eliminate the delay for the industrialists in obtaining suitable site.
Criteria for Selection of Industrial Belts:
The main criteria for selection of Industrial Belts are the following:
1. Proximity to National Highways / State Highways / Railway Station / Airport / Sea Port
2. Proximity to a city town.
3. Proximity to adequate and dependable source of water.
4. Proximity to source of power
5. Entrepreneurial qualities and resources of the people in and around the location.
6. Availability of skilled labour.
7. Access to telecommunication facilities.
8. Availability of reasonable social infrastructure like, Schools, Colleges, Polytechnics, Hospitals, Hostels and the like.
9. Nearness to market
11. Availability of fallow lands not suitable for agricultural activities.

Incentives Offered In Industrial Belts:
The following incentives are offered in the Industrial:
1. Capital subsidy of 15 per cent to 20 per cent on the fixed capital investment subject to a ceiling of Rs. 15 to 20 lakhs.
2. Liberal concessions in respect of sales tax waiver.

In recent past a few studies have been carried on Small and Medium Enterprises (SME) from the Sociological, Economic and psychological perspectives. Some are examined and presented below.

Their main findings have been discussed in this chapter and it also presents bird’s eye view of the study.

Ali, M. Z. (2004), Small and Medium Enterprises, including traditional cottage and village industries and modern small enterprises have been given an important place in India’s economic planning for ideological and economic reasons. Our late Prime Minister Mrs. Indira Gandhi once remarked, “Small and Medium Enterprises offer many opportunities; besides adding to production, they broaden the industrial base. They enable the process of modernization as well as entrepreneurship to spread to more regions and layers of society”.

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Vinod, D. (2003)², Father of our Nation, Mahatma Gandhi had strongly advocated the development of Indian villages by making them financially viable through small and village industrial units.

**Annual Report (2003-04)³** the Small and Medium Enterprises has found their economic rationale in Mahalanobis model of economic development, which was the basis for India’s second and subsequent Five Year Plans. This sector has emerged as a vibrant and dynamic sector of Indian economy, which contributes nearly 40 percent of the total industrial production and over 34 percent of the national exports by providing employment to over 250 lakh persons.

Kulkarni, P.R. (2001)⁴, this sector enjoys the pride of being second largest employer in the country and offers a wide variety of products. Small and Medium Enterprises (SMEs) are showing their impact on national and regional economies throughout the world. They have been recognized in both developed and developing countries as an effective instrument for creating employment opportunities with a small amount of capital investment. The small scale and cottage industries also play an important role in removing regional disparities. The industrial development in a backward area can only be achieved by the rapid development and promotion of small scale industries.

**Report of the Expert committee (1997)⁵**, Besides economic aspects, the social role of Small and Medium Enterprises are quite significant in achieving various social goals such as removal of poverty, attainment of self-reliance, reduction in disparities in income, wealth and standard of living and regional imbalances. In 1995, Government grouped small scale industries into two categories– those using power but employing less than 50 persons and those not using power but employing less than 100 persons. All small scale enterprises had capital investment of Rs. 5 lakh. This limit was revised to Rs. 10 lakh in 1975 and Rs. 15 lakh in 1980. In March 1985, the Government has again revised the investment limit of small scale undertakings to Rs. 35 lakh. As per the Industrial Policy Resolution of 1990, the investment limit for small scale industries has been revised to Rs. 60 lakh and correspondingly for ancillary units from Rs. 45 lakh to Rs. 75 lakh. During 1997, on the recommendation of Abid Hussain committee, the Government has raised the investment limit on plant and machinery for small scale industrial units and ancillaries from Rs. 60/75 lakh to
Rs. 3 crore and that for tiny units from Rs. 5 lakh to Rs. 25 lakh. The investment limit on plant and machinery was reduced from Rs. 3 crore to Rs. 1 crore for small scale units in 2000. However the investment ceiling for tiny industries remained unchanged to Rs. 25 lakh. According the provision of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006. the micro, small and medium enterprises are classified into two classes- (a) Manufacturing Enterprises- The enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951. The manufacturing enterprises are defined in terms of investment in plant and machinery. (b) Service Sector- The enterprises engaged in producing or rendering of services and is defined in terms of investment in plant and machinery. The limit for investment in small manufacturing enterprises is more than Rs. 25 lakh but does not exceed Rs. 5 crore and that of service enterprises is more than Rs. 10 lakh but does not exceed Rs. 2 crore. Traditional small scale industries includes Khadi and Handloom, Handicraft, Village industries, Bamboo based industries, Sericulture and coir etc. Modern small scale industries produce a wide spectrum of goods ranging from comparatively simple items to sophisticated products such as television sets, electronic control system, mixer grinder and various engineering products particularly as ancillaries to the large industries.

Agarwal, A.K. (1998) 6, The traditional small industries are highly labour intensive, while the modern small scale units use highly sophisticated machinery and equipments. The New Industrial Policy of 1991 announces a number of measures to promote small scale industries. Presently, 836 items have been reserved for exclusive manufacture in the small scale sector. A new scheme of Central Investment Subsidy exclusively for the small sector in rural and backward areas capable of generating higher employment at lower capital cost would be implemented. Programmes for modernization and upgradation of technology in the small scale sector to improve their competitive strength will be implemented. A new Apex bank known as Small Industries Development Bank of India (SIDBI) has been established to channelise need based higher flow of credit, both by way of term loan and working capital to the tiny and rural industries. To help the artisans working with Khadi and Village Industries Commission (KVIC) and KVI Board, special Marketing organization at the Centre and State level shall be created.
Verma, S.P. (2006)⁷ A thorough review and survey of related literature forms an important part of research. It deals with the critical examination of various published and unpublished works related to the present study. Knowledge of related research enables the researcher to define the frontiers of his fields; it helps in comparing the efficiency of various procedures and instruments used. Further review of literature avoids unintentional replication of previous studies and

Prasad (1983)⁸ in his study found that the small scale industrial sector is an integral part of not only the industrial sector, but also of the country’s economic structure as a whole. If small scale industries are properly developed, they can provide a large volume of employment, can raise income and standard of living of the people in lower income group and can bring about more prosperity and balanced economic development. Small scale industrial sector has vast potential in terms of creating employment and output, promotion of export, expansion of base for indigenous entrepreneurship and dispersal of industries and entrepreneurship skills in both rural as well as backward areas.

Desai (1983)⁹ also stated that rapid industrialization in India depends on the growth of small scale industries. Most of the small scale industries are operating under certain handicaps like shortage of raw materials, low levels of technical knowledge and counseling, poor infrastructure, inadequate capital and credit facilities, improper distribution system, lack of facilities for market analysis, research and development. They are also weak in marketing their products beyond their localities especially in international markets.

Nayak Committee (1992)¹⁰, set up by the Reserve Bank of India to examine the adequacy of institutional credit to the Small Scale Industrial sector and the related aspects. The Committee found that banks has insufficiently serviced the working capital needs of the sector particularly that of cottage and tiny enterprises. Moreover, there is a need for the setting up of specialized bank branches for small scale industries, the absence of which has led to serious bottlenecks. Further, the system of providing term loan and working capital by two kinds of institutions, viz. Banks and State Financial Corporations (SFCs) has given rise to a host of problems of co-ordination among them.
Abid Hussain Committee (1997), Report on small enterprises has examined and suggested institutional arrangements, policies and programmes for meeting long term and short term requirements of the small scale industries. The Committee found that the reservation policy of specific products for exclusive manufacture by small scale industries had not served much purpose as most industrialization had occurred in items not reserved for small scale industries. Moreover, it had resulted in low efficiency and productivity and restricted the expansion and export potential of important industries like light engineering, food processing, textiles and others. Credit to small scale industrial sector had become more and more expensive especially after interest rate deregulation. Institutions and regulatory policies responsible for technical assistance, human resources development, industrial

Mali (1998), in his study has observed that small and medium enterprises (SMEs) and micro enterprises have to face increasing competition in the present scenario of globalization, they have to specifically improve themselves in the fields of management, marketing, product diversification, infrastructural development, technological upgradation. Moreover, new small and medium enterprises may have to move from slow growth area to the high growth area and they have to form strategic alliance with entrepreneurs of neighbouring countries. Data bank on industries to guide the prospective entrepreneurs including investors from abroad is also needed.

Rajendran (1999), made a study to examine the various kinds of assistance given to small scale industries with the prime objective of identifying institutional assistance for the development of small scale industries and the problems faced by these industries in Tiruchirapalli district of Kerala. He concluded that the greatest problem faced by the small entrepreneurs was non availability of adequate financial assistance. Moreover, the small enterprises also face problems relating to the acquisition of raw material, marketing of products and technological and administrative problems. There were complicated procedures in availing loans from financial institutions and there is no coordination between the promotional institutions and government agencies.

Hamid (1989), Small scale industries can play an important role in the development of hills areas as revealed by in the study of Jammu and Kashmir. In his study he found that the state of Jammu and Kashmir is not ideally suited for developing large scale
industries and as such the only remedy lies in the establishment of small scale and cottage industries, which are most suited to the socio-economic condition of the state. He identified the causes of industrial backwardness in Jammu and Kashmir includes peculiar geographical location, limited explorable resources, shortage of imported raw materials, inadequate and irregular power supply, insufficient central investment, poor technical knowhow, absence of entrepreneurial spirit among the local people, non participation of potential investors and entrepreneurs from outside the state and passive role of financial institutions. It is interesting to note that all characteristics also prevail in Mizoram as responsible for slow industrial growth in Jammu and Kashmir.

Pande (1983)\textsuperscript{15} explained few causes that attributed to the slow growth of small scale industries in hill areas. The small scale industrial units in the village area and suburban localities suffer from a considerable degree of technological obsolescence, industries in India with special reference to its development in Pune region. In this regard the data was collected from 276 modern units and 98 traditional units. The main focus of the study was to find out the problems of development of small scale industrial units, along with other problems, the study indicated that the problems of raw material and marketing by small scale units are the major problems. The irregular supply and low quality of raw material are very common, with regard to marketing, delay in payment and exploitation at the hands of middlemen are the other noteworthy problems mentioned in the study.

Schumpeter J.A (1961)\textsuperscript{16}, in his book namely “Theory of Economic Development” he says that the entrepreneur is the prime mover in economic development and his function is to innovate or carry out new combination which is called “enterprise” and the individuals who carry them out is called ”entrepreneurs”. There are five types of innovations as identified by him are: The introduction of new goods, the opening of a new market, new source of supply of raw materials and the creation of a new type of industrial organization. Entrepreneur is not an inventor but one who decides to allocate resources to the exploitation of the invention; nor he is a risk bearer; risk bearing is the function of the capitalist who lends funds to the entrepreneurs. Essentially, therefore, Schumpeter's entrepreneur has a managerial or decision-making role. In his concept of innovation, provide a wide enough scope to incorporate itself
the elements of risk-taking, superintendence and co-ordination which most of his predecessors had not emphasized.

**Thangamuthu C. and Manimekalai N.**¹⁷, 1991 title of thesis name A studies on Entrepreneurship Through Industrial Estate and Outside Industrial Estate they pointed out Weber did not explore systematically the question of the future of capitalism. He pointed out at least two possibilities. One the development of a socialist bureaucracy, the other rise of new capitalistic leaders.

**Arun Kumar (1996)**¹⁸, in his article name “Modern Small Scale Industry in Karnataka: Growth and Structure” found that the share of the units working under sole proprietorship was 85 percent and partnership firms were 11.8 percent of the units. The employment per unit in the partnership firms was the lowest i.e. persons whereas it was the highest i.e. 34 persons per unit in the case of limited companies of the total value of fixed assets, 50 percent of the fixed assets were under sole proprietorship concerns and their share in value of output was 28.5 percent. In terms of value of output, 36 percent was contributed by the limited companies and share of partnership concerns was 33.27 percent. Further, he found that nearly 98 percent of the proprietary industrial units have an investment less than Rs.5 lakh. In terms of output and employment, within the sole proprietary concerns, the units with lower capital investment (less than Rs.5 lakh) were pre-dominant. In terms of performance, in limited companies and partnership concerns performance better than single proprietorships thanks to economies of scale.

**Vinod vyasulu and Arun Kumar (1997)**¹⁹, in their article namely “Industrialization in Orissa Trends and Structure” studied the trends and structure of industrialization in Orissa. They took four major indicators viz., number of factories, value added, number of employees and fixed capital invested. They found that all the four indicators have increased towards a growth. Even though, the number of factories and number of employees grew at the same rate (around 3 percent per year), the fixed capital and value added witnessed a higher growth at 8.61 percent and 19.22 percent respectively. The chemical industry group and its products and non-metallic products grew at a higher rate than the other industries.
Vepa (1997)\textsuperscript{20}, in his article namely “Small can be beautiful : Recommendations of SSI”, he found that more number of small and tiny sector units were supported by government policies and engaged in service activities which contributed to job creation and a new designation of small scale enterprises.

Ramesh (1998)\textsuperscript{21} in his article namely “Role of Incentives to Industrial Development of Andra Pradesh” he proved that the incentives and subsidies have a positive effect on the growth of industries in the industrially backward district of Mahabubnagar District in Andhra Pradesh. It played an important role in local regional development in terms of production linkages and employment generation. Notwithstanding the government policies for entrepreneurship development programme, some empirical studies have suggested that the tiny and small-scale entrepreneurs have been facing various special problems in availing government support that go against entrepreneurship success.

Seenivasagalu (2000)\textsuperscript{22}, examines the importance of the socio economic background of the potential entrepreneurs in determining the success and sustainability of the venture. The author further reveals that SMEs seem to prefer many other reasons such as to fulfill ambitions become part success stories or role models, so that they can enjoy some authority independent and dynamic. But for some it could be an alternative for unemployment or just an accidental event of self-indulgence.

Kalyan Singh (2001)\textsuperscript{23}, emphasized that “empty hands will surely lead to empty pockets and empty pockets will lead to empty homes” stressing the need to find an alternative model for development that will come in the form of micro finances for the poor to survive to save and to thrive in and through the economic activities and states that developing micro finance for the rural SMEs is the need of the hour.

Sibylle Heibrunn (2007)\textsuperscript{24}, studied fifty-six Israel Small and Medium enterprises, to delineate the type of assistance needed by the entrepreneurs; to explore which factor will influence the type of assistance needed; and to investigate the actual impact of the assistance on the entrepreneurs. Business needs of entrepreneurs were ranked in respect of their Mean and Standard Deviation values, and identified that entrepreneurs need more assistance concerning external factors and less assistance concerning the
running of the business itself. The study reveals that level of future intentions of the entrepreneurs influence the amount of assistance required from the Business Development Programme. He concludes that Business Development Programmes must fit the needs of the entrepreneurs and the development potential of the business.

Habib (1972)\textsuperscript{25}, it is only small-scale sector through which economic prosperity may reach the remote sections of the society. He concluded that small-scale industries play an important role in the economic development by providing numerous chances of income and improving the standard of living of the masses.

Sandesara (1980)\textsuperscript{26}, attempted to assess the impact of one of the incentives to small industry. The incentive selected for the purpose was long-term financial assistance to SME units. Following three criteria were adopted in selecting this incentive. (i) That the incentive should be capable of producing an enduring impact on the units; (ii) that the number of units which have availed of the incentivenss a region should be sufficiently large, and (iii) that the list of such units should be available or compliable from the relevant record a without excessive efforts.

Kaveri (1990)\textsuperscript{27}, concluded that small industrial sector has acquired greater importance in Indian economy. In term of employment generation, this sector is next only to agriculture and accounts for about one fourth of the total exports of the country. The importance of small industry in the Indian economy was recognized at the beginning of the plan period itself. Various policy measures were taken over the years to promote employment and investment in this sector. The various agencies set up by the government and the financial institution have been rendered consultancy services mainly technical consultancy to the small scale industry.

Heggade Odeyar D. (1981)\textsuperscript{28}, has suggested that entrepreneurship of SMEs could be developed through encouraging self-employment and by organizing SMEs co-operatives. He recommended that educational system should be modified to create increasingly diversified skills among SMEs and that a separate policy should be formulated for promoting entrepreneurship among SMEs.
Deshpande M.U. (1982)\textsuperscript{29}, in his study on entrepreneurial development in Marathwads, has observed that backwardness of the Marathwada region is mainly due to lack of prospective entrepreneurs in the region. According to him the policies of the government, the upper strata of society, social and political leadership, occupational background, family aspirations, and general infrastructure, are important factors that contribute to the development of entrepreneurship. His study also indicates that the emergence of entrepreneurship is not merely a psychological or socio-psychological phenomena but it is also conditioned by the political milieu and the administrative system and the commitment to economic development.

Rao (2001)\textsuperscript{30}, found that the development of modern small-scale industry as an instrument for industrialization, employment creation, widening the entrepreneurial base and dispersal in rural and backward area. Focusing on multiple objective through to some extent inevitable in the type of socio-economic dualistic structure that obtain in India, would seen to create problems particularly in optimizing the use of scarce resources at the field level. Small – scale industries programme was initiated by the Government of India following the recommendation of an international planning team assembled with the aid of the Ford Foundation in 1953. The necessitates a reassessment of the small industries policy in its entirety\textsuperscript{69}

Battachary S.K.(1975)\textsuperscript{31}, independently observed that National Bank for Agricultural and rural Development (NABARD) has been providing assistance not only for the development of agriculture but also for the development of rural industry. The bank has, of late, reviewed the rationale for the development of rural industry. Its coverage and scope, planned strategies, priorities and thrust areas for development

Vuasulu (2000)\textsuperscript{32}, Small scale and cottage industries have an important role in India’s industrial development. It has been estimated that they contribute about fifty per cent of gross value of output originating in the manufacturing sector. These industries are established, inter alia to create immediate and permanent employment on a large scale at relatively small costs to ensure equitable distribution of the national income to effect decentralization of the industries by creating industrial estate and to raise the standard of the people.
The Management Development Institute (1983), in its study on the assessment of institutional a SME stance in the states of Uttar Pradesh, Punjab and Himachal Pradesh, found that the facility of institutional finance had a nominal impact in Himachal Pradesh, but was quite significant in Uttar Pradesh. The study team also found that about 98% of the entrepreneurs did not receive any training in Punjab and yet most of them were successful mainly due to the natural entrepreneurial skill of the Punjabi community. But in Uttar Pradesh and Himachal Pradesh there seemed to be greater need for expanding training programmes to generate entrepreneurial motivation.

Gudi Savithri M.(1984), has listed out the type of assistance provided by the Karnataka state Social Welfare Board for SMEs. She has recommended the establishment of a marketing advisory centre for SMEs that would provide information regarding marketing trends; consultancy services and also organize trade fairs to market their products. She has also called for the establishment of a separate industrial estate/ complex for SMEs which would include servicing centers, training facilities, testing facilities for quality control, research and development support and marketing and counseling centre.

Sharadadevi K. (1989), maintained that the active encouragement of Government and emergence of different official and non-official agencies at Central and State levels coupled with new schemes, departments and institutions have greatly facilitated the emergence of SMEs. She recommended that efforts should be directed towards encouraging SMEs in rural areas.

Arundhati Chattopadhyay (2005), notes that Economic empowerment is a sine qua non for elevating the status of SMEs in our society. And finally states that one possible approach towards achieving this end could be through entrepreneurship development.

Staley and Morse (1999), had recommended the implementation of dispersal programmes in phased manner which involve: (a) selection of intermediate size cities and town to be developed into industrial growth points, (b) integrated development of small, medium and large scale industries at these growth points and (c) promoting
linkages from these growth points downward to the villages by sub-contracting certain kings of work from factories in the towns to workshops and households in the villages while the upward linkages with the major cities would be in the form of supply of larger amounts and new variety of farm products to the growing urban areas. They suggested that the growth of industry would increase the demand for agricultural and manufactured products and hence diversify the commercial activities in the region.

Hashim et.al. (1985)\textsuperscript{38}, A study of SSI in Baroda and Kheda districts of Gujarat, revealed that the concentration of SSI in and around Baroda city was largely influenced by the locations of large scale industries while Kehda district the SSI units were mostly agro-based and evenly dispersed. On the basis of technology adoption and type of activities he highlighted the importance of SSI as an instrument of decentralization and diffusion of ownership and entrepreneurial skills rather than as a source of employment generation. Hashim classified SSI into three categories viz. (i) traditional arts and crafts (ii) traditional consumer goods and (iii) modern SSI. His study suggested that the third category of SSI has more spatial linkages and market channels, which indicate their high growth potential.

Narendra S., Bisht and Pamila K. Sharma (1991)\textsuperscript{39}, have studied the entrepreneurial planning and setting by surveying one hundred and fifty Entrepreneurs of the Faridabad district in Haryana. Their study entails a wide spectrum of a carefully planned investigative entrepreneurial dimension involving entrepreneurial setting and some empirical evidences. The investigators find that in the modern setting the caste factor is not as important as the family factor, and that the inter-generational/intra-generational influences are the dominant factors deciding the course of entrepreneurial history and its repetitive nature. An important finding of the study is that majority of the entrepreneurs surveyed have hardly any business or traditional background

Gangadhara V. and Reddy K. (1991)\textsuperscript{40}, evaluated the SMEs scheme of Andhra Pradesh State Financial Corporation. The study revealed significant gap between the loans sanctioned and disbursed in terms of number as well as amount. Nearly 5% of the amount sanctioned was not disbursed by the end of 1988-89 accounting year.
Also, there was a slight decline in the number of entrepreneurs financed in the said year as compared to the previous year; whereas the amount of loan sanctioned increased substantially

**Aravazhi Irissappane D. (2004)**, studied eighty-five small-scale entrepreneurs situated in the Industrial Estates in and around Pondicherry now renamed as Puducherry, regarding the impact of Information technology on entrepreneurship management. The stress areas taken for the study were project management, working capital management, inventory management, production and operation management, marketing management, human resource management and total quality management. By applying Percentage, Weighted score and Average Analysis he concluded that information technology would minimize the stress elements which will pave way for the success of small-scale industries.

**Kamalakannan (2005)**, gives a detailed analysis of the role of financial institutions, commercial banks and non-government organizations engaged in financing and promoting entrepreneurship among SMEs.

**Chinnadurai (2005)**, quotes the role of SMEs in economic development and says that there is a need to strengthen and streamline the role of SMEs in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth.

**Yulo Nikaiho (2004)**, to the author in the 1950’s, the focus of policy-making for SSI was on protection. With the onset of liberalization in 1991, SSI was recognized as a growth engine of the economy and the government urged to make the attendant policy changes. Section II of the paper measures the technical efficiency of SSI by using a stochastic production frontier model. Section III analyses the impact of firm size and individual agglomeration on the measured technical efficiency in order to arrive at policy implications for SSI sector and concluded that this study has examined the technical efficiency of two-digit industry-groups belonging to SSI and the relationship between the measured technical efficiency and firm size and location. The stochastic frontier approach used in this study is useful in an analysis of production units. However, this is ideal with more disaggregated data as at the firm
level. Finally, it will make interesting future research to find out how economic liberalization has affected the technical efficiency of SSI or the inter-industry variation in technical efficiency.

**Sukanta Kumar Sahoo (2004)**, small scale industries has acquired pre-eminent position in the economic structure of the country and helps the economic development and removal of disparities. It is the symbol of our economy and reflects production by masses rather than mass production. As of today this sector has 34 lakhs units, which is 95% of industrial units in the country and producing over 7500 different items. The sector contributes about 40% of the value added in the manufacturing, 34% of the export, gainful employment to 177 lakh persons and 7% to the GDP. The average rate of growth of production is estimated at 7.7% and employment is about 3.7% per annum during the Ninth Plan and the target for the Tenth Plan has been kept at 12% and 8% (GDP). The sector blossoms into an epitome of excellence and harbinger of a new egalitarian society. The SSI sector has proved its mettle even in the changed liberalized economic environment of the country. The gradual and impending applications of WTO Regulations and removal of Quantitative Restrictions have added to its woes. With decline in agricultural employment and virtual stagnation in the organized manufacturing sector, employment in this sector has emerged as the only ray of hope and concluded that the small scale sector is the symbol of that facet of our economy which reflects production by masses rather than mass production. With decline in agricultural employment and virtual stagnation in the organized manufacturing sector, employment in SSI sector has emerged as the only ray of hope.

**Bindu Shridhar (2005)**, addresses about SMEs. The author says that SMEs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, SMEs will comprise 20% of the entrepreneurial force. With corporate eager to associate and work with SMEs-owned businesses, and a host of banks and non-governmental organizations keen to help them get going, there has rarely been a better time for SMEs with zeal and creativity to start their own business. The author concludes by saying that marketing our self and taking credit for achievements is very essential for thriving business.
T.Rajendra Prasad and K.K.Seethamma (2003), the small scale industry has made a significant contribution to the economy by increasing its share in exports, generation of employment opportunities, dispersal of industrial activities, reducing concentration of economic power and so on. And concluded that the working of the small-scale sector in Karnataka is progressively generating employment opportunities, and contributing positively top economic growth in this regard government must safeguard this sector form sickness as well as from unfair competition from large-scale units.

Shaikh Muzaffar and Ahmad Umar Khan (2001), in respect of SMEs, the contribution factors go beyond markets and factors of production. The sickness of financing banks, public sector industrial units to which some SMEs ancillaries/OEMS have also contributed to sickness among small units. The lack of strategic interventions by SSI management at the appropriate time on account of inadequate expertise and resources rather than other extremities further compound problems despite the existence of elaborate procedures. 1.Absolutely enviable units should not be financed and encouraged 2.Defaulting small units should be punished as per the law to discourage further increase in such type of units

Vaisamma Antony (2006), puts light on SMEs. In this article the author says that empowering SMEs socio-economically through increased awareness of their rights and duties as well as access to resources is a decisive step towards greater security for them. And finally concludes that SMEs are in for a new deal today as they are the focus of economic development. All possible steps are to be taken to strengthen them to achieve their economic, social, cultural and political growth and welfare

Berna J.J. (1960), conducted an in-depth study of fifty-two Medium-scale manufacturing units engaged in light engineering production in and around Madras and Coimbatore cities. His study purports to review the occupational and socio-economic background of a group of entrepreneurs, their origin, the way in which they became entrepreneurs, and the hardships they faced in the establishment and development of their enterprises. This study reveals that 85% of enterprises established as Small-scale units were developed over the years into Medium-scale units. He observes that many entrepreneurs have been identifying production
activities and shifting it into new lines of activity, but their performance in technological development has not been impressive. Dr. Berna feels that if a certain package of help in techniques of production process and management could be provided to the entrepreneurs, their performance could be considerably improved.

**Amuthalakshmi P. and Kamalanabhan T.J. (2006)**, studied three hundred Below the Poverty Line Community SMEs in Chennai. SMEs entrepreneurs using Discriminant Analysis and Partial Correlation Co-efficient found that there was a significant difference between large entrepreneurs and SMEs with regard to value towards independence, value towards respect for work, achievement motivation, internal locus of control, initiative and risk-taking. They also found that there is significant difference between the two classes with regard to amenities and facilities in their family environment, expenditure pattern and cohesiveness. Significant difference between the two classes was found with regard to market facilities and skill training. They conclude that SMEs were better compared to large entrepreneurs.

**Murugesan V. and Sankaran A. (2006)**, studied one hundred and fifty-three Micro, Small, Medium and Large-scale units in Pudukkottai. By applying the total Significant Test of Mean they found that there is no significant difference between the performance level of technically qualified and non-technically qualified entrepreneurs. They state that the performance profile of the secondary-level school educated entrepreneurs seemed to be fairly better in almost all the categories in respect of Micro, Small, Medium and Large scale industries. Thus they conclude that more than the type of education, experience and other promotional factors play a vital role in nurturing the entrepreneurship qualities and performance

**Shanthi Nachiappan and Santhi N (2007)**, studied the performance of fifty SMEs micro-technopreneurs in Chennai who borrowed loans for their SMEs. By using Chi-square and SWOT (Strength, Weaknesses, Opportunities and Threat) Analysis they illustrated that married middle-aged people who had economic and family problems started business working in SMEs. They also found that their business is doing well while the middle aged SMEs felt that their business records average profits. They have also stated that their strengths were self-motivation, determination, hard work and self-confidence while their weaknesses were health hazards, finance and family
problems. Finally they conclude that a good vision coupled with technology would improve their efficiency.

Dhameja (2002)\textsuperscript{54}, carried out the study to identify entrepreneurial performance and problems of SMEs in business in North-Western India. In all 175 SMEs who had established their enterprises during the time frame of 1982 to 1996 and were employing 5 or more in their respective enterprises were interviewed personally. The author was astonished to see the spectacular performances of some SMEs. Equally interesting was to find out some of the peculiar problems faced by SMEs, which need to be addressed by the powers that are in the right earnest.

Monika Prakash and Nimit Chowdhary (2007)\textsuperscript{55}, studied the entrepreneurial motives amongst one hundred and seventy-three Northern Indian, Small and Medium size enterprises, young start-ups entrepreneurs, whose entrepreneurship were up to five years old. The Factor Analysis of the study points out that autonomy and freedom dominates the motives for self-employment which is tied to a socio-psychological need for recognition and esteem. This is reinforced by a desire not to be boosted by anyone else but self. Family tradition and aspirations described by family business are important considerations for getting motivated. Second generation entrepreneurs are forced to carry forward the family business and are nominally under compulsion and perceived inability to do anything else other than the family business. Concern for family and friends is also a driving force towards entrepreneurship.

Gohil (2006)\textsuperscript{56}, has observed the growth and development of SSI in Gujarat state. He has indicated the development of small scale units during the last decade. He has used secondary data for this study. The study has expressed the increasing trend in number of units and number of employment in every year. He has found that the repairing and service industries dominate in the Gujarat state and the highest number of units is working in Ahamedabad district. The growth of SSI sector in India after globalization is remarkably increased with reference to Gujarat state. The study reveals that in Gujarat state the average number of workers per factory has decreased. The SSI business men were facing various challenges in operation with global players.
Abhishek Kapoor (2008), has studied the Regional bias seeps into small scale industries and employment at Gandhinagar in Gujarat. The regional bias that has got ingrained in the industrial development of the state, as brought out by an internal document of the Industries department, is also seeping down to the small scale sector. As a result of the study, 46 per cent of the total investments expended on three districts of Ahmedabad, Vadodara and Surat because of the infrastructural facilities which account for half of the additional small scale units registered in the state till date. The total investments lined up would generate over seven lakh jobs in the Golden Corridor - between Ahmedabad and Vapi - north Gujarat.

Lozi and Basem Mohammed (2008), have studied the Small-scale industries in Jordan in the globalization era performance and prospects. This study has revealed that the Small scale industrial sector was a major contributor to the industrial economy of Jordan. It accounts for 50% of the total manufacturing sector, has 20% share in exports and provides 80% of employment in industrial sectors. Despite, the global and domestic recession, small scale industries registered a higher growth rate when the overall industrial sector in terms of number of units. The overall performance and contribution of small scale industries to Jordanian economy is generally described in terms of its absolute growth in units, employment, production and exports.

Thangamuthu and Iyyampillai (1991), have conducted a study entitled “Industrial Promotional Agencies and Entrepreneurship Development: A case study of two backward districts in Tamil Nadu, namely, Pudukkottai and Dharmapuri”. They have chosen fifty respondent industrial owners in each district. This study has identified the efforts made by IPAs for the development of new entrepreneurs and socio-economic profile. The study has also highlighted about the entrepreneurs who have evinced a strong tendency to migrate to make use of the facilities extended by the IPAs. The study has found that the role of IPAs in provision of industrial infrastructure and overhead facilities has been fairly satisfactory, which has effectively induced many potential entrepreneurs into the field.

Sudip Chaudhuri (2002), has analyzed the impact of economic reforms on industrial structure and productivity in India and reveals the disappointing over all
performance in industrial output growth and employment. He has found that the growth record during reforms of the 1990s has been worse than that during the reforms of the 1980s, when an attempt was made to reform the control mechanism without totally negating the role of the government. More than half of the growth has been accounted for by consumer goods. Employment situation was worse than what was seen in the case of output. Annual rate of growth of employment of workers has been negative in five out of nine years considered in the 1990s. He has said that a basic reason behind disappointing performance is the adverse impact of import liberalization and the decline in the role of the government.

**Third All India Census of SSIs report (2003)**

The proportion of sick units among the registered small scale industrial units is high in India. The reasons for sickness and proportion of sick units in registered SSI units are: lack of demand (58 per cent), shortage of working capital (57 per cent), non-availability of raw material (12 per cent), power problems (17 per cent), labour problems (six per cent), marketing problems (37 per cent), equipment problems (nine per cent), and management problems (five per cent).

**Yashvantrao Chavan, Maharashtra Trade and Industry Conference (1960),**

Government knows that they have to achieve a big height to attract and establish Industries in Maharashtra. It is very essential to have all sort of satisfactory and fair information of Industries to the government, for that there must be co-operation between industries and government by which they can exchange their problems and they only bring solution for the same.

**Patel M.C., Manager (legal) retd.(1960),**

After formation of Maharashtra State on 1st May 1960. The government constituted a Board of Industrial Development (BID). Appointment of this Board was thus a process of incorporation of the present Maharashtra Industrial Development Corporation (MIDC). BID started disposing of plots by public auction with a view to assessing the response from the general public intending to establish industrial units. This was challenged by the original owners of the land in the high court of Bombay contending the inter alia that land as acquired for specific public purpose of establishing calf farm for which the land was intended to be disposed of being different, they were entitled to restoration of the possession. The
High court rejected the contention observing that the land having once acquired and vested in the government free from all encumbrances, government was free to utilize it for any other public purpose and dismissed the petition. This decision of the high court of the state paved the way of acquisition of lands for industrial purpose as one being of public interest and consequently of national importance.

**Nayak P.C., Ex.CEO MIDC (1966),**\(^{64}\) By 1967 when the first 5 years of MIDC operations were over MIDCs cash balance were more than that of state government of Assam, its market borrowing by issue of bonds that of government of Orissa, its next 5 years plan was greater than the 5 year plan of the state government of Jammu and Kashmir and it had more Engineering Divisions than the public works department of the state government of Kerala. Such, in brief, was the measure of the beginning of MIDCs success story.

**Premkumar R.M., Chief Secretary (Retd), Government of Maharashtra, (1985),**\(^{65}\) MIDC has not just reached this milestone, but it can look back with justifiable pride at having brought about a most welcome transformation of the hinterland of Maharashtra in the very important sector of industrialization. It has been universally acknowledge that MIDC has played a pioneering role, in not just taking the state of Maharashtra to the forefront in the country, but also in sustaining that position through the years particularly in the fact of stiff competition and challenges from other states.

**Khan Azeez M., Ex.CEO, MIDC, (2002),**\(^{66}\) The Maharashtra Industrial Development Act which created MIDC was a pioneering, flexible piece of legislation which set a model for rest of the country and has stood the test of time. Another distinguish feature of MIDC has been its ability in problem solving for large industry in particular, which creates large indirect employment and supports the growth of smaller industrial and service unites. Though the imaginative technology-recognized through several awards-MIDC has been building on this tradition by imitative to improve the ease of starting and doing business. This has the potential of developing into an escort service for industry going far beyond the hand holding that SICOM used to provide some years ago.
Darade S.A., MIDC Circle, Aurangabad, (2002),

MIDC has played a large role in making the state increasingly investor friendly. However to keep this stage, MIDC has to develop initiatives to attract business to the state. MIDC has already started digitalize its process which introduced Enterprise Resource Planning (ERP) in its operations and has also introduced Maha-E-Biz, a single window clearance facility. This provides all clearance forms online to existing investores. Currently entrepreneurs can apply and get approvals as well as track the status of their application. This is very intelligent step taken by MIDC and shown the great potential.

Kale Jaideep, Grape Wine Park, Pune, (2002),

The Government of Maharashtra has nominated MIDC as a nodal agency for establishment of grape wine park in Maharashtra state and would co-ordinate efforts of various organizations from central and state Government and also be the main link between the central and state agencies and the stakeholders. So as per Government policy MIDC has developed initially Godavari Wine Park at Vinchur and Krishna Wine Park at Palus in Sangali. The role of MIDC is to provide mainly land to entrepreneurs at reasonable rate and to provide infrastructure facilities like high quality internal roads, water supply, effluent treatment plant, quality control and analytical laboratory, power and telecom facilities.

Sonje Rajendra, Chief Engineer MIDC, Mumbai, (2008),

for industrial development availability of water supply is necessary requirement. Since beginning MIDC has placed pressure on the development of five dams namely Barvi, Ransai, Murbadi, Savitri and Motinala as well as there are 79 water supply schemes are working. The total installed capacity of water supply is 2045 MLD and actual use of water supply is 1374 MLD per day. In all Barvi scheme is very important.

Shrikhande S.L. MIDC, Latur, (2004),

Government of Maharashtra has made many amendments in laws and classified the industrial area in A, B, C, D and D+. Subsidy package were designed according to the classification, as a result even in backward areas also industrial development has started. MIDC has developed 278 industrial areas in Maharashtra covering 63000 Hect. Of land and at the same time MIDC has developed many water supply schemes and road network in industrial area. in chemical zones corporation has started CEPT facility for balancing environment.
Lonkar Prakash, Engineer (Environment), MIDC, Mumbai, (2012), to provide environmental infrastructure to the industries is the basic function of MIDC. In chemical zones CEPT were first time introduces in 1997 at TTC MIDC area in Navi Mumbai. Now recently MIDC has started Zero Discharge Effluent concept before allocating land to the industries.

Banbare Gagadhar, Editor, Vikas Darpan, (2012), Inspire of India China War in 1962 and India Pakistan war in 1965, Maharashtra could plan industrial development. In first 20 months MIDC could develop 17 industrial parks and in first five years MIDC has attracted Rs.200 Crore capital in new industries. At that time Maharashtra was number one in position as compared to other states.

Conclusion:
The study the working of the Small and Medium Enterprises(SME) in various division of India in general and in particular in Maharashtra with respect to parameters like number of units working, amount of investment and employment generation in terms of their growth, quantum of capital invested and employment generation and to analyze the industrial concentration in each division and concluded that small enterprises occupy a crucial position in the Indian economy not only because they contribute to GDP, income, exports and employment but they also imply self initiative, self-employment and small livelihoods and small business. And it is important to create and ensure space and more opportunities for such a sector because in today’s world creating and ensuring space for small enterprises is not that easy but needs to be done on a war footing given the vulnerability of small enterprises and economic pressures and uncertainties under which they are performing. MIDC contributing its role in development of Small and Medium Enterprises(SME) in Maharashtra and specially in Navi Mumbai.
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