Chapter – 3

Overview of SME in Thane Belapur Industrial Belt

3.1 Brief Introduction:
The SME are the hub of many economic activities in developing country like India. The role played by SME in the economic activity of advanced industrialized countries is also very significant. The socio-economic transformation of India cannot be achieved without paying adequate attention to the development of this labour intensive and capital sparing sector. The most significant aspect of SME development is that this sector has stimulated economic activity of a far reaching magnitude and has created a sense of confidence among a huge number of small entrepreneurs about their strength and validity. SME contribute significantly to social and economic development objectives such as labour absorption, income distribution, rural development, poverty eradication, regional balance and promotion of entrepreneurship.

It generates immediate employment opportunities with relative low capital, promotes more equitable distribution of national income, makes effective mobilization of untapped capital and human skills and leads to dispersal of manufacturing activities all over the country, leading to growth of villages, small towns and economically lagging regions. Particularly in developing countries, small labour intensive industries have been favored basically to create employment opportunities in an economy with abundant unskilled labour even though such industries may not always be supported on grounds of economic efficiency. In addition to this, a low capital requirement given an appropriate market environment is believed to stimulate growth of numerous indigenous industries with wide regional dispersal. This helps to promote balanced growth, more equitable income distribution as well as increased utilization of national resources.

In the developing country like India, SME have come to occupy a significant position in the planned industrialization of the economy. Most SME have a low capital intensity and high potential for employment generation. SME units also serve as an
instrument in achieving a wide dispersal of industries. Further, SME units serve as a means of bringing forth indigenous entrepreneurship and savings lying dormant, particularly in semi urban and rural areas. Small enterprises are almost always locally owned and controlled, and they can strengthen rather than destroy the extended family and other social systems and cultural traditions that are perceived as valuable in their own right as well as symbols of national identity.

SME are important vehicles for meeting growth and equity with social justice objectives of developing economics. Achievement of these objectives is seen as desirable in almost all developing countries, though the relative importance of these objectives vary from country to country, depending on the differences in the socio-economic and political complexes. In brief, small enterprises sector help in generating large scale employment, wage goods and incomes in a fairly dispersed manner, mobilizing dormant skills and resources enhancing entrepreneurship, energizing village economies aiding the process of backward area development and playing an important role in the overall process of industrialization.

SME in Thane Trance Creek MIDC area in Thane district have greater importance in terms of production of variety of goods and services. Similarly, it has good profile on the part of providing employment opportunities for male as well as female employees. In the entire MIDC SME units there are more than 2500 units have been established, which are engaged in the production of different kinds of products and supply them throughout the nation. In this way SME units of TTC MIDC area are a major contributor to the national income of economy. “Prosperity to all through industrialization” is the corporate philosophy of MIDC units.

The key historical policy decision taken by MIDC units certainly changed the socio-economic scenario of the Maharashtra state as its activities spread to the interior parts of Maharashtra providing basic and essential infrastructure like water supply, roads, streets, lights, tree plantation etc. The TTC MIDC units is one of the important industrial sector comprising of a large industrial area in Thane district including more than 80% SME producing a variety of goods and services and at the same time providing gainful employment opportunities for people residing in nearby areas in
Thane district. It also helps to improve the standard of living of the people and enable them to become self reliant.

There are a number of textile industries, chemical industries, pharmaceutical industries, iron and steel industries, food industries, fabric industries etc. existing in this TTC MIDC industrial units. All these industries help to improve National per capita income by producing and supplying variety of goods throughout the nation. On the part of employment opportunity, women employees occupy major share in the entire workforce of small scale industrial units. The MIDC play a crucial role in the development and growth of SME in Navi Mumbai.

3.2 Definition of Small and Medium Enterprises (SME):

The definition of Industry’ varies from one country to another. In most of the countries of the world, the criterion for defining a small enterprise is the size of employment and investment. In some countries, both employment and investment are taken into account.

Various countries have stipulated different ceilings on the number of employees and the quantum of investment in small and medium enterprises. In some countries like Pakistan and Sri Lanka, no upper limit for employees has been fixed for small and medium enterprises.

As per the new MSME Dev. Act, 2006, the new definition of Micro, Small and Medium Enterprises in manufacturing and service sector are as follows :-

**Manufacturing category:**
Investment in Plant & Machinery (excluding Land & Building)-
- Micro Enterprises- Upto Rs. 25 lakhs
- Small Enterprises- Above Rs. 25 lakh upto Rs. 5 Crore
- Medium Enterprises- Above Rs. 5 crores upto Rs 10 crores

**Service category:**
Investment in equipment (excluding Land & Building)-
- Micro Enterprises- Upto Rs. 10 lakhs
- Small Enterprises- Above Rs. 10 lakh upto Rs. 2 crores
- Medium Enterprises- Above Rs. 2 crore upto Rs. 5 Crore
For the development of MSME, particularly of the Micro and Small Enterprises, the Government has given importance in its MSME Development Act, 2006.

3.3 Definition of small and medium enterprises Global View

China: In China, the definition of small-scale industry depends in the product and unannounced of insignificant. These industries have been designed to mobilize local raw materials, local skills, local finance and local markets.

Indonesia: There is no differentiation between small-scale industries and cottage enterprises. More than 90% of the enterprises in the small-scale group are cottage industries. The World Bank has characterized small-scale industries in Indonesia as hybrids of the traditional and modern industries.

Malaysia: Small-scale industries constitute 22.6% of the business establishments, and account for 32% of the total employment, 29% of the value added and 25% of the gross output.

Thailand: Small industrial enterprises are defined as enterprises, the fixed deposits of which do not exceed 2 million units of covering (Approximately Rs.12 lakh). Industrial enterprises are grouped under four categories namely, manufacturing, servicing, handicraft and cottage industries.

Germany Sweden, Norway & Denmark: There is no official definition of a small-scale industry. Units employing up to 300 workers are considered small.

Iran: Small Scale Units, have 100% Iranian ownership and management. Their assets should not exceed 5 million riyal. The products should not be artistic in nature. Investment in land and buildings must not exceed 25% of the total capital.

Italy: Units having a capital investment of not more than 1500 million and employing not more than 500 workers are considered small industries.

Japan: Small industries denote those that have a relatively small scale of management and capital investment. The government applies the term to those industries: that employ assets of less than 300 millions yens.
**Korea:** In manufacturing, with more than 5 and less than 200 employees or with total assets of less than 50 million. In mining with more than 5 and less than 300 employees or with assets of less than 50 million won. (275 won: 1 US dollar).

**UK:** There is no demarcation between small and large-scale industries. Units employing less than 500 workers one generally referred to as small units.

**USA:** A manufacturing firm is officially a small business for government procurement purposes, if it is not dominant in its field of operations and if it has fewer than 500 employees, or if it is certified as ‘small’ by the small business administration.²

### 3.4 Importance of Small and Medium Enterprises:
In a labour abundant and capital scarce country like India, small and medium enterprises have come to occupy a significant position in the planned industrialization of the economy.

Most small and medium enterprises have low capital intensity and high potential for employment generation and dispersal of industries. They promote entrepreneurship and enable earning of foreign exchange through exports.

**Small is Beautiful**

“Small is beautiful,” said E.F. Schumacher. He emphasizes the need for small working units, communal ownership and regional work places utilizing local labour and resource.

**Innovative and Productive**

Small units are highly innovative, though they do not maintain their own research and development wings.

**Individual tastes, fashions and personalized service**

Small firms are quick in studying changes in the tastes and fashions of the
consumers and in suitably adjusting the production process and technology.

**Symbols of national identify**

Small enterprises are almost, always locally owned and controlled and they can strengthen the extended family and other social systems and cultural traditions that are perceived as valuable in their own right and as symbols of national identity.

**Happier in work**

People who work in small enterprises are happier in their work than those who work in large ones, in spite of lower wages and poor standards of safety, comfort and welfare facilities.

**Always winners of the game**

Small enterprises and new entrepreneurs were in the forefront in practically every business boom.

**Dispersal over wide areas**

Small-scale units have the tendency to disperse over wider areas. As per the second all India Census, 62.19 % of the small-scale units are located in backward areas. Small-scale industries play a key role in the industrialization of a developing country. They provide immediate large-scale employment and-higher labor capital ratio, on lower investment. They stimulate the growth of industrial entrepreneurship especially disfavored locations.

**3.5 Role of Small and Medium Enterprises (SME):**

Small and Medium Enterprises (SME) play a strategic role in the progress of the country. These industries, by and large, represent a stage in economic transition from traditional to modern technology. The transitional nature of this process is reflected in the diversity of these industries. Some small – scale units use simple skills and machinery, while many others uses modern and sophisticated technology. The challenge of economic growth is to accelerate the productivity of agriculture and industry by improving their techniques of production. So far as industries are concerned, this will involve the adoption of a progressively superior technology, particularly in semi-urban and rural areas.
The Role of small – enterprises are summarized below:

1. Development of small and medium enterprises fits both in the short- term and long-term strategy of industrial development. Besides, small – enterprises permit greater distributive justice.

2. In the short-term, small and medium enterprises help not only in conserving scarce inputs like capital, technical and managerial skill, but in fact also permit greater mobilization of these scarce inputs. For instance small – enterprises provide employment opportunities at a relatively smaller capital cost.

3. The objective of balancing the development of “capital heavy” large scale industries with the development of “capital light” methods for production can provides a sheet anchor for development of small and medium enterprises.

4. Furthermore, this sector requires comparatively lesser technical and management proficiencies which are scarce in the country. In facts, technical and managerial proficiencies requires for this sector can be development more readily and in a relatively shorter period when compared to that required for large – scale industrial complexes.

5. Small and Medium Enterprises also help in mobilizing untapped resources of capital and skill that many otherwise remain unutilized or underutilized in any country.

6. Beside, the small and medium enterprises serve as a nursery for technical and managerial skill in the country.

7. It may also be mentioned that small and medium enterprises help in cultivating industrial culture and in creating a class od artisans. Both of these factors are quite essential and conducive to industrial growth in any country, more so in any developing country.
8. Small and Medium Enterprises are a very potent instrument for regional development and dispersing the benefits of industrial growth over a wider area.

9. It helps taking the jobs to the people rather than people to the jobs since small and medium enterprises when compared to large – scales units is more foot – loose and can be more widely dispersed. They have, therefore, a special role to play in any country where industrial activity has come up to in a couple of cities and urban area only. The need to eradicate this imbalance in the regional distribution of industrial activity so that benefits of higher income earning activity like manufacturing are shared by the entire people of the country and are not restricted to a microscopic minority living in metropolitan or big cities, reinforces the case for development for small – scale sector.

3.6 SME 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 favored 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. The advance estimate of Gross State Domestic Product (GSDP) was expected to grow at 10.5 per cent during the year 2010 – 11 as against 8.7 per cent during the previous year. Industry sector was expected to grow by 9.1 percent and Services sector was expected to grow by 10.9 percent during the year. The preliminary estimate of GSDP at constant (2004 – 05) prices was Rs.7,01,550 crore during 2009 – 10, as against Rs.6,45,492 crore in 2008 – 09, showing an increase of 8.7 per cent. The GSDP during 2009 – 10 at current prices was Rs. 9,01,330 crore, showing an increase of 16.6 per cent over that of the previous year.

The State continued to attract highest industrial proposals resulting into maximum generation of employment compared to other States due to availability of better infrastructure, skilled human resources and stable social conditions. The State’s share in proposed investment and employment in the country was 10 and 15 percent respectively. Total 20,484 industrial projects, including FDI projects with an investment of Rs. 9,20,121 crore have been approved for setting up new industries in
the State during August, 1991 to August, 2010. By the end of August, 2010 with an investment of Rs.1,95,407 crore, 8,322 projects were commissioned. Total 796 industrial project including FDI projects with an investment of Rs. 1,51,209 crore and proposed employment of 2,25,710 were approved during September, 2009 to August, 2010. During the same period, 36 projects with an investment of Rs. 8,673 crore and employment of 9,458 were commissioned.

The industrial policy reforms have reduced the industrial licensing requirements, removed restrictions on investments & expansions and facilitated easy access to foreign technology as well as foreign direct investments. Since August, 1991 to August, 2010 total 16,140 industrial projects with an investment of Rs.6,95,516 crore generating 30.24 lakh employment have been approved by the Government of India for setting up industries/mega projects in the State.

Maharashtra has remained one of the favored destinations for industrial investment in the country maintaining status of the most industrialized State and has successfully attracted a large share of industrial investments in the post liberalization era, from both domestic as well as foreign entities. The State has adopted the Special Economic Zone Policy (SEZ) with effect from 10th Feb. 2006. The SEZs notified as duty free enclaves, have a relaxed and business friendly policy regime, aimed at promoting rapid industrial development and employment generation. It is expected that this will trigger inflow of large foreign and domestic investments in infrastructure for SEZs and productive capacities which will lead to generation of additional economic activities and employment opportunities.

Upto 31st December 10, 233 SEZ proposals were received in the State, of which 143 SEZ were approved by the Central Government (105 formal and 38 in principle approvals) and 63 of them are notified SEZ. The State Government has taken a number of initiatives to promote development of Information Technology (IT) / Information Technology Enabled Services (ITES) sector in the State. The Steps include formulation of a progressive sector-specific policy, development of IT parks and the knowledge corridors. As envisaged in ‘Information Technology (IT) and Information Technology Enabled Services (ITES) Policy, 2003’, the State has offered various fiscal incentives to IT / ITES industries. Besides, non-fiscal incentives like
additional FSI, permitting software industry in residential areas, suitable permissions to develop communication systems, self-certifications under labour laws are also offered.

In view of this, 36 Public IT parks are established by MIDC and CIDCO. For getting private participation in creating world-class infrastructure for IT industry, 425 Private IT parks have been approved, out of which 88 IT parks have started functioning. These are located in Mumbai (41), Thane (9) and Pune (38) district. These functioning IT parks with investments of Rs. 1,403 crore are creating 1.87 lakh jobs. The remaining 337 IT parks with investments of Rs. 6,347 crore have been given Letters of Intent and are expected to generate 8.46 lakh job opportunities. The list of Public IT parks and Private IT parks are given in Annexure I & II respectively.

The Bio-Technology (B.T.) Policy was declared by the State Government in 2001. Nine BTSEZs under public sector are proposed in the State with total estimated investment of Rs.4234 crores and employment generation of 0.98 lakh. Public Bio-Tech (BT) parks are developed in the State at MIDC Jalna and MIDC Hinjewadi (Pune), while four private BT parks are being developed in the State with total investment of about Rs. 300 crores. As on 30th December 2010, the total No. of Micro, Small and Medium Enterprises since inception i.e. after the enactment of MSME Development Act- 2006 are around 1,65,214 providing employment opportunities to around 13,00,947 persons.

3.7 Development in SME Sector:
Small and Medium Enterprises sector occupies an important position in the State’s industrial economy and continues to contribute to industrial production, export, creation of employment opportunities, etc. The Development Commissioner (MSME), Govt. of India, New Delhi formulates the policy governing the MSME in the country and chalk out schemes and programmes for development of the MSME sector as per the provisions in the MSMED Act. As per the new MSME Dev. Act, 2006, the new definition of Micro, Small and Medium Enterprises in manufacturing and service sector are as follows:

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Medium Enterprises- Above Rs. 2 crore upto Rs. 5 Crore

For the development of MSME, particularly of the Micro and Small Enterprises, the Government has given importance in its MSME Development Act.
3.8 Performance Of SME in India:

Following table reveal the performance of SME in India which indicate different variables in the economy as follows

Table No3.1
Trend of SME in India since 2000

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of enterprises (lakh no’s)</th>
<th>Employment (lakh persons)</th>
<th>Production (Rs.Crs) at current prices</th>
<th>Export (Rs.Crs)</th>
<th>Fixed Investment (Rs. in Crore)</th>
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</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>101.1</td>
<td>239.09</td>
<td>184428.00</td>
<td>69797.00</td>
<td>143561.00</td>
</tr>
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<td>2001-02</td>
<td>105.21</td>
<td>249.09</td>
<td>195613.00</td>
<td>71244.00</td>
<td>154349.00</td>
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<td>2002-03</td>
<td>109.49</td>
<td>263.49</td>
<td>314850.00</td>
<td>86013.00</td>
<td>162317.00</td>
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<td>2003-04</td>
<td>113.95</td>
<td>275.30</td>
<td>364547.00</td>
<td>97644.00</td>
<td>170219.00</td>
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<td>2004-05</td>
<td>118.59</td>
<td>287.55</td>
<td>429796.00</td>
<td>124416.56</td>
<td>178699.00</td>
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<tr>
<td>2005-06</td>
<td>123.42</td>
<td>299.85</td>
<td>497842.00</td>
<td>150242.03</td>
<td>188113.00</td>
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<td>2006-07</td>
<td>361.12</td>
<td>805.52</td>
<td>587196.00</td>
<td>182538.00</td>
<td>86854.79</td>
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<td>2007-08</td>
<td>377.37</td>
<td>842.28</td>
<td>790759.00</td>
<td>202017.00</td>
<td>920459.84</td>
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<td>2008-09</td>
<td>393.70</td>
<td>880.84</td>
<td>880805.00</td>
<td>212408.00</td>
<td>977114.72</td>
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<td>2009.10</td>
<td>410.73</td>
<td>921.15</td>
<td>982919.00</td>
<td>223027.00</td>
<td>1038546.08</td>
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<td>428.73</td>
<td>965.15</td>
<td>1095758.00</td>
<td>239041.00</td>
<td>1108546.09</td>
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<td>2011-12</td>
<td>447.66</td>
<td>1011.80</td>
<td>1398803.00</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2012-13</td>
<td>467.56</td>
<td>1661.52</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

(Source : MSME Annual Reports since 2000)

1. Trend in Number of Enterprises:-

The SME play a pivotal role in overall industrial economy of the country. As per the different MSME Annual Report since 2000 to 2013 it is very clear that this sector has
shown admirable growth. As a result the number of enterprises shown increase in trend since 2000 in SME sector inspite of many economic downturn and recession. In 2000-01, 101.1 lakh enterprises were observed in SME sector which rose to 467.56 lakhs in 2012-13. As per 4th census of MSME sector, 90.08% of the enterprises are registered as proprietary concern. About 4.01% of the enterprises are run by partnership 2.78% of the enterprises were run by private companies rest were owned by public limited companies, cooperative or others. This significant addition of number of enterprises has witnessed its growing importance.

2. Trend in Employment:-
Worldwide, the SME have been accepted as the engine of economic growth and for promoting equitable development. The labour intensity of the SME sector is much higher than that of the large enterprises. As per available statistics (4 census of MSME Sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country. As per the table 3.1, in 2000-01, 239.09 lakh persons were employed and it rose to 1661.52 lakh persons in 2012-13. Which shows consistent progress in the employment in SME sector?

3. Trend in Growth in Production:-
SME sector is ideally suited to build on the strengths of the traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices. This is the opportune time to set up projects in the sector. It may be said that the outlook is positive, indeed promising given some safeguards. This exception is based on an essential feature of the Indian industry and the demand structures. The diversity in production systems and demand structures will ensure long term co-existence of many layers of demand for consumer products. A large number of SMEs are engaged in the manufacturing of consumer goods of mass consumption, thereby making them available in plenty which serves as a non-inflationary force. As per the table 3.1, it is notice the improving and increasing trend of production of SME sector in India. In 2000-01 the production of SME was 184428.00 crores which increase to 1398803 crores in 2011-12. It shows the capability of SME product to compete in international market.
4. Trend in Growth in Export:–
Export from SME sector has been accorded high priority in India export. There are 26.1 million MSME units in India and 12 million persons are expected to join the workforce in the next 3 years. This sector contribute 40% of India’s export there is well ground market for the product, differentiation of quality, value addition and sophistication makes SMEs to compete in the diverse situation in international trade. As per the table 3.1, it is observed that 69797 crores in 2000-01 which rose to 239041 crores in 2010-11 as export earning to the India which remark the strength of SMEs in global market.

5. Trend of Fixed Investment:–
SME is the second largest sector after agriculture in India. The traditional village and cottage industries which are clubbed in modern SME which provide maximum opportunities for investment. Large number of SME are engaged in manufacturing of consumer goods which support non-inflationary force. The output-capital ratio and employment capital ratio has shown increase in trend of fixed investment in India. As per the table 3.1, the trend of fixed investment in SME is showing increasing trend since 2000. In 2000-01, 143561 crores were invested in fixed assets and 1108546.09 crores were in 2010-11.

3.9 State & Central Govt. Schemes for Development of SMSs:–
3.9.1 State Govt. Schemes:–
Industrial, Investment & Infrastructure Policy of Maharashtra 2006:  
The main objective of this policy is “To achieve higher and sustainable economic growth with emphasis on balanced regional development and employment generation through greater private and public investment in industrial and infrastructure development.”

Policy Targets:
  • Target industrial sector growth rate of 10% by 2010
  • Target Service Sector growth rate of 12% by 2010 and
  • Additional Employment generation of 20 lakh by 2010
Policy Strategies:
The policy objectives will be realized through the following strategies:

• Identification of thrust sectors
• Building up of quality infrastructure
• Incentivising investments for employment generation in districts low on Human Development Index
• Attracting mega investments both foreign and domestic
• Commercial exploitation of local resources and local economic potential
• Strengthening the SME sector through promotion of quality competitiveness, research and development and technology upgradation
• Nurturing industrial clusters
• Prevention of industrial sickness and revival of viable sick units
• Smooth exit option for industries
• Streamlining procedures, debottlenecking and creation of hassle free industry friendly environment
• Strengthening institutional support

Development Index

• Attracting mega investments both foreign and domestic
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• Streamlining procedures, debottlenecking and creation of hassle free industry friendly environment
• Strengthening institutional support

The State, in addition to the Industrial Investment and Infrastructure Policy, will formulate out the following policies for achieving the objectives and facilitating investment in the thrust areas:

i) Agro Processing Policy: It is focus on food processing and preservation which besides providing adequate technical and scientific training to the farming community will aim at creating off farm jobs and bringing greater value addition for the rural population.

ii) Textile Policy: Since the Textile has high potential of providing large scale employment, especially to women, the State will formulate a comprehensive Textile Policy aimed at creating world class infrastructure, state-of-the-art technology and upgradation of technical skills through proper training in this sector.

iii) Retail Policy: The organized retail sector in India is growing at around 20%. Maharashtra with over 43% urbanization has therefore great potential for the development of this sector. The State will, therefore, come out with a comprehensive
Retail Policy which will facilitate the setting up of malls, address concerns of retailers and create conducive environment by amending relevant Acts including labour laws.

iv) **Infrastructure Development Policy** : Infrastructure is the backbone of any state and its economy. The Infrastructure Policy will aim at facilitating creation of appropriate and adequate infrastructure through public and private sector participation and at addressing the concerns of project participants in matters connected with or incidental to development of infrastructure. Infrastructure and Communication. The State realizes that Infrastructure and Communication are key drivers of industrial growth and will therefore focus on Evolving innovative financing systems and forward-looking public private partnerships for funding requirements of infrastructure projects for the construction of roads, flyovers, bridges, power plants, airports and ports.

**Promotional and Financial Incentives:**

1. **Industrial Promotion Subsidy:**
   
   (A) **New SSI/MSI/LSI (including IT/BT) units** : New projects, which are set up in these categories in different parts of the State, will be eligible for Industrial Promotion Subsidy. The quantum of subsidy will be linked to the Fixed Capital Investment. Payment of IPS every year will be equal to 25% of any Relevant Tax paid by the eligible unit to the Govt. of Maharashtra or to any of its departments or agencies.

   (B) **Expansion units**: Existing SME (including IT/BT) units making additional investment to the extent of 25% or more over the Gross Fixed Capital investment, as on the last date of the previous financial year, for expansion, diversification or modernization, will also be eligible to get the Industrial Promotion Subsidy equivalent to 75% of the incentives admissible for new units.

2. **Additional incentives:**

   The eligible SME units coming up in Industrial Custer / Parks to be notified by the State Government and in Agro-based Industries, Textiles, Auto and Auto Components, Electronic products, Pharmaceuticals and Gems and Jewellery, Service – Information Technology, I.T. enabled services, Biotechnology sectors in “C”, “D”,

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“D+” areas only will be eligible for the IPS applicable to the one step higher incentive category under clause 1.

3. Special Incentives for Units coming up in Districts low in HDI:
The State Government will make special efforts for speedier economic development in the 10 districts lowest in the State on the Human Development Index. It is proposed to offer the following employment based incentives to the units coming up in these districts:

3.1 New units setting up facilities in these notified districts and employing at least 75% local persons as defined in the Employment of Local Persons Policy will be offered 75% reimbursement of expenditure on account of contribution towards Employees State Insurance (ESI) and Employees Provident Fund (EPF) Scheme for a period of 5 years. However, these benefits will be limited to 25% of FCI. The amount of reimbursement will be paid annually based on minimum statutory limit subject to the condition that the units has paid its contribution towards ESI & EPF on the due dates.

4. Mega Projects:
Industrial projects with investment more that Rs. 500 crores or generating employment for more than 1000 persons in A and B areas or investment more than 250 crores or generating employment for more than 500 persons in rest of Maharashtra will be termed “Mega Projects” and would be eligible for customized package of incentives. The industrial projects coming up in the 10 low HDI districts mentioned with investment of more than Rs. 100 crore or generating employment for more than 250 persons would also qualify for customized package of incentives.

5. Interest Subsidy:
All new eligible units in textile, hosiery, knitwear and readymade garment sector units in the SME sector will receive interest subsidy. The interest Subsidy will be payable only on the interest actually paid to the Banks and Public Financial Institutions on the term loan for acquisition of fixed capital assets, equal to the interest payable at 5% per annum.
6. Exemption from Electricity Duty:
Eligible new units in C, D and D+ areas and No-Industry District(s) will be exempted from payment of Electricity Duty for a period of 15 years. In other parts of the State, 100% Export Oriented Units (EOUs), Information Technology (IT) and Bio-Technology (BT) units will also be exempted from payment of Electricity Duty for a period of 15 years.

7. Waiver of Stamp Duty:
The 100% exemption from Stamp duty will be extended upto 31st March 2011 in C, D and D+ Talukas and No Industry Districts. However, in A and B areas, stamp duty exemption would be available as given below:
* BT and IT units in public IT parks : 100%  
* BT and IT units in private IT parks : 75%  
* Mega Projects : 50%

8. Exemption of payment of Royalties / NA charges:
Units in MIDC areas / Cooperative Industrial Estates will be exempted from payment of Non Agricultural Assessment Charges. Royalty payable on minor minerals extracted during construction under taken in MIDC area as well as in cooperative industrial estates will be 100% exempted.

9. Royalty Refund:
All eligible units, (new as well as units undertaking expansion) in Vidarbha region will be eligible for refund of royalty paid on purchase of minerals from mine owner within the State of Maharashtra for a period of five years from commencement of production.

10. Refund of Octroi / Entry Tax in lieu of Octroi:
Octroi based incentive will continue to be offered by way of refund of Octroi Duty/Entry Tax etc. An eligible unit, after it goes into commercial production, will be entitled to Refund of octroi duty or any entry tax or account based cess levied by the municipal bodies in lieu of octroi and paid to the local authority on import of all the items required by the Eligible Unit. This incentive will be admissible in the form of a grant restricted to 100% of the admissible Fixed Capital.
11. Octroi Exemption on Raw Materials
Several manufacturing units in the Municipal Corporation limits are facing acute problem on account of high incidence of octroi. Some units have already shifted while others are planning to relocate even outside the State. This migration would result in rendering a large number of employed persons jobless. It is, therefore proposed to exempt 100% the octroi payable on all raw materials used by units in Municipal Corporation areas for manufacture of products to be exported out of the limits of the Municipal Corporations. The burden of such exemption will have to be borne by the concerned Municipal Corporations.

12. Modification in Seed Money Scheme:
Under the Seed Money Scheme, the educated unemployed youths are getting seed money assistance between 10% to 22.5% of the project cost limited to a maximum of Rs. 10 lakhs for starting self-ventures from the Directorate of Industries as margin money. The seed money assistance carries interest @ 10% p.a. with a rebate of 3% for prompt payment. At present penal interest @ 14% is charged on delay in payment of the seed money dues.

13. Strengthening the SME Sector:
The Government is taking initiative to address the challenges faced by the SME sector in the areas of availability of cheap and timely finance, technology upgradation, upgradation of skill sets of those employed in this sector and marketing. The State will also take all necessary measures to complement the initiatives proposed by the Central Government in its Small & Medium Enterprises Bill, including setting up of a special institution for the SMEs. It will also provide the following incentives to promote quality competitiveness, research and development and technology upgradation.
- 5% subsidy on capital equipment for technology upgradation limited to Rs. 25 lacs
- 5% subsidy on the expenses incurred for quality certification limited to Rs. 1 lakh
- 25% subsidy on cleaner production measures limited to Rs. 5 lakhs
- 50% subsidy on the expenses incurred for patent registration limited to Rs. 5 lakh
14. Mechanism for payment of Incentives:

To clear the backlog of incentives of previous schemes and to ensure timely disbursement of the incentives under the PSI 2006, a PLA facility will be set up by transferring Rs. 400 Crores in the first year from State’s Non Plan which will be replenished to the extent of utilization at the beginning of each subsequent financial year. The issue of increasing the quantum of PLA facility would also be considered at the appropriate time. In addition, 25% of extra premium earned by MIDC & CIDCO from sale of lands or conversion of lease hold to free hold will also be allowed to be used for industrial promotion.

15. Simplification in PSI Scheme:

With the discontinuation of Sales Tax based incentives, it is proposed to simplify the new package scheme. Commercial production would be crucial criteria for determining the eligibility of the unit. The units seeking incentives under the PSI 2006 will be required to submit application in the prescribed form to the implementing agency. The units will be required to commence production within the stipulated period from the date of submission of such valid application. The stipulated period for commencement of production as well as for making the intended investment for SME units and Mega Projects will be three, four and five years respectively from the date of submission of application. While the investment made beyond the stipulated period will not be considered eligible, the delay in commencement of production will entail proportionate curtailment of incentives.

16. Cluster approach for development:

The State will adopt a new and innovative approach to cluster development, which will greatly improve manufacturing competitiveness. This will be done through developing appropriate infrastructure based on needs of specific industries, provision of optimum utilities and common facilities, attracting the right kind of talent and segregating labour intensive industries from highly automated units. The MIDC will give special emphasis on cluster based development of its areas by reserving some areas within the MIDC for specific industries and their ancillaries.

The MIDC will earmark a part of the land exclusively for SME units in and around big industrial projects. This will facilitate healthy and positive linkage between small
and big industrial projects helping ancillarisation of the SME units which will help in
greater development of the region. Clusters will be developed on the basis of
identified thrust areas and the available resources in the region. Eligible units setting
up facilities in the Clusters coming up in “C, “D”, “D+” area will be entitled to the
IPS applicable to one step higher incentive category under clause 9.1.

3.9.2 Central Govt. Schemes:

1. National Manufacturing Competitiveness Programme (NMCP):
The Government has announced formulation of National Manufacturing
Competitiveness Programme in 2005 with an objective to support the manufacturing
sector, particularly the Micro, Small and Medium Enterprises (MSMEs) in their
Endeavour to become competitive and adjust the competitive pressure caused by
liberalization and moderation of tariff rates. The National Manufacturing Competitive
Council (NMCC) along with relevant stakeholders like the Ministry of MSME has
conceptualized and finalized the components of the programme incorporating suitable
inputs. Main Components of NMCP:

i) Promotion of Information and Communication Technology (ICT).

ii) Lean Manufacturing Competitiveness Scheme (LMCS)

iii) Design Clinics Scheme for MSMEs.

iv) Marketing Assistance and Technology Upgradation Scheme for MSMEs

v) Enabling Manufacturing Sector to be Competitive through Quality Management
   Standard
   (QMS) and Quality Technology Tools (QTT)

vi) Technology and Quality Upgradation Support to MSMEs (TEQUP)

vii) Marketing Support/Assistance to MSMEs (Bar Code)

viii) Setting up of Mini Tool Rooms under PPP Mode

ix) Building Awareness on Intellectual Property Rights (IPR)

x) Support for Entrepreneurial and Managerial Development of SMEs through
   Incubators
2. Cluster Development Programme
The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country. Clustering of units also enables providers of various services to them, including banks and credit agencies, to provide their services more economically, thus reducing costs and improving the availability of services for these enterprises.

Objectives of the Scheme:
To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills and quality, market access, access to capital, etc.
To build capacity of MSEs for common supportive action through formation of self help groups, consortia, up gradation of associations, etc.
To create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of MSEs.
To set up common facility centers (for testing, training centre, raw material depot, effluent treatment, complementing production processes, etc

3. Scheme for capacity building, strengthening of database and advocacy by Industry/Enterprise Associations and for holding Seminars /Symposiums/ Workshops by the Associations:

4. Credit Link Capital Subsidy Scheme for Technology Upgradation
The Scheme was launched in October, 2000 and revised w.e.f. 29.09.2005. The revised scheme aims at facilitating Technology Upgradation of Micro and Small Enterprises by providing 15% capital subsidy (12% prior to 2005) on institutional finance availed by them for induction of well established and improved technology in approved subsectors/ products. The admissible capital subsidy under the revised scheme is calculated with reference to purchase price of Plant and Machinery. Maximum limit of eligible loan for calculation of subsidy under the revised scheme is also raised from Rs. 40 lakhs to Rs. 100 lakh w.e.f. 29-09.2005.
5. Credit Guarantee Fund Scheme for Micro and Small Enterprises

The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) was launched by the Government of India to make available collateral-free credit to the micro and small enterprise sector. Both the existing and the new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Fund Scheme for Micro and Small Enterprises. The scheme was formally launched on August 30, 2000 and is operational with effect from 1st January 2001. The corpus of CGTMSE is being contributed by the Government and SIDBI in the ratio of 4:1 respectively. At present the corpus is around 3300 crores which enables substantial enhancement in the credit flow to MSMEs by leveraging it many times more.

3) Participation in the International Exhibitions/ Fairs

It is purely promotional scheme to give exposure to the SME units which otherwise are not in a position to participate in the exhibitions/ fairs at their own cost. Under the scheme, exhibits of the selected export-worthy units are displayed in the exhibition that provides an opportunity to SME units in demonstrating their capabilities before the international community. However, women, SC&ST, entrepreneurs from North Eastern Region need only to pay 50% space rental charges as security deposit which will be refunded to them after participating the fair. The participating units will also carry/manage their exhibits (to and fro) including custom clearance etc. Participating units may avail financial benefits under SSI-MDA scheme. Participating units are selected by Director, MSME-DIs.

4) Market Development Assistance Scheme for MSE Exporters

As part of the comprehensive policy package for MSEs, SSI-MDA scheme has been announced in August 2000 which came into operation w.e.f. 30th August, 2001. With a view to increase participation of representatives of participating units in International Trade Fairs/ Exhibitions, the provision of SSI-MDA Scheme to encourage small and micro exporters in their efforts at tapping and developing overseas markets.
3.10 Challenges of Small and Medium Enterprises (SME):

The challenges that the Indian economy is going to face are much more than what it faced on the eve of independence. The experience the county has gained in promoting economic development should help in viewing the problems in an altogether different perspective and to design appropriate strategies for solving them expeditiously. The single problem that has haunted the economy over the years has been the persistent shortage of goods and services the main objective in the nineties is to maximize output. It is therefore, necessary to create suitable changes in the economic environment for achieving this end in other words, strategies and policies which the country has adopted so far need to be revamped and redesigned with a view to producing goods and services in abundance maximizing employment opportunities, generating more savings, and above all, leading to higher incomes and better standard of living for the people. The problem of shortages can be solved only by appreciating the need for a more favorable environment for industries to grow and expand and produce goods and services without undue fetters. By adopting a strategy to generate surpluses in the economy in terms of greater output, greater savings, greater incomes, greater investments etc. the country will be solving other problems like inflation, underutilization of capacities, unemployment and poverty. These problems thrive only in an environment where there are shortage and where the scope for growth is unfavorable.

Since the country is committed to the elimination of poverty and unemployment and improving the levels of livings of the people, both government and industry have to gear themselves to making the economy a surplus one in the coming decades. The policies should be designed as to help industries, including Industries in the small sector, to grow without any inhibition so that they may make their maximum contribution to the total national output.
Navi Mumbai was projected to absorb the future growth in population, business and commercial activities of Mumbai. Navi Mumbai, today’s satellite city, which is three and half decade old, has all the potential of business capital. With a strong Thane Belapur industrial belt, numerous IT parks, with several malls coming up, an international airport on civil, SEZ projects, proximity to APMEC, the largest wholesale market of fruits, vegetables and grains in Asia, planned infrastructure, Navi Mumbai will soon compliment Mumbai.

The IT parks have emerged as a feather in the cap of MIDC Navi Mumbai and are a super success today. The largest IT parks in the country, the leading IT industries and the best IT companies are located here and many are under construction. Nearly 150 Ha occupied IT parks and 50 Ha is under construction. The present study is only for manufacturing industries therefore IT parks service industries like call centre,
research centers and BPO are not categorized as a part of present study of manufacturing units.

3.11 Overview of Industries in Thane-Belapur Industrial Belt:

3.11.1 Thane-Belapur Industrial Belt:
The Trans Thane Industrial belt developed by MIDC in mid sixties witnessed a sharp growth of Small and Medium Enterprises in terms of number of units, capital deployed, employment and turn over. Most of the small industrial units continue to be high capital incentive industries. The basic petro chemical units like NOCIL and Hardily Chemicals were set up in late 1960s. This is followed by setting up a large number of chemical industries such as Polyethylene Plastic and Resins, Synthetic Tanning Agents Leather, PVC Products etc. The Thane Belau Industrial belt had 72 industrial units in 1974. This has been increased to 533 in 1984 and 1931 in 1990. Now there are about 2,300 industrial units with an employment of over one lakh with an annual turnover of more than 10,000 crores.

Area Detail:

Maharashtra Industrial Development Corporation established an industrial estate at Thane Belapur Road, Navi Mumbai in 1963 which is oftenly known as TTC MIDC Estate. The Estate is located along Thane Belapur Road towards Northern side of road and total area of the industrial estate is 27 sq.kms. There are about 2200 industrial units of various category engaged in the manufacture of chemicals, dyes, dye-intermediates, Bulk drugs, pharmaceuticals, Textile auxiliaries, Pesticides, Petrochemicals, Textile processors, Engineering units etc. Some of them are generating trade effluent and total effluent quantity from all this unit is 26 MLD.

There are two major common infrastructures in TTC MIDC area. One is Common Effluent Treatment Plant (CETP). Capacity of the CETP is 27 MLD and based on extended aeration activated sludge process technology. The treated effluent from the industries is collected through closed pipeline. The CETP comprises of collection / equalization / neutralization sump, Clariflocculator, Aeration tank, clarifier, sludge drying beds & decanter etc.

Another infrastructure is Common Hazardous Waste Treatment Storage and Disposal Facility (CHWTSDLF) provided by TTC Waste Management Association. The
Hazardous Waste from the Navi Mumbai area is discharged at the facility by either direct landfill (DFL) or landfill after treatment (LAT) as required. The incineratable waste is sent to another CHWTSDF at Taloja, provided by M/s. Mumbai Waste Management Ltd. MIDC Taloja, Dist. Raigad.

There is a Township newly established by CIDCO on the either side of Thane Belapur Road which is known as Navi Mumbai and is governed by Navi Mumbai Municipal Corporation (NMMC). Population of the Town is above a million. Requirement of water for the Township is 317 MLD which is fulfilled by Morbe, Barvi and Hetwane dam, and generation of sewages is 245 MLD. The NMMC have provided 7 Sewage Treatment Plants (STP) at various places. Three of them are fully equipped and working satisfactorily. Another three are being upgraded and time schedule for upgradation is June, 2011. The seventh STP is to be scrapped and the sewage is to be connected to the nearby STP as feasible. The work is under investigation. At present, it is operating About 550 MT/D of Municipal solid waste is generated in Navi Mumbai for which NMMC has developed landfill site at Turbhe. The site is already in operation where MSW is disposed off scientifically. NMMC has proposed to install Waste to Compost and RDF (Refuse Derived Fuel) project. Work is in progress and the project will be commissioned by October 2010. There are leachates from the MSW dumping cells for which leachate treatment plant is being installed. The plant is under construction and will be commissioned by February 2011. At present, leachates are transported to Vashi STP through tanker for treatment and disposal.

Besides the industries, there are other sources which are major contributors for pollution, especially air pollution. Navi Mumbai is a developing town and so many construction activities are going on. There is lot of emissions by transport and handling of cement and other construction material. There is another organization i.e. Agro Produces Marketing Committee (APMC) were there is huge transaction of agro products. There is lot of emissions due to transport, loading, unloading and handling of agro produces. These activities contribute air pollution.

Another major source for air pollution is the transport. Navi Mumbai is the major pass-way for Mumbai and Thane and lacs of vehicles pass to and fro. The auto exhaust as well as dust emissions from these vehicles contribute lot of air pollution.
There are also other sources of stationery emissions such as Rail/Bus transport, Market places etc. The sources other than the industries contribute more.

### Table No. 3.2

**TTC MIDC Location in Navi Mumbai**

<table>
<thead>
<tr>
<th>Location : Name of the Industrial cluster</th>
<th>TTC MIDC area, Thane Belapur Road, Navi Mumbai.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area</strong></td>
<td>Approx. 27 Sq.km.</td>
</tr>
<tr>
<td><strong>Surroundings</strong></td>
<td>East : Parsik Hill range.</td>
</tr>
<tr>
<td></td>
<td>West : Thane Municipal Area</td>
</tr>
<tr>
<td></td>
<td>North: Parsik Hill</td>
</tr>
<tr>
<td></td>
<td>South : Thane Belapur Road , and</td>
</tr>
<tr>
<td></td>
<td>Navi Mumbai Township.</td>
</tr>
</tbody>
</table>

(Source: CIDCO Industrial Survey Report, 2007)

1. **Industrial Area**

   1. TTC (Trans Thane Creek) 2562 Ha
   2. Tajola Industrial Estate 900 Ha
   3. Jawahar Co-operative Industrial Estate 28 Ha
   4. Panvel Industrial Co-Operative Estate Ltd. 12 Ha

2. **Total no. of plots**

   1. TTC (Trans Thane Creek) 3824 Ha
   2. Tajola Industrial Estate 1200 Ha
   3. Jawahar Co.operative Industrial Estate 248 Ha
   4. Panvel Industrial Co-Operative Estate Ltd 103 Ha
   **Total** 5375 Ha

3.11.2 **SME Development in the Thane Belapur Industrial Belt:**

Thane-Belapur Industrial Belt (TBIB) also known as the Trans Thane Creek Area (TTCA) is situated in Zone II of Mumbai Metropolitan Region Development Authority (MMRDA). It is one of the major industrial belts in the country. TBIB
mainly covers a strip between Thane Creek on the west, reserved forest land on the east; CBD, Belapur on the south and Thane city limit on the north admeasuring approximately 162 sq.km. The industrial development in TBIB commenced in 1961, along with declaration of Maharashtra Industrial Development Corporation (MIDC). The objective was primarily to promote chemical, engineering and other auxiliary industrial units. Subsequently MMRDA, along with City and Industrial Development Corporation (CIDCO) has developed a number of residential and commercial zones within this area, apart from a large number of villages that are situated in this belt.

Navi Mumbai’s economic base was expected to be unique - more dependence on private sector activities like wholesale trading and processing activities in agricultural produce, iron and steel stockyards and wholesale markets, port based commercial and industrial activities, private and public sector offices, training and R & D centers in selected District Business Centers (DBCs) and Central Business District (CBD) and last, but not the least, the fast emerging industrial belts along Thane - Belapur Road and at Taloja. In fact, at the time of formation of CIDCO in 1970-71, the only economic input available was about 16,000 industrial jobs in the Thane - Belapur belt; huge amounts of money were being spent by each company in transporting their workers to and from Mumbai.

3.11.3 Details of Industries In Navi Mumbai:

Industrial Area:
The Industrial belt includes Trans Thane Creek (TTC) Taloja, Jawaharlal, Panvel, and Uran area. The TTC area spread over 2,562 Ha, and the total number of plots are 3824. Taloja Industrial area covers 900 Ha. with 1,200 plots. Jawahar Cooperative industrial Estate & Panvel Industrial Co-operative Estate Ltd stretched on 28 Ha. and 12 Ha. with total no. of 248 and 103 plots respectively. Following areas are considered for concentration of industries.
1. TTC (Trans Thane Creek)
2. Taloja Industrial Estate
3. Jawahar Cooperative Industrial Estate
4. Panvel Industrial Co-operative Estate
5. Other Area – Uran 4
The totals of small Industrial units are 3928. Number of industrial units is less than the number of plots because some of the plots are clubbed together. TTC area has the maximum Industries with 2,881 units i.e. 73% followed by Taloja with 841 units (21%), Jawahar with 115 units (3%) , Panvel with 87 units (2%) and Uran with 4 units (<1%).

**Status of Industries:**
Out of the total number of industrial units (3928), the working units are 2292 (58.3%) and the closed units are 686 (17.21%). As compared to 1990 the total no. of industrial units were 2121, which shows a growth of 85% in 15 years

**Type of Industries:**
The total Industrial units are classified into 14 groups. Engineering units comprise of 47% followed by Chemical units 20%, Fabrication units 8%, Pharmaceuticals & Food processing units 4% each, Electronics and Garment units 3% each, Packaging and Printing about 2% each, Ice factories 1.2% and Stationary units 0.4% and other units such as Electrical, Computers, Oil, Automobile etc are 6%. 

**Expansion plan for future**
Nearly 50% of the small industries are positive about expansion and growth of their business in coming future. Based on the type of industries, about 47% of the engineering industries, 40% in fabrication, 41% in chemical industries, 52% in pharmaceuticals, 38% in food processing, 50% in petrochemical, 46% in dyes & intermediaries, 58% in steel & allied, 49% in electronics and 38% in other sector have plan for future development.

**3.11.4 Industrial Surveys in Thane-Belapur Industrial Belt(TBIB):**-
Industries were asked their opinion on the future prospects of particular trade with respect to government policies. Nearly one third of the industrialists feel that there is a bright future, 45% feel that they may continue in the same pace, 6% say that they are likely to die out in due course of time and 20% feel that there would be a requirement of new mode of operation. According to the Industrial Survey Report-2007 by CIDCO important features of TTC industrial region are as follows:
1. TTC MIDC Area:
Thane Trance Creek MIDC was established on 1962 at that time acquired land was agricultural land. The same land was acquired on lean basis. Industries belongs to TTC MIDC area are need to pay property tax to Navi Mumbai Municipal Corporation (NMMC) and Development charges to the MIDC.

2. Type of industries by size of industry:
The penetration of industries in Navi Mumbai area has been since 1970, so the type of industries found is typical and conventional in nature. The initial penetration was more of engineering, chemical and pharmaceutical industries. The diversification in industrial base can only be seen after 1990, where even other types of industries like packaging, garment, etc have penetrated down

3. Size of Industries:
Starting with a small base, the mid sixties witnessed accelerating pace of industrial growth. The chemical and fibers of India established their man-made fiber plant in 1965, which was followed by there setting up of number of manufacturing plants. Industries were classified into three classes based on investment in plants & machinery. Small Scale Industries (SS) have investment less than Rs. 1 crores, Medium Scale Industries (MSI) have investment in plant and machinery between Rs. 1 crore to Rs. 10 crores and Large Scale Industries (LSI) have investment in plants and machinery more than Rs. 10 crores.

4. Type of Industries:
The total industrial units are classified into 14 groups. Engineering units comprise of 47% followed by Chemical units 20%, Fabrication units 8% Pharmaceuticals & Food processing units 4% each., Electronics and Garment units 3% each, Packing and Printing about 2% each, Ice factories 1.2% and Stationery units 0.4% and other units such as Electrical, Computers, Oil, Automobile etc are 6%.

5. Plot Area & built up area of industries:
Around 60% Industries have plot area less than 1,000 sq. m to 2,500 sq. m., 9% have 2501 sqm to 5000sqm and 10% have above 5000 sqm. Two-thirds of the industries have built up area up tp 1000 sqm. Around 16% industries have built up area between
1001 to 2500 sqm, 10% have between 2500-5000 sqm and 7% have built up area above 5,000 sqm.

6. Type of Employment:
Sixty nine percent of the employees are working in the industrial units as permanent employees and 31% are employed on temporary/contractual basis. In addition to this, about 40% are seasonal labourers who keep migrating in and out.

| Permanent Employees | 69% |
| Temporary/Contract basis/others | 31% |

There are 27% of the employees are graduates/post graduates, 64% have secondary & higher educations including ITI Diploma and 8% have up to primary education.

7. Age of Employees:
Nearly 21% of the work force is below 25 years of age and 64% belongs to age group 26-40 years. 10% are between 41-50 years and 4% belongs to 51-60 years of age group and 1% is above 60 years.

8. Residential Location of the Employees:
Around 58% of the work force resides in Navi Mumbai which includes 10% in TTC area. Around 39% come from Mumbai and its suburbs including Thane, Kalyan and 3% from other surrounding places.

9. Housing Requirement for the Employees:
About three fourth of the industries don’t have housing requirement because more than 58% employees reside in Navi Mumbai. Therefore the response to the housing requirement is given by 24% industries only. Out of 24%, about 57% of Industries desire for plots and 43% for premises. Out of these 57% industries who opted for plot, nearly 43% have expressed their need for plots admeasuring up to 500 sqm. And 57% desired for plots, above 500 sqm.

10. Ownership of Industries:
About 90% of the industries are owned by industrialist. Out of that, 65% are owned by single owners and 25% owned on partnership basis. The balance 10% industries are on rental/lease basis.
3.12 Existing status of TTC MIDC Area in Navi Mumbai:

3.12.1 Status of enterprises in Thane Belapur Industrial Belt (TBIB):

Following table show number of enterprises in Thane Belapur Industrial Belt (TBIB).

**Table No. 3.3**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Number of enterprises</th>
<th>Manufacturing</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro</td>
<td>9454</td>
<td>940</td>
<td></td>
<td>10394</td>
</tr>
<tr>
<td>2</td>
<td>Small</td>
<td>5823</td>
<td>629</td>
<td></td>
<td>6452</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>91</td>
<td>25</td>
<td></td>
<td>116</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>15368</td>
<td>1594</td>
<td></td>
<td>16962</td>
</tr>
</tbody>
</table>

(Source-Thane District Industrial Survey, 2012)

Small and Medium Enterprises are showing increasing trend in number of enterprises in Thane Belapur Industrial Belt (TBIB). As per the CIDCO Industrial Survey Report in Navi Mumbai. The size of manufacturing enterprises in small enterprises categories 5823 units are working in TBIB in Navi Mumbai. Where as the medium enterprise categories 91 units are working in TBIB in Navi Mumbai. As far as service enterprises are considered 629 units are in small enterprises categories and 25 units are in medium enterprises. The status of number of enterprises in TBIB is progressive in nature since 2000.

3.12.2 Status of enterprises in Thane Belapur Industrial Belt (TBIB):

Following table show employment generation in Thane Belapur Industrial Belt (TBIB).

**Table No. 3.4**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Employment Generation</th>
<th>Manufacturing</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro</td>
<td></td>
<td>98239</td>
<td>9777</td>
<td>108016</td>
</tr>
<tr>
<td>2</td>
<td>Small</td>
<td></td>
<td>115846</td>
<td>19481</td>
<td>135327</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td></td>
<td>9041</td>
<td>8194</td>
<td>17235</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>223126</td>
<td>223126</td>
<td>260578</td>
</tr>
</tbody>
</table>

(Source-Thane District Industrial Survey, 2012)
Small and Medium Enterprises are showing increasing trend in employment generation in Thane Belapur Industrial Belt (TBIB). As per the CIDCO Industrial Survey Report in Navi Mumbai. The size of manufacturing enterprises in small enterprises categories, 115846 peoples are employed in TBIB in Navi Mumbai. Where as the medium enterprise categories, 9041 peoples are employed in TBIB in Navi Mumbai. As far as service enterprises are considered 19481 peoples are in small enterprises categories and 8194 peoples are employed in medium enterprises. The status of employment generation in TBIB is progressive in nature since 2000.

3.12.3 Status of enterprises in Thane Belapur Industrial Belt (TBIB):
Following table show investment in Thane Belapur Industrial Belt (TBIB)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Manufacturing</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro</td>
<td>71095</td>
<td>9329</td>
<td>80425</td>
</tr>
<tr>
<td>2</td>
<td>Small</td>
<td>647635</td>
<td>23079</td>
<td>670713</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>63276</td>
<td>8414</td>
<td>71690</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>782006</td>
<td>40822</td>
<td>822828</td>
</tr>
</tbody>
</table>

(Source-Thane District Industrial Survey, 2012)

Small and Medium Enterprises are showing increasing trend in investment in SME in Thane Belapur Industrial Belt (TBIB). As per the CIDCO Industrial Survey Report in Navi Mumbai. The size of manufacturing enterprises in small enterprises categories 647635 lakhs are investment in SME in TBIB in Navi Mumbai. Where as the medium enterprise categories 63276 lakhs are investment in SME in TBIB in Navi Mumbai. As far as service enterprises are considered 23079 lakhs are invested in small enterprises categories and 8414 lakhs are invested in medium enterprises. The status of investment in SME in TBIB is progressive in nature since 2000.
3.12.4 Status of enterprises in Thane Belapur Industrial Belt (TBIB):

Following table show production capacity in Thane Belapur Industrial Belt (TBIB)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>Manufacturing</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td>480013</td>
<td>159253050</td>
</tr>
<tr>
<td>2</td>
<td>Small</td>
<td>20550627</td>
<td>523900</td>
<td>21074527</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>340836</td>
<td>56218</td>
<td>397054</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>22003981</td>
<td>1060130</td>
<td>23064111</td>
</tr>
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</table>

(Source-Thane District Industrial Survey, 2012)

Small and Medium Enterprises are showing increasing trend production capacity in Thane Belapur Industrial Belt (TBIB). As per the CIDCO Industrial Survey Report in Navi Mumbai. The size of production in small enterprises categorie, 20550627 lakhs worth were produced in TBIB in Navi Mumbai. Where as the medium enterprise categories 340836 lakhs worth were produced in TBIB in Navi Mumbai. As far as service enterprises are considered 523900 lakhs worth were produced in small enterprises categories and 56218 lakhs worth were produced in medium enterprises. The status of production capacity in TBIB is progressive in nature since 2000.

3.13 Conclusion:

The living standards of the people in this world vary considerably. Generally speaking industrialized countries are known as developed countries in which industrial development is based on modern technology and research the countries in which agriculture predominates are referred to as under developed/developing countries. Under developed countries are those where even agriculture is quite traditional. Developing countries have accepted mechanization as a way of life and have concentrated on developing large industries.

The president of the world bank once pointed out that over 40 per cent of the people in developing countries live in absolute poverty. There life is so degraded by disease,
illiteracy, malnutrition and squalled that the attainment of even the basic necessities of life seems to be difficult for them in near future. So goes the saying. Truly enough, the development of small – scales industries assist in improving the economic and social well – being of people. they play extremely diverse roles

In many developing countries, human beings constitute a major resource that is relatively abundant. it is therefore, imperative that their full and effective utilization should become a focal point of socio-economic policies. The emphasis in these developing countries is on labour – intensive technology to absorb the manpower surplus through all the channels of economic development. That is why in many developing countries in Asia, Africa and Latin America, small industry development is being pushed forward rapidly.

The pace and character of industrial development are affected by a country’s size, its natural resources, the skill of its people, the stability of its government and institution and their ability to promote change, the fiscal, monetary, exchange and trade policies that the government pursuer. One of the basis component of the concept of industrializations is rapid growth. Growth provides a steady increase in the demand for goods and services. This encourages a more liberal trading environment. Growth also stimulates investment and eases the absorption of new technology. In other words, industrialization results from the interaction of technological change, specialization and trade, good transport, efficient communication, and an educated labour force help promote the rapid development of industries. Rapid industrialization help in creating employment opportunities, increases the level of income and raises the country country’s national income.

For a developing country like India, the growth of Small and medium enterprise is a great significance. A part from increased production the growth of Small and medium enterprise help to serve as important milestone in the country’s march towards industrial democracy. This movement has to be fostered by all round efforts so that a new class of talented entrepreneurs, endowed with initiative and enterprise, come to the fore in this country.