

Final Report on UGC- MRP

[F.No.5-68/2014 (HRP) Date:15 Oct 2015MRP-MAJOR-ECON-2013-15]

Entitled

MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA

Submitted to

UNIVERSITY GRANTS COMMISSION, NEW DELHI

By

Dr. T. V. G. Sarma

(Principal Investigator)

Head & Associate Professor,
Department of Economics



**CHHATRAPATI SHAHU INSTITUTE OF BUSINESS
EDUCATION AND RESEARCH,(CSIBER),**

UNIVERSITY ROAD, KOLHAPUR- 416004 (MS), INDIA

U.G.C. - C.P.E. - III, NAAC Accredited 'A+' Grade

June 2018

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Annexure - III

UNIVERSITY GRANTS COMMISSION
BAHADUR SHAH ZAFAR MARG
NEW DELHI - 110002

STATEMENT OF EXPENDITURE IN RESPECT OF MAJOR RESEARCH PROJECT

1. **Name of Principal Investigator:** Dr. T.V.G.SARMA
2. **Dept. of Principal Investigator:** ECONOMICS
3. **Name of College:** CHHATRAPATI SHAHU INSTITUTE OF BUSINESS EDUCATION AND RESEARCH,(CSIBER), UNIVERSITY ROAD, KOLHAPUR - 416004 (MS).
4. **UGC approval Letter No. and Date:** F.No.5-68/2014 (HRP) Date:15 Oct 2015
MRP-MAJOR-ECON-2013-15
5. **Title of the Research Project:** MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA
6. **Effective date of starting the project:** 01/07/2015
7. **a. Period of Expenditure: From:** 01/07/2015 to 30/06/2018
b. Details of Expenditure:

S.No.	Item	Amount Approved (Rs.)	Expenditure Incurred (Rs.)
i.	Books & Journals	65,000	52,500
ii.	Equipment(Laptop & Accessories)	65,000	65,000
iii.	Contingency	50,000	44500
iv.	Field Work/Travel (Give details in the proforma at Annexure-IV).	2,00,000	1,76,820
v.	Hiring Services	50,000	46,300
vi.	Chemicals & Glassware	-	-
vii.	Overhead	62,800	54,500
viii.	Any other items (Please Specify)	-	-






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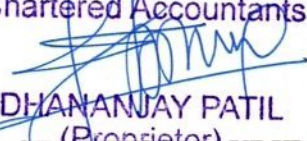
C Staff: Date of Appointment: 01 May 2016

S. No.	Items	From	To	Amt. Approved (Rs.)	Exp. Incurred (Rs.)
1	Honorarium to PI(retired teachers)@18,000p.m.	-	-	-	-
2	Project Fellow: i) NET/GATE qualifiedRs.16,000pm for initial two years and Rs.18,000 pm for third year. ii) Non-GATE/Non-NET qualified Rs.14,000pm for initial two years and Rs.16,000 pm for third year. H. R. A.	- 01/05/2016 01/05/2016	- 30/06/2018 30/06/2018	- 5,28,000	- (@Rs.14,000 pm) 3,50,000 (@Rs.1500 pm) 37,500



1. It is certified that the appointment(s) have been made in accordance with the terms and conditions laid down by the commission
2. If as a result of check or audit objection some irregularity is noticed at a later date, action will be taken to refund, adjust or regularize the objected amount.
3. Payments @ revised rates shall be made with arrears on the availability of additional funds.
4. It is certified that a grant of Rs 8,27,120.00 (Rupees Eight Lakhs Twenty Seven Thousand One Hundred and Twenty only) received from the University Grants Commission under the scheme of support for Major Research Project entitled, **MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA,** vide UGC Letter No. F.No.5-68/2014 (HRP) Date: 15 Oct 2015, MRP-MAJOR-ECON-2013-15 has been fully utilized for the purpose for which it was sanctioned and in accordance with the terms and conditions laid down by the University Grants Commission.


PRINCIPAL INVESTIGATOR
(SIGNATURES WITH SEAL)


REGISTRAR/PRINCIPAL
(SIGNATURES WITH SEAL)

FOR D. S. PATIL & CO
Chartered Accountants

DHANAJAY PATIL
(Proprietor)
STATUTORY AUDITOR
(SIGNATURES WITH SEAL)




SIGNATURE OF THE CO-INVESTIGATOR

REGISTRAR
Chhatrapati Shahu Institute of Business
Education & Research
University Road, Kolhapur - 416 004

VDIN-20046489 AAAA B14563

16 MAY 2020

Address: University Road Kolhapur, 416004.

Website: www.siberindia.edu.in email: director@siberindia.edu.in

Contact: 0231-2535706/2535707

Fax: 02312535708




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Annexure - V

UTILIZATION CERTIFICATE

Certified that the grant of Rs 8,27,120.00 (Rupees Eight Lakhs Twenty Seven Thousand One Hundred and Twenty only) received from the University Grants Commission under the scheme of support for Major Research Project entitled MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA vide UGC Letter No.F.No.5-68/2014 (HRP) Date:15 Oct 2015MRP-MAJOR-ECON-2013-15, has been utilized for the purpose for which it was sanctioned and in accordance with the terms and conditions laid down by the University Grants Commission. If as result of check or audit objection some irregularity is noticed at a later date, action will be take to return, adjust or regularize the objected amounts.


PRINCIPAL INVESTIGATOR
(SIGNATURES WITH SEAL)




REGISTRAR/PRINCIPAL
(SIGNATURES WITH SEAL)

REGISTRAR
Chhatrapati Shahu Institute of Business
Education & Research
University Road, Kolhapur - 416 004

FOR D. S. PATIL & CO.
Chartered Accountants


DHANANJAY PATIL
(Proprietor)

STATUTORY AUDITOR
(SIGNATURES WITH SEAL)



UDIN - 20046489AAAA8I4563

16 MAY 2020

SIGNATURE OF THE CO-INVESTIGATOR

Address: University Road Kolhapur, 416004.

Website: www.siberindia.edu.in email: director@siberindia.edu.in

Contact: 0231-2535706/2535707

Fax: 02312535708



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Annexure - IV

UNIVERSITY GRANTS COMMISSION
BAHADUR SHAH ZAFAR MARG NEW DELHI – 110 002

STATEMENT OF EXPENDITURE INCURRED ON FIELD WORK

Name of the Principal Investigator: Dr. T. V. G. Sarma

Name of the Place visited	Duration of the Visit		Mode of Journey	Expenditure Incurred (Rs.)
	From	To		
SOLAPUR	20.01.2016	25.10.2016	Private Vehicle	17,000
RATNAGIRI	15.01.2016	30.01.2016		22,850
SATARA	03.07.2016	06.07.2016		16,550
SANGLI	08.08.2016	11.08.2016		12,380
PUNE	10.11.2016	15.11.2016		16,900
KOLHAPUR	12.12.2015	04.01.2017		11,000
NAGPUR	17.01.2017	30.01.2017		21,060
MUMBAI	15.02.2017	25.02.2017		12,000
NASIK	02.04.2017	10.04.2017		16,045
AHMEDNAGAR	20.05.2017	26.05.2017		13,000
AMRAVATI	07.06.2017	15.06.2017		18,035

Certified that the above expenditure is in accordance with the UGC norms for Major Research Projects.

PRINCIPAL INVESTIGATOR
(SIGNATURES WITH SEAL)



SIGNATURE OF THE CO-INVESTIGATOR

REGISTRAR/PRINCIPAL
(SIGNATURES WITH SEAL)

REGISTRAR
Chhatrapati Shahu Institute of Business
Education & Research
University Road, Kolhapur - 416 004

FOR D. S. PATIL & CO.
Chartered Accountants

DHANANJAY PATIL
(Proprietor)
STATUTORY AUDITOR
(SIGNATURES WITH SEAL)



UDIN-20046489-AAAA-BI4563

16 MAY 2020

Address: University Road Kolhapur, 416004.

Website: www.siberindia.edu.in email: director@siberindia.edu.in

Contact: 0231-2535706/2535707

Fax: 02312535708




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MONTH-WISE DETAILED STATEMENT OF EXPENDITURE TOWARDS
SALARY AND H.R.A. OF PROJECT FELLOW

(Appointed on 01 May 2016)

S. No.	Particulars	From	To	Amt. Approved (Rs.)	Exp. Incurred (Rs.)
1	Project Fellow:				
	Mr. Pravin Gulabrao Babar Salary	01/05/2016	30/06/2018		(@Rs.14,000 pm) 3,50,000
	H. R. A.	01/05/2016	30/06/2018	5,28,000	(@Rs.1500 pm) 37,500


PRINCIPAL INVESTIGATOR
(SIGNATURES WITH SEAL)





REGISTRAR/PRINCIPAL
(SIGNATURES WITH SEAL)

REGISTRAR

Chhatrapati Shahu Institute of Business
Education & Research
University Road, Kolhapur - 416 004

FOR D. S. PATIL & CO.
Chartered Accountants


DHANANJAY PATIL
(Proprietor)
STATUTORY AUDITOR
(SIGNATURES WITH SEAL)



UDIN - 20046489AAAA014563

11 6 MAY 2020

SIGNATURE OF THE CO-INVESTIGATOR

Address: University Road Kolhapur, 416004.

Website: www.siberindia.edu.in email: director@siberindia.edu.in

Contact: 0231-2535706/2535707



Fax: 02312535708

UNIVERSITY GRANTS COMMISSION
BAHADUR SHAH ZAFAR MARG
NEW DELHI – 110 002

ASSESSMENT
CERTIFICATE

It is certified that the project report entitled, "MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA." by Dr.T.V.G. Sarma Dept. Of Economics has been assessed by the Expert committee consisting the following members for submission to the University Grants Commission, New Delhi for financial support under the scheme of Major Research Projects:

Details of Expert Committee:

1. Dr. H.N. KATHARE
Associate Professor
Dept. of Economics, Rajaram College, Kolhapur. 
2. Dr. Deepa R. Ingavale
Assistant Professor,
Department of Commerce & Management,
Shivaji University, Kolhapur. 

The project is as per the guidelines.


(REGISTRAR/ PRINCIPAL)

REGISTRAR
Chhatrapati Shahu Institute of Business
Education & Research
University Road, Kolhapur - 416 004

**UNIVERSITY GRANTS COMMISSION
BAHADUR SHAH ZAFAR MARG
NEW DELHI –110 002**

**PROFORMA FOR SUBMISSION OF INFORMATION AT THE TIME OF SENDING
THE
FINAL REPORT OF THE WORK DONE ON THE PROJECT**

1 NAME AND ADDRESS OF THE PRINCIPAL INVESTIGATOR:

Dr. T.V.G. Sarma

Head, Department of Economics

Chhatrapati Shahu Institute of Business Education & Research(CSIBER),

Kolhapur-416004 (Maharashtra)

2 NAME AND ADDRESS OF THE INSTITUTION:

Department of Economics,

Chhatrapati Shahu Institute of Business Education & Research (CSIBER),

Kolhapur -416004 (Maharashtra)

3 UGC APPROVAL NO. AND DATE : F.NO.5-68/2014 (HRP)

Dated 15October' 2015

4 DATE OF IMPLEMENTATION: 01 July 2015

5 TENURE OF THE PROJECT: Three Years

(01 July 2015 to 30 June 2018)

6 TOTAL GRANT ALLOCATED: Rs. 8,27,120/-

[Eight Lac Twenty Seven Thousand One
Hundred Twenty Only]

7 TOTAL GRANT RECEIVED: Rs. 8,27,120/-

[Eight Lac Twenty Seven Thousand One
Hundred Twenty Only]

8 FINAL EXPENDITURE: Rs. 8,27,120/-

[Eight Lac Twenty Seven Thousand One
Hundred Twenty Only]

9 **TITLE OF THE PROJECT:** MICRO, SMALL AND MEDIUM
ENTERPRISES AND INCLUSIVE GROWTH
DURING ECONOMIC REFORMS IN
MAHARASHTRA

10 **OBJECTIVES OF THE PROJECT:**

- i. To review the role of Micro, Small and Medium Enterprises in the economic development of Maharashtra, India.
- ii. To assess the contribution of MSME for inclusive growth in Maharashtra.
- iii. To highlight the problems faced by MSMEs for contributing to the objective of inclusive progress in the period of economic reforms.
- iv. To suggest suitable policy framework for harnessing the potential of MSMEs for inclusiveness.

11 **WHETHER OBJECTIVES WERE ACHIEVED:**

Yes. All the objectives that were set have been achieved. Details of the study are given here-under.

12 **ACHIEVEMENTS FROM THE PROJECT:**

The Study enabled us to know the relative significance MSME sector compared to large enterprises in Maharashtra. The primary survey of the MSME units in the State also highlighted the inclusiveness of the sector. The issues faced by the sector for contributing its full potential to growth as well as social inclusion are identified. It also resulted in two important research publications on this sector focusing on the micro aspects of MSMEs.

13. **SUMMARY OF FINDINGS:**

1. The study shows that only 49.02% of the sample MSME units in Maharashtra were started after 2006.
2. Majority ie. 56.57% of the businesses in the MSME sector are observed to be in the non-farm sector in Maharashtra. In other words the non-farm industrial support products and services are the business line of the entrepreneurs in this sector.

3. It is observed that most of the entrepreneurs form the MSME sector in Maharashtra do not face any physical challenge.
4. The study finds that most (51.05%) of the entrepreneurs in the MSME sector had changed their line of business activity, since they first entered the business line for the first time.
5. It is found that 20.40% of the entrepreneurs in the MSME sector in Maharashtra are in the businesses their parents had started. This is followed by private service and farming which were the occupations of entrepreneurs parents. Relatively less number of entrepreneurs are their in this sector whose parents were either in government service or unemployed.
6. 91.74% of the MSME respondents belonged to Maharashtra state. The entrepreneurs coming from other states and initiating MSME activity is found to be significantly low.
7. Nearly half (49.84%) of the MSME entrepreneurs in Maharashtra are graduates. The entrepreneurs literate or educated only upto primary level were significantly less. This is an indication that education has an impact on imbibing the entrepreneurial or risk taking ability in the individuals.
8. It is found that most of the entrepreneurs (84.08%) in the MSME sector are Hindus. Relatively less number of entrepreneurs are from other communities.
9. Majority (87.61%) of the entrepreneurs in Maharashtra are males. The female entrepreneurs in this sector are significantly less. It is therefore observed that MSME is not inclusive with regard to gender.
10. The MSME sector in Maharashtra includes maximum (81.56%) of entrepreneurs in the age-group of 25 to 55 years. Very high age-group entrepreneurs in this sector are insignificant in number.
11. More than 2/3rds of the respondents were owners of the MSME units.
12. Majority i.e. 61.36% of the entrepreneurs in the MSME sector in the state belong to open of general category. The entrepreneurs from backward classes such as SC, ST and NT are found to be less than 10% in the State.
13. It is observed that majority (75%) of the MSME units were located in urban or semi-urban areas. The enterprises in rural and backward areas is observed to be significantly low.

14. The study shows that only half of the MSME entrepreneurs were members in professional bodies related to their line of business. This indicates that the awareness among the MSME entrepreneurs to get associated with professional bodies for business and personal growth is very low.
15. The awareness among the MSME entrepreneurs about the New Economic Policies of Government is observed to be very low. Only to have an income source they are in the business and do not understand the need to keep themselves updated about the present day Government policies for their business prosperity.
16. It is found that not only the awareness about the New Policies is low, but the entrepreneurs receiving the benefits of these policies is also low.
17. More than 60% of the MSME units in Maharashtra are observed to be Sole Proprietorship concerns, followed by Partnership. The other forms of business organisations such as co-operatives, Corporates' are not preferred in the Small Sector.
18. It is found that more than 60% of the MSME units in Maharashtra are in service providing business. The rest 40% are in the manufacturing business. This clearly shows that MSME entrepreneurs prefer service as business proposition compared to manufacturing.
19. The study reveals that nearly 55% of the enterprises in Maharashtra under the MSME category are Micro units. This is followed by small enterprises. The Medium enterprises are found to be less than 15%.
20. The study finds that just above 50% of the MSME entrepreneurs in Maharashtra operate their business on self-owned land. Those operating their businesses on rental lands is observed to be only 30%.
21. More than 85% of the MSME units in the State are not facing any problem of availability of skilled workers. That is worker availability is not a problem for the MSME units in Maharashtra.
22. It is found that more than 60% of the MSME units are obtaining employees from General Category. The availability of skilled workforce in SC, ST, and NT and OBC category, who can be considered for employment in this sector is observed to be very less. In other words, with respect to skill formation among the backward classes for possible employment in MSME sector, there is no concept of inclusion.

23. Most of the MSME entrepreneurs rate the labour productivity in their units as satisfactory. The number of entrepreneurs who rank their labour productivity as high is significantly low. In other words, the MSME entrepreneurs in the State are facing the problem of obtaining highly skilled and productive labour force for their organisations.
24. The study shows that the MSME entrepreneurs do not find any labour productivity difference based on their caste.
25. Though the percentage of MSME firms having and those not having a well set procedure for recruitment and selection is almost the same, the percentage of firms which do not have the procedures are observed to be marginally higher. In other words the MSME units in Maharashtra are tending towards non-inclusion when it comes to the recruitment procedures.
26. It is found that the main criteria for recruitment in MSME organisations is experience and qualifications. Therefore recruitment in MSME sector can be said to be inclusive in this regard.
27. As regards the training of the employees is concerned majority of the MSME firms in Maharashtra are providing it, and there is region-wise variation. Pune and Aurangabad are on the positive side while Amaravati and Nagpur are on the negative side.
28. Majority of the MSME units in Maharashtra were depending on self-financing for venture capital. The component of borrowed money from institutional sources was observed to be relatively low. The Nagpur, Mumbai and Pune region are having the opposite trend than the other regions in the State.
29. The analysis shows that within the formal sources banks are observed to be the most preferred in the MSME sector.
30. It is found that the main non-formal source of venture capital finance in MSME sector is the private source. Except for Nagpur region the pattern of this parameter is observed to be the same.
31. The analysis shows that the interest rate being paid by MSME entrepreneurs is in the medium range of 5-15%. The exploitative rate of interest phenomenon as in agriculture is not found in this sector.

32. Majority of the entrepreneurs in the MSME sector of Maharashtra have either cleared or in the process of clearing their loans. The units which are unable to repay and therefore became defunct are observed to be very insignificant.
33. The analysis shows that majority of the existing entrepreneurs in the MSME sector in Maharashtra were not getting any benefit do to the changes in the investment limit of this sector.
34. Most of the MSME units in the State did not receive any benefit with regard to the increase in the supply of raw materials after the New Economic Policy was introduced.
35. The analysis shows that majority(68.37%) of the MSME units are able to use their full capacity in the era of liberalisation. Only few units were not able to fully use their capacities.
36. The analysis clearly shows that more than 3/4ths of the units produce through-out the year. The problem of irregular production cycle is not observed to be significant in this sector.
37. The analysis shows that capital adequacy problem is not being faced by MSME units in Maharashtra. Except in Nagpur the same trend is observed for adequacy of capital.
38. It is found that though half of the enterprises in the MSME sector in Maharashtra are not facing any problem in securing loans from banks and financial institutions, there is nearly 40% of the entrepreneurs in this sector who are facing the problem.
39. From the analysis it is clear that, though slightly less than half of the MSME entrepreneurs do not consider social background as hindrance in obtaining business finances, there is a small percentage nearing 30% who reported that social background does create an hurdle in this regard. The financial sector so cannot be fully said to be inclusive as observed from the responses furnished by the MSME entrepreneurs.
40. The analysis shows that more than half of the entrepreneurs in MSME sector in Maharashtra were having the system of credit sales. Only just above 1/3rd of the units do not have the system of credit sales. This does indicate that not all units in MSME sector are financially strong to offer credit sales facility to their customers.
41. It is observed that though for less than half of the MSME entrepreneurs social background is not important for extending the credit facilities there is atleast 40% of

the entrepreneurs in this sector who fully or to some extent consider the social background.

42. The analysis shows that there are almost equal number of entrepreneurs who are of the opinion that the changes in the industrial policies bring about increase in profits.
43. The analysis shows that most of the entrepreneurs feel that the MSMEs in Maharashtra do not have the strength to compete with the multinational companies. In other words they are naturally excluded from the international market.
44. The MSME entrepreneurs in the state are not satisfied with the implementation of the economic reforms. In their opinion the market based policies make the competition unfair to the entrepreneurs in the small scale sector.
45. The opinion of MSME entrepreneurs in Maharashtra is marginally negative regarding the availability of liberal investment credit during the new economic regime.
46. Majority of the entrepreneurs in Maharashtra agree that the MSME sector helps in generating self employment.
47. The analysis shows that majority of the entrepreneurs in the MSME sector in the state are positive about modernising their units as per the requirement of competition in the globalised world.
48. The analysis shows that majority of the MSME entrepreneurs in Maharashtra were using the channel of direct sale to the consumers. The channel of dealers to consumers is used by less than 10% of the producers in the state. This indicates that most of the products manufactured in this sector are direct consumable products in the household sector.
49. Though majority of the entrepreneurs in the MSME sector in Maharashtra do not consider the social background there a nearly 1/3rd entrepreneurs in this sector who consider the social background. In other words the approach of the entrepreneurs in this sector cannot be fully classified as inclusive.
50. More than half of the respondents did conduct the market survey for their product before entering the present business line. But there are nearly 30% of the respondents who did not conduct such survey before starting their business activity in the MSME sector. This could be one of the reason for high failure of enterprises in this sector.
51. There were slightly less than half respondents in the MSME sector in the state who did face marketing problems. One of the reason could be the lack of market survey being conducted at the start of their business activity.

52. The analysis shows that there are nearly half of the entrepreneurs in the MSME sector in Maharashtra who are facing the problem of choosing the type of sales promotion for their product.
53. Majority of the MSME entrepreneurs in Maharashtra are observed to be positive about their business prospects.
54. There are more than half of the sample units of in the MSME sector who are exporting their products.
55. From the analysis it is clear that nearly half of the units in the MSME sector in Maharashtra were using latest technologies for production which are less than five years old.
56. More than 3/4ths of the MSME enterprises in Maharashtra state are able to utilise their full installed capacity. Their estimate of market demand as well as production capacity is correct.
57. Equal percentage of MSME units are observed to existing in the category of seeking and not seeking help from the government.
58. The results show that there are many entrepreneurs in the MSME sector of the state who are of the opinion that they do not get a favourable response from government offices. The approach of the these offices is not observed to be inclusive with respect to the development of the small scale sector.
59. The data clearly shows that the MSME entrepreneurs in the state are not fully aware about the various government schemes to promote the sector. Therefore, with reference to the awareness about the government schemes the policies are observed to be not inclusive.

14 CONTRIBUTION TO THE SOCIETY (GIVE DETAILS)

The study highlighted the role MSME sector plays in social inclusion. Compared to the large units the sector's potential with reference to the employment, resource utilisation, inclusion have been identified. The findings give concrete points to further strengthen the policy framework for this sector. It clearly shows that solution for full employment and resource utilisation can be achieved only by encouraging the MSME sector.

15 WHETHER ANY PH.D. ENROLLED/PRODUCED OUT OF THE PROJECT

No

16 NO. OF PUBLICATIONS OUT OF THE PROJECT (PLEASE ATTACH RE-PRINTS)

No. of publications: 02

(PRINCIPAL INVESTIGATOR) (REGISTRAR)



REGISTRAR
Chhatrapati Shahu Institute of Business
(CO-INVESTIGATOR)
University Road, Kolhapur - 416 004

LIBRARY CERTIFICATE

This is to certify that the U.G.C. Major Research project entitled, "MICRO, SMALL AND MEDIUM ENTERPRISES AND INCLUSIVE GROWTH DURING ECONOMIC REFORMS IN MAHARASHTRA", completed by Dr. T.V.G. Sarma is submitted in the CSIBER Central library.

Shri. D.T Vichare

I/C Librarian

Librarian
Chhatrapati Shahu Institute of
Business Education & Research
Kolhapur - 416004

(REGISTRAR)

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Chhatrapati Shahu Institute of Business
Education & Research
University Road, Kolhapur - 416 004



**PROFORMA FOR SUPPLYING THE INFORMATION IN RESPECT OF THE
STAFF APPOINTED UNDER THE SCHEME OF MAJOR RESEARCH
PROJECT**

UGC File No. F F.No.5-68/2014 (HRP) YEARS: 01/07/2015 COMMENCEMENT

TITLE OF THE PROJECT : MICRO, SMALL AND MEDIUM ENTERPRISES
AND INCLUSIVE GROWTH DURING ECONOMIC
REFORMS IN MAHARASHTRA

1.	Name of the Principal Investigator	Dr. T.V.G.SARMA			
2.	Name of the University/College	CHHATRAPATI SHAHU INSTITUTE OF BUSINESS EDUCATION AND RESEARCH,(CSIBER), UNIVERSITY ROAD KOLHAPUR- 416004 (MS), INDIA			
3.	Name of the Research Personnel appointed	Mr. Pravin Gulabrao Babar			
4.	Academic Qualification	M.A,	2010	488	61 %
		M.Phil	2013	-	A Grade
		Ph.D	2016	-	Submitted
5.	Date of Joining	01 MAY 2016			
6.	Date of Birth of Research Personnel	22 JANUARY 1986			
7.	Amount of HRA, if drawn	37,500 (@ 1500 P.M. for 25 months)			
8.	Number of Candidate applied for the post	09			

CERTIFICATE

This is to certify that all the rules and regulations of UGC major research project outlined in the guidelines have been followed. Any lapse on the university will liable to terminate of said UGC project.

PRINCIPAL INVESTIGATOR:



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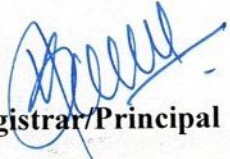
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Growth and Development of M.S.M.E Sector in Maharashtra during Post-reform Period

Dr. T. V. G. Sarma

*Associate Professor and Head, Dept. of Economics, C.S.I.B.E.R.,
University Road, Kolhapur - 416004 (Maharashtra)*

Dr. Appashaeb U. Chougule

*Assistant Professor, KrameerBhahuraoPatilCollege,
Pandharpur- Sholapur Dist. Pincode-413304 (Maharashtra)*

Abstract

The Government of India passed the Micro, Small and Medium Enterprises development Act (MSMED) Act, in 2006. In accordance with the provisions of the act, the MSME sector is classified into two classes namely, Manufacturing enterprises and Service enterprises. The first category are enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule of the industries (Development and Regulation Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character in use. While in the second category are there enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

The MSME sector has become the focus of national policy in the last one decade. In spite of the objective of balanced regional development, this sector has not seen an even progress in the different states of our country. In order to understand the state wise divergence in the progress of this sector, one has to undertake the detailed study of individual states. Keeping this objective in mind, in the present study the trend and progress of MSME sector in the post-reform period is examined. For this purpose secondary data is collected from Government publications as well as the website of Ministry of MSME, Government of India.

The analysis of the data shows that though the scope of small industries has broadened with the rechristening of the sector, there is no spectacular pick-up in the performance of this sector. The inherent inability to raise capital and the problem of marketing the produce are observed to slowing down the growth. The greater involvement of the institutions associated with this sector is suggested as a measure to address and overcome the problems of this crucial sector of our economy.

Keywords: MSME, Growth, Reforms

Introduction

The government of India passed the Micro, Small and Medium Enterprises Act (MSMED) Act, in 2006. In accordance with the provisions of the act, the MSME sector is classified into two classes:

Manufacturing enterprises

The enterprises 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) or employing plant and machinery in the process of value addition to the final product having a distinct name or character in use. If the investment in plant and machinery is less than Rs. 25 lakhs they are classified as Micro enterprises, if the investment is between Rs. 25 lakhs to Rs.



5 Cr. they are known as Small enterprises, and if the investment in plant and machinery is between Rs.5 Cr. to Rs. 10 Cr. they are known as Medium enterprises.

Service Enterprises

The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment. If the investment in equipments is less than Rs. 10 lakhs they are classified as Micro enterprises, if it is between Rs. 10 lakhs to Rs. 2.00 Cr. they are classified as Small enterprises and if the investment is between Rs. 2.00 Cr. to Rs. 5.00 Cr. they are classified as Medium enterprises.

In both the above cases the investment is the original cost excluding land and building and other terms specified by the Ministry of Small Scale industries. The MSME contribute nearly 8% of the country's GDP, 45% of the manufacturing output and 40% of the exports. They provide the largest share of employment after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and produce diverse range of products to meet the needs of local markets, the global market and the national and international value chains.

Review of Select Literature

In the literature there are number of studies by scholars on the small scale industries and MSME sector in the recent times. We review few of the important studies to understand the issues being covered and analysed by the researchers.

Chitale R.P. (1989) in his article, "Risk Capital for Medium and Small Industries: Weaknesses in Fiscal and Monetary Policies" traces the paucity of risk capital for small and medium industries to certain fundamental weaknesses of the government's fiscal and to some extent monetary policies. Risk capital for small and medium industries can be sourced inter alia to certain fundamental weaknesses in the fiscal policy of government to Fiscal Incentives for saving to encourage diversion of funds presently locked in risk-free investment avenue for reinvestment in the Master Plan scheme of UTI.

This paper examines the Incentive for risk capital. An entrepreneur has to adopt the medium of private company for garnering risk capital from his relatives and friends. This paper examines channalising of saving towards investment in risk capital in the private corporate sector be it medium scale or large scale could be effectively achieved through mutual funds promoted by public sector banks and public financial institution. A lenient code for small and medium private limited companies if adopted would encourage organizing small and medium sized units as private limited companies instead of partnerships.

Editorials, Economic and Political Weekly (2004) this paper "SMEs, No Credit for Growth" Stresses on need for more innovative approaches in reviving the health of small-sector enterprises. The credit to these units as a percentage of net SMI credit has been increasing, 29.93% in 1995 to 50.84% of 2003 in SMI credit. The need for credit guarantees for loans of higher magnitude and better collateral security norms to help small enterprises achieve a medium or large-scale of operation

The committee (Khadi and Village Industries commission) has also recommended that institution such as CRISIL, IBA should develop a rating mechanism for industrial clusters, which



one hopes can galvanise SME into adopting more efficient business practices and superior quality control measures.

The new world Bank-funded SIDBI proposal to provide such guarantees are a step in the right direction but the problems mentioned earlier cannot be forgotten. It is time the government reads the signs and addresses itself more meaningfully to the problems of small-scale industries.

This article examines only the Credit problem of SME. The other problems such as marketing lack of trained professionals are not focused in the study

Gomes Janina. (2001) in the paper, "SMEs and Industrial Clusters-Lessons for India from Italian Experience" analyses Italian clusters have innovated and displayed an ability to adapt to markets and international competition. Indian clusters productivity is low due to the use of traditional tools, old technique, poor labour productivity etc. The number of rural clusters is 9.4% of the total clusters in the country and 70.80% of total volume of that particular product produced in India

In the paper Italian industrial clusters are said to be developed naturally because of external factors. They nurtured the demand for small specialized firms and the multiplier effect of the local networks and clusters generated by spontaneous local development credited conditions for a collective improvement in their international competitiveness.

Nishanth. P and Zakkariy K. A. (2014) in the paper, "Barriers faced by Micro, Small and Medium Enterprises in raising finance" focus on the various barriers faced by MSME in raising finance. They survey 200 enterprises out of 4075 MSME registered in Kozhikode district.

It is found that from the sole proprietorship firms 39.13% of firms have not availed credit due to too many formalities and 15.65% of firms due to high interest rates, difficult to give collateral security, 25% of firms face the problems as banker's non cooperative attitude, 68.18% firms did not avail the multiple loan from banks and 31.82% of firms availed multiple loan. 1.46% of firms use friends as their sources of borrowed fund and 72.99% of firms use bankers as their sources of borrowed funds. In the study it is found that 10.91% of the firms did not repay the loans. The paper also analyses the impact of total financial subsidies to the sector, while specific policies that are aimed at the MSME sector have limited impact on the growth of this sector. It is found that 6 states have 62% of all working units and unregistered units have a greater number of temporary works. Exports from the MSME sector have been growing rapidly over the entire 15 year and this accelerated since 2000. This implies that the robust domestic market is fueling the high growth of the MSME sector in India.

GhatakShambhu(2010) in the article "Micro, Small and Medium Enterprises (MSME) in India: An Appraisal" deals with MSME enterprises, their role in economic growth and employment generation in the Indian context. The study covers 20 centers from 11 states and Union Territories. A sample of 2581 units was covered in the survey. It is found that employment declined every month during the period September 2008 to December 2008. Decline in exports would affect the employment in this sector. The overall decline in the direct and contract category of workers is 0.65% and 3.85% respectively. The average earnings have declined at the rate of 3.45% per month during the period of study and Indian cluster shows that 72 clusters have high potential for export, 47 medium and 19 clusters low.



This paper compares the growth rates in MSME and the overall industrial sector. The sector shows better growth in India. An all Indian survey across 8 cities was conducted among 1000 B2B suppliers. They use Internet for communication purposes in terms of various forms of ICT penetration PC/laptops have the highest penetration levels among B2B suppliers across India. PCs are followed by Printers in terms of average number of units per B2B software is quite low, with an average usage for every 20 B2B supplier surveyed across India. 73% of the B2B suppliers surveyed used Internet to run their own enterprise while, 55% of B2B suppliers use Internet for promoting their products/service online. The penetration rates for online B2B market places is around 45% to 50% among MSME in India and this would further increase to around 80% in the next 4-5 years.

The foregoing review clearly shows that MSME sector is a popular theme of research among the social scientists. The particular issues of risk, marketing and effectiveness of government support are mainly focused in the previous studies.

Need of the Study

As at the national level the MSME sector contributes significantly in terms of growth and employment in Maharashtra. But since the new classification of this sector no attempt has been made to study the pattern of growth in this important sector till date. Moreover these units are spread across the seven divisions of the State. Detailed analysis of the division-wise spread of the MSME sector is also not taken up in the literature. In order to fill this gap the present study is undertaken.

Objectives of the Study

Based on the identified research gap the following objectives are decided:

- (i) To conduct the trend analysis of the growth in MSME sector in Maharashtra
- (ii) To analyse the division-wise spread of the MSME sector in Maharashtra.

Methodology of the Study

As the study is focusing on the growth and development of MSME sector in Maharashtra during 2007-08 to 2014-15, secondary data on the number of units, total investments, and total employment in this sector is collected from the various issues of Maharashtra Economic Survey. The websites of the Central and State Governments were also browsed to obtain an initial idea about the current state and the policy with respect to this sector. Data is also collected for division-wise spread of the MSME units across the State.

To analyse the long-term growth trend analysis is by plotting a graph as well as estimating the trend line. In order to examine the significance of growth during the study period t-test is used to examine the different null hypothesis.

Analysis and Interpretation

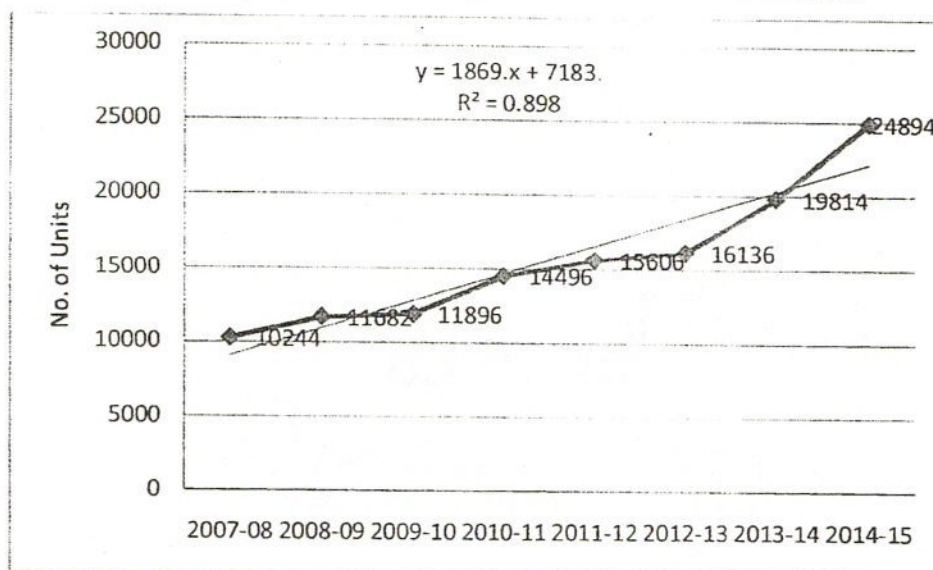
Part A: State Level Aggregate Analysis

To understand the pattern of increase in MSMEs in Maharashtra, the trend line is estimated. The corresponding graph of MSME units in the state and the trend line is presented in Graph No.1. From the graph we observe that as on 2007-08, there were 10,244 units in Maharashtra. This increased to 24,894 as on 2014-15. In the eight years of the study period there



is 143.01% increase in this sector. If compute the annual percentage increase of the growth in the number of units, it is obtained as 17.87%. A phenomenal increase in the yearwisenumber of units is observed after 2012-13. The units crossed the long term average in 2014-15.

Graph No. 1: YearwiseNumber of MSME units in Maharashtra



The analysis shows that the MSME units in Maharashtra were growing at a steady pace from 2007-08 to 2011-12. A sudden increasing trend is observed since 2012-13, which is continuing till the last financial year. In order to see that this sector contributes to employment and development of the Sate there should be significant increase in the number of units started in each year. To examine this we test the following null hypothesis.

Ho: There is no significant increase in the yearwisenumber of MSME units in Maharashtra.

H1: There is a significant increase in the yearwisenumber of MSME units in Maharashtra.

We use the t-test to examine the null hypothesis. The results of the test are presented in Table No.1

Table No.1: One-Sample Test

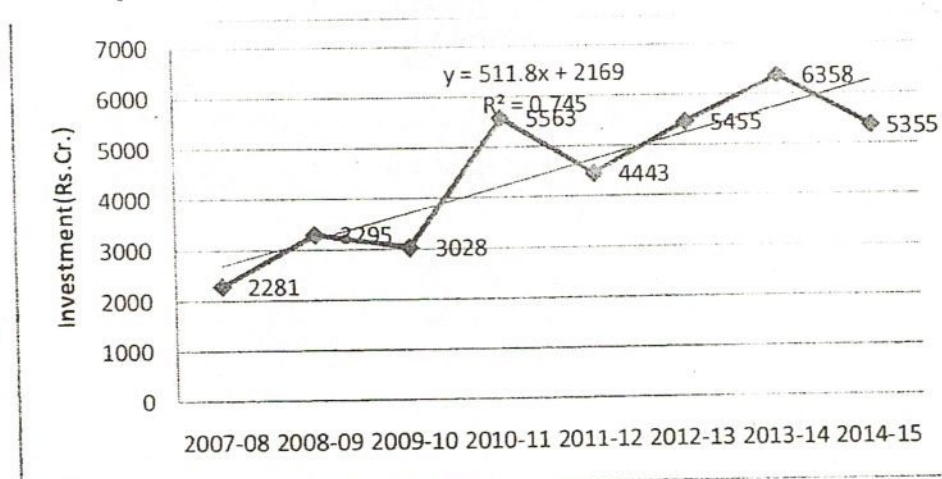
	Test Value = 10000					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
NO. OF UNITS	3.276	7	.014	5596.000	1556.82	9635.18

The table shows that the computed t-value is 3.26. This is greater than the critical value given as 1.89 at 5% l.o.s and 7 df. As, the calculated value is greater than the critical value, we do not accept the null hypothesis and conclude there has been a significant increase in the number of MSME units in Maharashtra during the period of study.



The second parameter for analysing the performance of MSMEs is the yearwisetotal investments. The data of investments in MSMEs in Maharashtra is collected from the various Economic Survey reports. From the data we estimated the trend line as shown in Graph No.2.

Graph No. 2: YearwiseTotal investment in MSME in Maharashtra.



From the graph we observe that the annual investments in this sector have been fluctuating during the study period. In spite of the short fluctuations in the long-run there is an increasing trend. At the starting of the study period the investments was only Rs.2281 Cr., which increased to Rs. 6358 Cr. in 2013-14. The annual percentage increase during the period is around 16.8%. But in the last year of the observation period 2014-15 the investments declined to Rs. 5355 Cr., showing a decline of 15.77%. The uncertain political climate and the policy of the new government towards this sector being not clear could have been the main factors for decline in investments.

In order to examine the significance of increase we perform the t-test. The hypothesis regarding the investments is as given below.

Ho: There is no significant increase in the yearwise investments in MSME units in Maharashtra.

H1: There is a significant increase in the yearwise investments in MSME units in Maharashtra.

The results of the test are presented in Table No.2

Table No. 2: One-Sample Test

	Test Value = 2500					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
INVESTMENT	3.841	7	.006	1972.250	758.06	3186.44

The table shows that the computed t-value is 3.841. Since the calculated t-value is greater than the critical value 1.89 at 5% l.o.s and 7 df. we do not accept the null hypothesis (Ho)

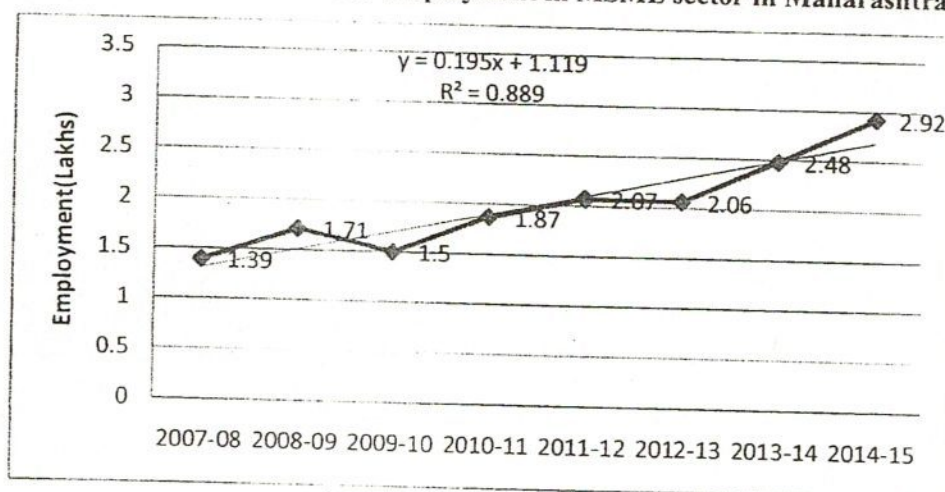


and conclude that there is a significant increase in the investments in the MSME sector in Maharashtra during the last eight years.

The analysis clearly shows that annual investments in the MSME sector have been increasing at very fast rate. But in the last year there is marked decline in the investments. With the new regime defining its policies clearly, the investment is again expected to pick-up in the current financial year.

The contribution of MSMEs can also be judged by the total employment it has generated in the State. The data on total employment is collected and plotted as shown in Graph No.3. From the table it is observed that the employment in this sector has more than doubled from 1.39 lakhs to 2.92 lakhs in the eight years of study period. As in the case of number units and investments, employment has a constant increasing trend till 2012-13. From this year there is a sudden spurt in the employment, with nearly 90% increase in the next two years.

Graph No. 3: Yearwise Total Employment in MSME sector in Maharashtra



To examine the significance of increase in the employment from 2008-15 we test the following null hypothesis.

H₀: There is no significant increase in yearwise employment in MSME units in Maharashtra.

H₁: There is significant increase in yearwise employment in MSME units in Maharashtra.

We use the t-test to examine the null hypothesis. The results of the test are presented in Table No.3.

Table No. 3: One-Sample Test

	Test Value = 3.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
EMPLOYMENT	-5.565	7	.001	-1.00000	-1.4249	-.5751

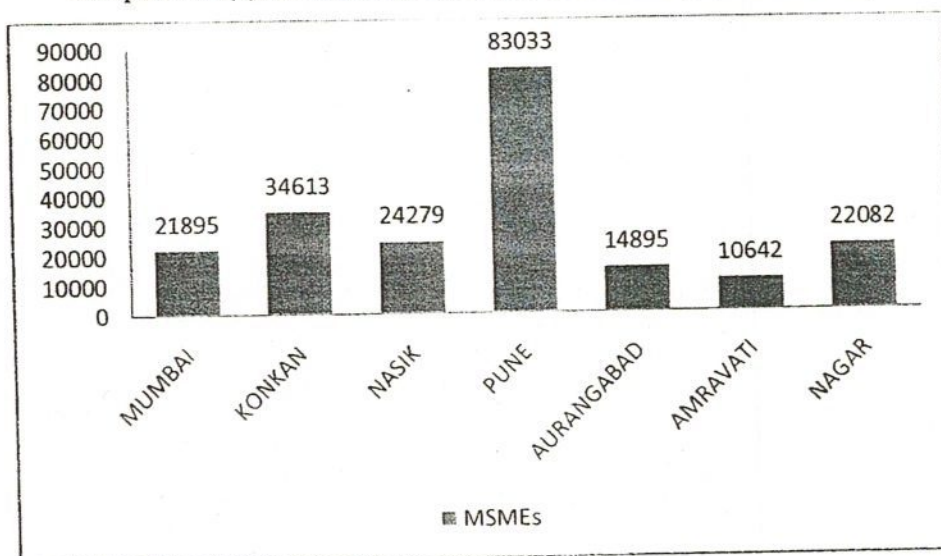


The table shows that the computed t-value is -5.565. This is significantly higher than the absolute value of the test statistic 1.89 at 5% l.o.s. and 7 d.f. As the calculated absolute value is greater than the critical value we do not accept the null hypothesis and conclude that there has been a significant increase in the employment in MSME sector in Maharashtra from 2007-08 to 2014-15.

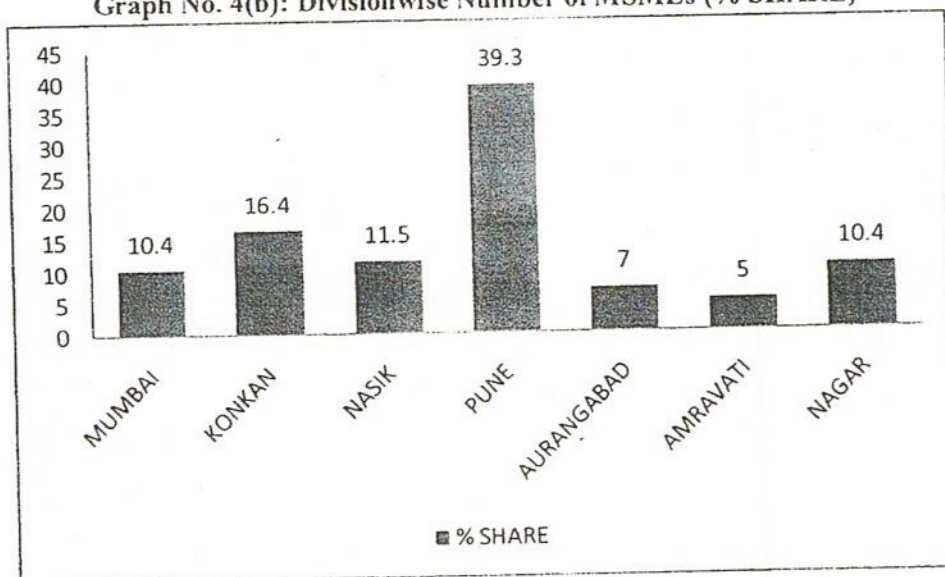
Part B: Division wise analysis:

The State is divided into seven administrative divisions, namely Mumbai, Konkan (excluding Mumbai), Nasik, Pune, Aurangabad, Amravati, and Ahmednagar. The analysis in the previous section shows the growth of MSME sector in the entire State. To see whether the growth of this sector is evenly spread across the regions we have to perform the division-wise analysis. The data of division-wise spread of the MSME units during 2007-08 to 2014-15 is given in Graph. No.4.

Graph No. 4(a): Divisionwise Number of MSMEs (upto dec.2014)



Graph No. 4(b): Divisionwise Number of MSMEs (% SHARE)





From the graph it is observed that Pune region is far ahead with respect to the number of units. It has 83033 units while other regions in the State are 40000 units. The least number of units are observed in Amravati division. The units in Konkan at 34613 stands at second place in the region-wise comparison. Amravati region has the least number of MSME units at 10642.

Except for Pune region we do not observe much significant variation in the number of units between the regions. In order to examine whether there is any significant variation in the region-wise number of MSME units we perform the t-test. For this purpose we formulate the null hypothesis as given below:

H₀: There is no significant difference in the number of MSME units between the regions in Maharashtra.

H₁: There is significant difference in the number of MSME units between the regions in Maharashtra.

The results of the test are given in Table No. 4

Table No. 4: One-Sample Test

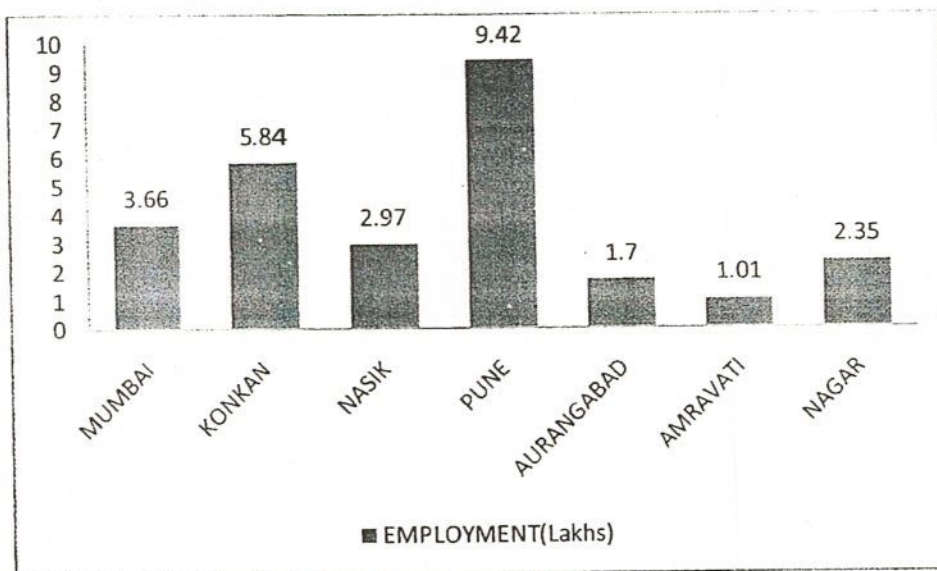
	Test Value = 10000					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
MSMEs	2.183	6	.072	20205.571	-2440.54	42851.68

From the table it is observed that the calculated value t-value is obtained as 2.183. The corresponding critical value at 5% l.o.s is 1.94 and 6 d.f. As the calculated value is greater than the critical value we do not accept the null hypothesis and conclude that the region-wise number of MSME units differs significantly. In other words the MSME units in Maharashtra are not uniformly spread across the regions. They tend to be flourishing in the relatively resource rich regions. So there is a need for separate region specific MSME promotion policy. Such policy should take into account the resource endowments of the respective regions and encourage those units that make use of the available local resources in the region

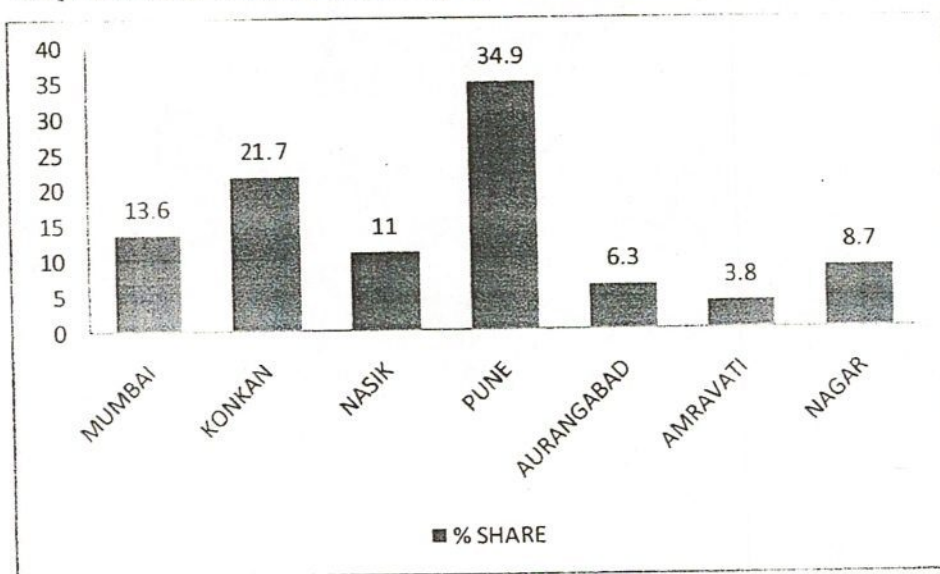
Lastly, we consider the employment generated in MSME sector in the seven divisions of Maharashtra. The data obtained on division-wise employment generated in this sector is shown in Graph.No.5



Graph.No.5 (a): Divisionwise Employment Generated (Upto Dec.2014)



Graph.No.5 (B): Division-Wise Employment Generated (% SHARE)



The graph shows that the maximum share of employment is taken by Pune and Konkan division. The main reason for Pune to maintain a leading position is the existence of large industrial base. This automatically results in the growth of the MSME sector that provide the materials required for the larger units. Whereas the rich natural resources in Konkan region, encourage business to be started in the MSME sector.

To examine the significance of variations in the division-wise employment we use the t-test. The null hypothesis H_0 is as given below.

H_0 : There is no significant difference in employment generated of MSME units between the divisions in Maharashtra.

H_1 : There is significant difference in employment generated of MSME units between the divisions in Maharashtra.



The results of the test are presented in Table No.5

Table No. 5: One-Sample Test

	Test Value = 3.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
EMPLOYMENT	2.574	6	.042	11.28571	.5569	22.0145

The table shows that the calculated t-value is 2.54. The corresponding critical value of the test statistic is 1.94 at 5% l.o.s. and 6 d.f. Since the calculated value is greater than the critical value we do not accept the null hypothesis and conclude that there is significant variation in the division-wise employment generated in MSMSE sector in the State.

Findings

- MSME units in Maharashtra were growing at a steady pace from 2007-08 to 2011-12. A sudden increasing trend is observed since 2012-13, which is continuing till the last financial year.
- There is a significant increase in the number of MSME units in Maharashtra during the period of study.
- The investments in this sector are observed to be fluctuating during the study period. But in the entire period there is an increasing trend with a marked decline in the investments in the last financial year.
- Employment in this sector has more than doubled from 1.39 lakhs to 2.92 lakhs in the eight years of study period. The hypothesis testing also proves that there is a significant increase in the employment in MSME sector in Maharashtra from 2007-08 to 2014-15.
- Pune region is far ahead with respect to the number of units. The least number of units are observed in Amravati division. The units in Konkan region stands at second place in the region-wise comparison. Except for Pune region we do not observe much significant variation in the number of units between the regions.
- There is significant variation in the division-wise employment generated in MSMSE sector in the State.

Conclusion

The study shows that though the scope of small industries has broadened with the rechristening of the sector. There is no spectacular pick-up in the performance of this sector. The inherent inability to raise capital and the problem of marketing the products is contributing to the slow increasing growth trend of this sector. The greater involvement of the institutions associated with this sector is suggested as a measure to address and overcome the problems of this crucial sector of our economy. When such proactive initiatives are taken for this sector it can become the engine of growth especially in semi-urban and rural areas of our country. Similar studies can be conducted in the other states of India to understand the particular issues being faced by this sector.



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Yashwantrao Chavan Academy of Development Administration

Raj Bhavan Complex, Baner Road, Pune 411 007.

Tel.: (020) 25608234 Fax: (020) 25608100 Email : yashadabooks@gmail.com Website : www.yashada.org

Demographic Aspects of Labour in Small Scale Sector

T. V. G. Sarma¹

Abstract :

A large number of studies are in the public domains which are about the labour issues and reforms especially in the context of large industries. There are only few studies which examine the labour issues for Micro, Small and Medium industries. In order to fill this research gap the present research was undertaken.

From the analysis in the research it is clear that the Micro, Small and Medium enterprises have an immense potential for employment generation. But the nature and problems of labour in this sector are unique and so are to be dealt separately. A blanket policy for labour in the industrial sector will not be suitable for the labour in this sector. Therefore, a separate set of policy measures are to be designed to motivate the labour for continuing and contributing to this important sector of the economy.

1. Introduction:

The Government of India passed the Micro, Small and Medium Enterprises development Act (MSMED) Act, in 2006. In accordance with the provisions of the act, the MSME sector is classified into two classes:

a) Manufacturing Enterprises:

The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule of the industries (Development and Regulation Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character in use. The investment in plant and machinery for such enterprises is as given in the table no. 1

b) Service Enterprises:

The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment as given in table no. 2

¹Associate Professor and Head
Department of Economics,
Chhatrapati Shahu Institute of
Business Education and Research
(CSIBER), Kolhapur-416004,
Email: tvgs@siberindia.edu.in,
Contact: +91-09860113341

Table No.1: Classification of Manufacturing Enterprises

Sr. No.	Manufacturing Enterprises	Investment in Plant & Machinery
1.	Micro enterprise	Does not exceed Rs 25 lakhs
2.	Small enterprises	More than Rs. 25 lakhs, but less than Rs. 5 crore.
3.	Medium enterprises	More than Rs. 5 crore, but does not exceed Rs. 10 crore.

Table No.2: Classification of Service Enterprises

Sr. No.	Nature of Enterprises	Investment in Equipment
1.	Micro Enterprises	Does not exceed Rs. 10 lakhs
2.	Small enterprise	More than Rs. 10 lakhs but less than Rs. 2 crore
3.	Medium enterprises	More than Rs. 2 crore but does not exceed Rs. 5 crore

In both the above cases of manufacturing and service enterprises the investment is the original cost excluding land and building and other terms specified by the ministry of small scale industries. The MSME contribute nearly 8% of the country's GDP, 45% of the manufacturing output and 40% of the exports. They provide the largest share of employment after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and produce diverse range of products to meet the needs of local markets, the global market and the national and international value chains. Some of the key highlights of the MSME sector are given below:

- ❑ The sector is projected to employ 73 million people in more than 32 million units spread across the country.
- ❑ The sector manufactures more than 6000

products ranging from traditional to high tech items.

- ❑ For FY 11, total production coming from MSME sector was projected at Rs. 10,957.6 billion, an increase of more than 11% over the previous year.
- ❑ For FY 12, the MSME sector is estimated to have credit off-take of Rs. 7.16 lakhs for 32.2 million units.

This sector is highly heterogeneous in terms of size of the enterprise, variety of products and services and levels of technology. It not only plays a critical role in providing employment opportunities at a comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income

and wealth. The MSMEs complement large industries as ancillary and contribute enormously to the socio-economic development of the country.

2. Significance of the Issue:

The labour in industry is considered as a homogeneous unit in all categories of industries. Most of the previous studies are in the context of large and organized sector. As part of the research work we attempt to explore the peculiar features of labour especially in the small scale enterprises. By way of this study we will know whether labour in the industry can be treated as a homogeneous unit or not.

3. Materials and Methods:

In the present study we consider the secondary data published by the ministry of Micro, Small and Medium enterprises. The reports prepared by the ministry also form the basis of our analysis. Only the part of the published material as well as data is used that focuses on the labour issues in the small enterprises. The data and information is analyzed in detail to highlight the new dimensions of the labour in small enterprises.

4. Analysis and Discussion:

i) Structure of Labour Employment:

The pattern of labour employment in the MSME sector is highly divergent. Most of the enterprises in the micro and small sector employ less than five people. This is because their ability to raise capital for business investment is very low. The average number of man-power employed is between six and ten in the medium enterprises category.

ii) Employment w.r.t. Product Category:

Labour in the MSME sector is engaged in different product categories. These include agro products, construction materials, consumer products, textiles, capital / metal goods, wood based forms and others. If one considers the distribution of employment in all these product categories it is observed that most of them are engaged in consumer products business followed by industrial and construction materials. At least 15% of the labour is engaged in textile business. Agro products category occupies a relatively smaller share.

iii) Labour and Type of Workers:

There are different types of workers in the MSME sector. They can be grouped into apprentices, casual labour, join men, permanent staff. If we examine the distribution of workers among these groups in the MSME sector, we observe that more than 60% are apprentices and casual labour. The group titled as 'join men', are those who are graduated from apprentice, but have not set up their own workshop therefore work for workshop owners, are relatively less in number.

This clearly indicates that micro enterprises have the tendency of employing apprentices to learn trades such as welding or carpentry or employ casual labour and sometimes join men rather than employ in permanent pay roll. This is also because sometimes their jobs are seasonal and unpredictable and so intermittent.

iv) Migratory Labour-force in MSME:

Labour working in the sector can be classified on the basis of their places of residence before working in the enterprise. The labour working

in this sector can come from the same town, outside the state, and overseas. Based on the data available regarding the place of residence it is observed that more than 2/3rds of the labour is from the same town. A small percentage of labour also migrates from other states to this sector. The percentage of labour from overseas is insignificant.

The enterprises get started and the labour gets employed from the local areas in the MSME sector. Labour employed through migration from other states, regions and countries is relatively less in this sector.

v) Tenure of Employment:

Labour working in the sector can be classified on the basis of tenure of employment. They can be grouped as less than one year, 1-3 years, 4-5 years and over five years. Based on the data of when the labour is employed they are grouped on the basis of the time period of employment they are in the sector. We observe that more than half of the labourers have one to three years of experience. There is a good percentage of labour who are engaged in this sector for more the five years. This clearly shows that most of the labourers have been working in the sector for less than three years. The chances that they will continue in the sector for a long period are also more. In other words, the labour is observed to be more loyal if they are able to obtain the expected remunerations in this sector.

vi) Labourers' Previous Employment:

The labour employed in this sector might have started their career in the MSME sector or might have shifted from earlier occupations. The available data when classified shows that there are 50% of the workers who have had previous

employment. The workers who are starting their employment in the sector are also of the same percentage. This analysis clearly shows that the sector attracts labour both from experienced and inexperienced sections of the workforce equally.

vii) Nature of Salary Payment to Labour:

As the MSME sector operates informally, we can expect that most of the labour employed will be temporary and is paid wages on a daily or weekly basis, unlike in the organized sector. When the data on the nature of salary payment is classified it is observed that, as in the organized sector the wages are paid on a monthly basis to the labour employed. The system of daily or weekly payment is present in the sector but significantly less compared to the monthly payment of wages. In other words, the wage payment periodicity in small sector is similar to the medium and large industries.

viii) Labour Expenditure Pattern:

The manpower employed in small industries earns less than the labour in large and organized sector. If one wants to understand the living standard, the expenditure pattern of the group can be examined. When we analyze the data on the expenditure pattern of labour employed in this sector, we observe that major component is food expenditure. The second major expenditure component happens to be the transport and housing. That is, the expenditure on basic necessities is more for labour in the small sector.

ix) Transportation Arrangement of Labour:

It is usually observed that manpower employed in large organized industries is provided

transport facility for reaching the units. In order to see whether the labourers in the small and medium industries have this facility or not the data on means of transport is to be studied. From the data it is observed that most of the labour travel by shared public transport to reach their work sites. The second most used mode is the motor vehicles. Labourers who travel by company vehicle or car is very less.

4. Concluding Remarks:

Number of studies can be traced in the literature about the labour studies in the context of large industries. There are only few studies which examine the labour issues for Micro, Small and Medium industries. In order to fill this research gap the present research was undertaken.

The analysis shows that the small industries have immense potential to generate employment. Most of the labour in this sector is on apprenticeship or on contract basis. The sector mostly depends on the labour from the same region. The migrated labourers from other regions are very less. Most of the labour is paid monthly salary and their maximum expenditure is found to be on food followed by transport.

From the analysis it is clear that the Micro, Small and Medium enterprises have a potential for employment generation. But the nature and

problems of labour in this sector are unique and so are to be dealt separately. A blanket policy for labour in the industrial sector will not be suitable for the labour in this sector. Therefore, a separate set of policy measures are to be designed to motivate the labour to continue and contribute to this important sector of the economy.

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FOR RECEIVING PAYMENTS**

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ACCOUNT HOLDER (Registrar/Director/Principal/etc.)	CHHATRAPATI SHAHU INSTITUTE OF BUSINESS EDUCATION & RESEARCH
COMPLETE CONTACT ADDRESS	University Road CSIBER Campus, Kolhapur
TELEPHONE NUMBER/FAX/EMAIL	0231-2535706 ,07 .08
B. BANK ACCOUNT DETAILS	
BANK NAME	Bank of India
BRANCH NAME WITH COMPLETE ADDRESS, TELEPHONE NUMBER AND EMAIL	Ambabai Mandir 135, C, Swaroop Chambers 2nd Floor, Mahadwar Marg, Kolhapur 416 001 Telephone-0231-2543504
WHETHER THE BANK IS COMPUTERISED?	Yes
WHETHER THE BRANCH IS RTGS ENABLED? IF YES, THEN WHAT IS BRANCH'S IFSC CODE	Yes IFSC Code- BKID0000902
IS THE BRANCH ALSO NEFT ENABLED?	Yes
TYPE OF BANK ACCOUNT (SB/CURRENT/CASH/CREDIT)	Current Account
COMPLETE BANK ACCOUNT NUMBER(LATEST)	090220110000624
MICR CODE OF BANK	416013004
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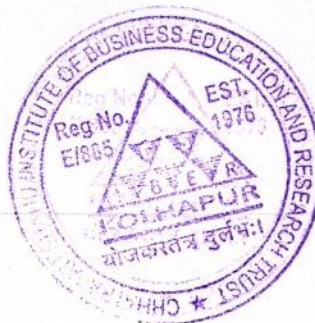
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