

Scenario of Small Scale Industries and MSME sector in Maharashtra

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Abstract:

The Small units working in the states rely upon local workforce and local raw resources. This provides employment to the rural folk and extends skill development. Maharashtra is again in the fore front in number of MSME units. Presently there are around 46.70 lakh MSME in the state. Maharashtra is at top on the list of industrialized state in India. The State houses a number of very large and small industrial units. Maharashtra contributes for nearly 35.1 per cent of the country's total automobile output by value. The state has well designed infrastructure which is beneficial for industrial development. The Government of Maharashtra is promoting the development of several Special Economic Zones (SEZs) across Maharashtra for sectors such as IT, pharmaceuticals, biotechnology, textile, automotive & auto components, gems & jewellery and food processing. As of December 2017, the state had 28 operational SEZs, of which the majority share is contributed by IT/ITs, engineering and electronics segment. The Government of Maharashtra provides single-window clearance to all units to reduce the average time required for establishment of such units and issue various clearances required for setting up of industries at a single point.

Keywords: MSME sector, industrial segments, MSSIDC, MIDC

Introduction:

Indian Small scale industries structure is dominated by the rural, cottage and Village industries and medium enterprises. Every state of the Republic of India comprises of various types of SSI and MSME units. The Small units working in the states rely upon local workforce and local raw resources. This provides employment to the rural folk and extends skill development. Maharashtra is again in the fore front in number of MSME units. Presently there are around 46.70 lakh MSME in the state. The State of Maharashtra has been the front runner in industrialisation picture of India. In this research paper we will get an insight into the SSI and MSME scenario in Maharashtra.

Maharashtra- at a glance

With a strong, future-oriented government at its helm, Maharashtra continues to be the destination for growing sector. The state of Maharashtra is fully industrialized and highly urbanized. Being a progressive state it has a literacy rate of 82.3 per cent. It is the second richest state in India on the basis of per capita income of its residents. Its geographical expanse is 3,07,713 sq. km and it is one of the largest state, which justifies its name. The financial and commercial capital of India, Mumbai, is at the heart of the state and its Capital city. As per Average capita income, Mumbai is the heart of Maharashtra State and hence migrants are fascinated from the rest of Maharashtra and other states in India.

Economic Profile of Maharashtra

Maharashtra is at top on the list of industrialized state in India. The State houses a number of very large and small industrial units. Maharashtra contributes for nearly 35.1 per cent of the country's total automobile output by value. The state has well designed infrastructure which is beneficial for industrial development. The state has domestic as well as international airports which add to the betterment of the transportation facilities. Government of Maharashtra came up with a new policy for electronics sector – 'Electronics Policy 2016' to boost the industry. In the same year, the Government of

Maharashtra formulated a new policy on Tourism -- ‘Maharashtra Tourism Policy 2016,’ to propel the income through tourism.”

Economic and Statistical Information

Number of Entrepreneurship Memorandum. Part II Filed (Region wise) Reported by Directorate of Industries, Govt. of Maharashtra

No	Region	EM filed
1	Konkan Region	3131
2	Nashik Region	1812
3	Pune Region	6980
4	Aurangabad Region	2593
5	Amravati Region	2059
6	Nagpur Region	1742
7	Mumbai & Suburban	1829
	TOTAL	20146

In Maharashtra about 2.44 lacs Micro, Small and Medium enterprises (MSMEs) were functioning until September 2015. in 20-21 the figure was 46.78 lakh MSME providing employment to 29 lacs people and an investment of Rs. 56.5 crores of investment. According to the Sixth Economic Census there are 9.2 lakh establishments in the manufacturing (organised as well as unorganised) sector with approximately 29.2 lakhs employed. out of the total employment of 61.5 lacs. Maharashtra has been investing in mega projects as well. The state has been employing the Mega Project Policy since 2005. Since inception to December 2016, 157 mega projects, out of the approved 488, are functioning, with an investment of approximately 66000 crores and have generated employment over one lakh people.

Exports from Maharashtra (Special export processing zone SEPZ’s

“The main products exported from the state are gems & jewellery, petrochemicals, readymade garments, software products, cotton yarn, metal & metal products, agro-based products, engineering items, drugs & pharmaceuticals and plastic & plastic items. Maharashtra became the best-performing State by shipping goods worth \$92.83 billion in 2019-20. This is because Maharashtra has traditionally dominated the export business because of advantage in terms of coast line. Special Exportprocessing Zones (SEPZs) have played an important role in promoting exports from the state. Cost and efficiency of the transport system are of paramount importance for staying competitive in export markets In order to appreciate the efforts taken by the exporters and to promote exports the state as well as central governments are giving awards based on export performance. Along with this award space rent subsidy for participation in international exhibitions scheme is implemented for SMEs.

Industries in Maharashtra

In the manufacturing sector Maharashtra, holds significant place in the country. “The major manufacturing industries located in Maharashtra includes refined petroleum products, other chemical products, and basic chemicals, manufacturing of Jewellery, musical instruments, sports goods, games & toys etc., spinning, weaving and finishing of textiles, other food products like sugar, Packed foods etc., basic iron & steel and motor vehicles.”

Industrial Segments of Maharashtra State

Machinery, Textiles, Chemicals Apparel & Clothing Industrial Supplies Fashion Accessories Mineral & Metals Gifts & Crafts Energy & Power Construction & Real Estate Computer Hardware Leather & Products Computer Software Jewellery & Gemstones

Electronics & Electrical Supplies Home Textiles Home Supplies Packaging & paper and others.

“Mumbai-Thane-Pune belt holds the primary position as industrial zone in Maharashtra. almost 60 per cent of the State's output is accountable by MumbaiThane-Pune belt. Efforts are being made to promote other industrial areas like Nagpur, Nashik, Aurangabad, Solapur, Jalgaon, Raigad, Amravati and Ratnagiri, by building the necessary infrastructure and creating an environment conducive to industrial development.”

“On Mumbai Bangalore and Mumbai-Panaji national highways Panvel is the main industrial centre The cluster SMEs of engineering, chemical, paper pulp and many small-scale industries in Khopoli at the base of Sahyadri here Tata hydroelectric power generation station has an important role to play as the supplier of electricity to the neighbouring areas. A new industrial complex has come up at Pimpri-Chinchwad near Pune extending up to Talegaon. PuneAhmednagar, Pune-Solapur and Pune-Satara roads holds big factories manufacturing machines, automobiles, electrical and electronic goods, plastics and pharmaceuticals are located along the. Large factories are located at edge of old city.”

Western Tapi Valley Industrial Zone:

“Agro-based industries have developed in the Tapi valley. Cotton, groundnuts, banana and sugarcane are the agricultural raw materials in Khandesh (Dhule and Jalgaon districts). Recently MIDC areas are developed near Dhule and Jalgaon.” • Eastern Tapi Valley Industrial Zone: “This is the cotton-producing zone. Berarsi, Achalpur and Badnera are the leading industrial centres situated near the central railway line in the districts of Amravati, Akola, Wardha, Chandrapur and Nagpur. Nearly Kamptee and Nagpur mineral based industries are well developed due to local coal, limestone and manganese mines. Here, engineering, transport equipment, cement and metal product manufacturing industries are located here.” • Krishna–Panchganga Basin Industrial Region: “This is a unique triangular agro based region in Maharashtra. The region has industries like sugar and cotton textiles in Kolhapur and Ichalkaranji. Jaysingpur and Miraj

Pravara-Nira Valley Region: “This is a prosperous belt of sugar industries with Baramati, Phaltan, Koparagaon, Sangamner and Belapur as main centres. MIDC has developed small-scale industries and infrastructure.” • Upper Godavari Valley Industrial Belt: “This is the extension of Pune industrial region. Several industrial plants mostly of electronics and agriculture based are centrally located in and around Nashik” • Konkan Industrial Region: “Near Mumbai-Goa national highway and Konkan railway line the development of Taloja, Roha, Patalganga, Mahad, Nagothane and Nanore in Raigad district; Chiplun, Loteparshuram, Ratnagiri, Dapoli and Sangameshwar in Ratnagiri and Kudal industries was possible only after establishment of MIDC as subsidies and assistance was provided for expansion.

Initiatives of Maharashtra Government

“In order to intensify the capacity of renewable energy sources in the state, the state government has professed a new energy policy, for which an investment of US\$ 69.66 million has been proposed.

The Government of Maharashtra is promoting the development of several Special Economic Zones (SEZs) across Maharashtra for sectors such as IT, pharmaceuticals, biotechnology, textile, automotive & auto components, gems & jewellery and food processing. As of December 2017, the state had 28 operational SEZs, of which the majority share is contributed by IT/ITs, engineering and electronics segment.

The Government of Maharashtra provides single-window clearance to all units to reduce the average time required for establishment of such units and issue various clearances required for setting up of industries at a single point.

The Maharashtra government has set up an international biotech park in Hinjewadi, 10 km from Pune. This is the first public-private biotechnology park initiative in the state.

As a part of the 'Make in India' initiative, the state government is planning to come up with an electronics policy for companies interested to invest in this sector in Maharashtra.

Apex Body Set Up by Maharashtra Government for Growth of SMEs in Maharashtra

Maharashtra Small Scale Industries Development Corporation: [MSSIDC]

Maharashtra Small Scale Industries Development Corporation was established on October 19, 1962 with a view to give a new orientation and strength to the development of Small Scale Industries in the State of Maharashtra. "The main objective of MSSIDC is to aid, counsel, assist, finance, protect and promote the interest of Small Industries. The Corporation renders assistance to approximately 30000 SSI units in the State. The Maharashtra Small Scale Industries Development Corporation (MSSIDC) assists entrepreneurs for the development of small-scale industries.

Maharashtra Industrial Development Corporation (MIDC)

Maharashtra Industrial Development Corporation (MIDC) is a prestigious project of the government of Maharashtra. This was set up to promote entrepreneurial businesses by providing infrastructure like land, water and electricity. It has been providing facilities like drainage, transportation and streetlights. The corporate philosophy of MIDC is the "Prosperity to all through Industrialization". The major objectives of establishing MIDC were: • To set up industrial areas for planned and systematic industrial development • To function as a special planning authority in development of industrial areas

The first industrial area was started by MIDC was in 1962 in Thane district named as Wagle Estate. MIDC has developed specialized parks for different sectors like chemicals, biotechnology, engineering, petrochemicals, automobiles and their components, electronics, textile, transportation, consumer durables, information technology, pharmaceuticals, wine brewing, recycling and many such productions. "The significant historical policy decisions taken by MIDC transformed the socioeconomic profile of the state as its activities spread to the remotest places in the interior of Maharashtra. This positively impacted the industrial scenario in the state.

Financial Assistance to Industries

State level financial institutions like SICOM Ltd., Maharashtra State Financial Corporation and Central level institutions like LIC of India, GIC of India, IFCI Ltd., SIDBI, etc. provide financial assistance to industries in the State. Banks and other financial institutions like also provide financial loans at attractive interest rates.

Special Economic Zones

Special Economic Zones (SEZ) have been developed by MIDC to provide trouble free environment for exporters, in view of the export prospective of the products defined duty-free. These products are to be considered to be foreign territory for the purpose of trade operations and duties and tariffs. Maharashtra has such 74 Special Economic Zone approvals from the government of India. Maharashtra has remained in the first position in India for the highest productivity, economic performance, efficiency, infrastructures and overall competitiveness due to the planned and strategically designed industrial development.

"Maharashtra government has rolled out significant incentives for women entrepreneurs, becoming the first Indian state to unveil a dedicated industrial policy for women (2018). Under this policy, first-generation women entrepreneurs who set up micro, small or medium enterprises (MSMEs) in the state will be entitled to a capital subsidy of up to Rs. 1 crore, depending on location of the unit. This is the first time the government has extended a capital grant incentive to an industry segment. The women-run businesses would be

offered special concessions for locating their units, and extended lower power tariffs, higher interest subsidies, and grants for branding their products, among other incentives. In line with the government's overall industrial policy, the policy for women also aims at giving a push to investments in industrially backward belts.

Conclusions:

Even though the MSME sector is dominant and active and their contribution to industrial growth is highly acclaimed still a lot needs to be implemented for their betterment. The Maharashtra Government has implemented many schemes and services to help these msme flourish in Maharashtra. The real benefits must reach the actual beneficiaries for which more schemes must be introduced for the women and new entrepreneurs. This will help in spreading the tentacles of industry in impregnable corners.

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