



# Impact of Resources Availability on Development of Micro, Small and Medium Manufacturing Enterprises in Nagpur district

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## Abstract:

*The study evaluates potential developments of manufacturing MSMEs in Nagpur District. The objective of the study is to study the impact of resources availability on development of manufacturing MSMEs and scope of development of MSMEs in the resign. Furthermore, study also evaluates the basic facilities and resources available in the district to develop manufacturing MSMEs. In the present study Nagpur District of Vidarbha region of Maharashtra state, India was selected as study area. In the present research, data was collected by following survey methodology. For the present study total 175 MSMEs are selected randomly for generation of data. We find that MSME sector in district play a vital role for the development of the region. Also provide the ancillary products to the large industries. In addition to this study also focused on employment generation in the district due to MSMEs, However, there is scope of expansion of micro, small and medium scale industry near future. There is strong possibility of generation of employment opportunities in micro, small and medium manufacturing enterprises..*

**Key Words: Nagpur, MSMEs, Developments, Resources.**

## Introduction:

In India in comparison with the overall industrial, sector the MSMEs registering higher growth consistently in recent years. MSME Sector exhibited a growth rate of 13% on an average, an impressive performance compared to most of the other sectors during the first four years of XI planning. According to the 4<sup>th</sup> Census of MSME Sector, this sector provided the employments to 59.7 million people spreader over 26.1 million enterprises. The major benefits of the sector areas their employment potential at very low capital cost and it was estimated that in terms of value, MSME sector holds about 45% of the manufacturing output and around 40% of the total export of the country.

The study evaluates impact of resources availability on developments of manufacturing MSMEs in Nagpur District. The objective of the study is to study the scope of development of MSMEs in the resign. Furthermore, study also evaluates the basic facilities and resources available in the district to develop manufacturing MSMEs. In the present study Nagpur District of Vidarbha region of Maharashtra state, India was selected as study area. In the

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The availability of resources persists in MSME Manufacturing sector including those MSMEs in Nagpur District. In the context of “Make in India” initiative by central government, it is worthwhile to see the role of DIC in development of MSMEs as well as resource constraints our MSMEs are facing for the decades. The objective of the study is to study the impact of resources availability to developed MSMEs and scope of development of MSMEs in the area.

### Review of Literature:

According to Khanka (2010), the small enterprises have become two important pillars of industrial economy of India. Because these small enterprises sector has now emerged as a vibrant sector in the Indian economy, and that was indicated by its contribution in employment, income and exports. Upadhyay *et al.*, (2011) in their study presented the results of a comprehensive compilation of literature and successive analysis of ERP implementation success factors in the view of Indian micro, small and medium-scale enterprises (MSMEs). Authors attempted to evaluate the factors, which were most critical in the ERP implementation process from the perspective of the Indian MSMEs.

Lahiri (2012) minutely analyzed the aspects of MSMEs definition and explored their opportunities the constraints faced by them in the era of globalization. Annual Average Growth rate (AAGR) was used as the major statistical tool to compare the performances of MSMEs during pre and post-liberalization period with the help of four economic parameters namely No. of units, production, employment and export. Mehta (2013) argued that MSMEs plays an essential role in the economic and social development of the country. It is also plays a key role in the development of the economy with its effective, efficient, flexible and innovative entrepreneurial spirit. MSMEs contribute about 45% in the industrial output, about 40% of exports, employing about 60 million people; create about 1.3 million jobs every year. According to Oppong *et al.*, (2014) SMEs are accepted worldwide as key factor for the growth and development. Singh (2014) observed direct relationship between economic developments of a country with the level of growth. The expansion of the industrial sector is well connected to the greater utilization of natural resources, production of goods and services, creation of employment opportunities and improvement of general standard of living. Jain and Sharma (2015) focused on the present status of Khadi and Village Industries and the challenges faced by the under developing state of India such as Chhattisgarh along with this they have also focused on the globalized world of free market economy and suggested some recommendation for the development and improvement of economy statue. Gupta and Barua (2016) identified important enablers of technological innovation in the context of Indian MSMEs. Vibhuti and Barki (2016) observed that a country development is mainly depends on the two sectors, one is manufacturing and second one is service sector. Baldeo B. Kakde and Tushar Chaudhari (2018) observed the problems and prospects facing by medium, small and micro industries and try to study the problems by various angles.

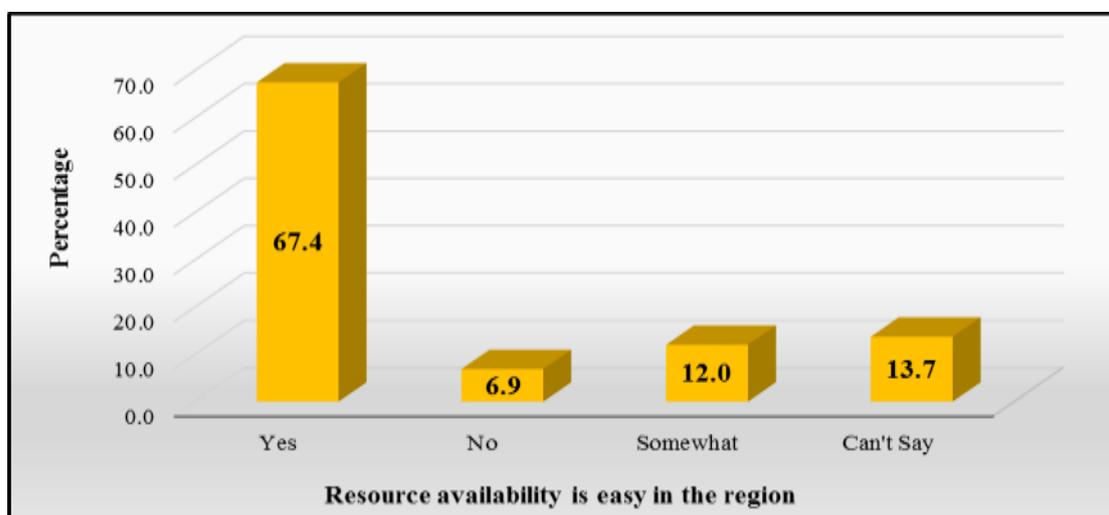
**Methodology:**

This study focuses on MSMEs with respect to its impact of availability of resources on development. The approach of the research is non-experimental, qualitative, exploratory-descriptive and contextual. In the present study Nagpur District of Vidarbha region of Maharashtra state, India was selected as study area. In the present research, data was collected by following survey methodology. For the present study total 175 MSMEs are selected randomly for generation of data. In this study self-prepared questionnaire were used as a primary source of data collection. The data was analysed by using descriptive statistics especially non-parametric chi square test.

**Results and Discussion:****Table 1: Resource availability is easy in the region**

Resource availability is easy in the region	Frequency	Percentage
Yes	118	67.4
No	12	6.9
Somewhat	21	12.0
Can't Say	24	13.7
<b>Total</b>	<b>175</b>	<b>100</b>
<b>Chi sq</b>	<b>Df</b>	<b>Sig.</b>
92.800	3	<0.001

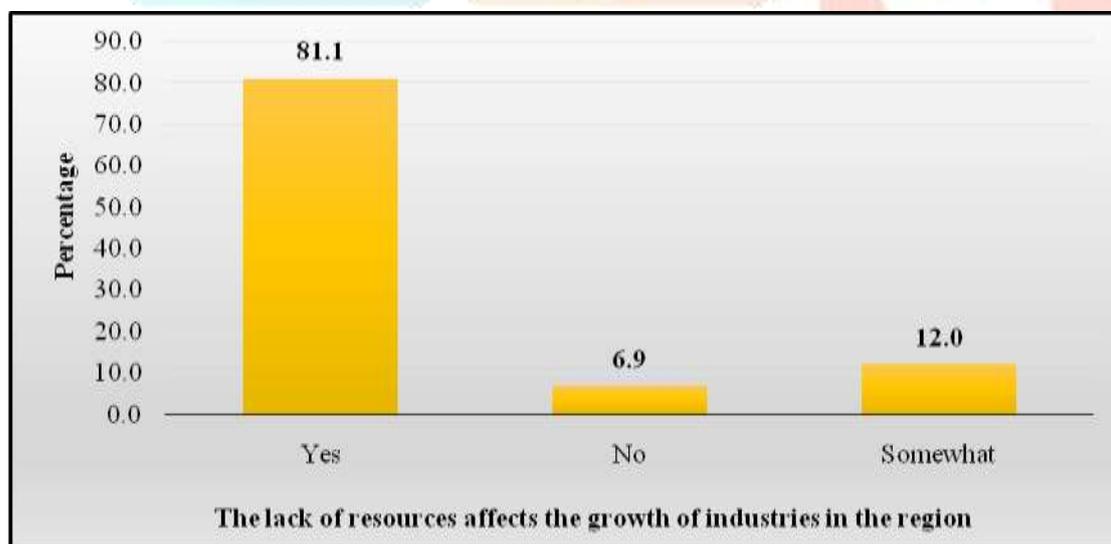
**Table 1** illustrates opinion of authorities about easy resource availability in the region. It is evident from the information that according to 67.4% authority resource availability is easy in the region whereas according to 12% authority resource availability is somewhat easy in the region. In addition to this, 13.7% authority are uncertain regarding the easy resource availability in the region and 6.9% authority reported that resource availability is not easy in the region. The chi square statistics shows that at df 3 and significant level <0.001 the chi square value is 92.800, which is significant at 95% confidence interval, which means that there is significant difference in opinion of authorities regarding easy resource availability in the region. Thus, high percentage of authorities agreed that there is easy resource availability in the region.

**Fig. 1: Resource availability is easy in the region**

**Table 2: The lack of resources affects the growth of industries in the region**

The lack of resources affects the growth of industries in the region	Frequency	Percentage
Yes	142	81.1
No	12	6.9
Somewhat	21	12.0
<b>Total</b>	<b>175</b>	<b>100</b>
<b>Chi sq</b>	<b>Df</b>	<b>Sig.</b>
76.543	2	<0.001

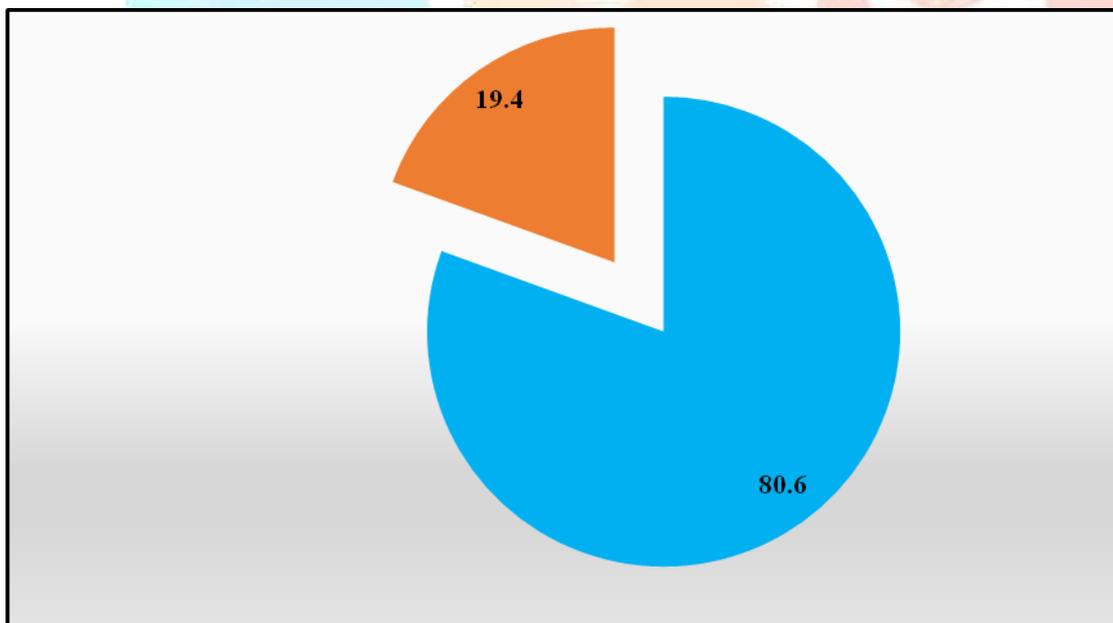
**Table 2** illustrates opinion of authorities about affecting growth of industries due to lack of resources in the region. It is evident from the information that according to 81.1% authorities the lack of resources affects the growth of industries in the region, whereas according to 12.0% authorities the lack of resources somewhat affects the growth of industries in the region. However, 6.9% authority reported that the lack of resources not affects the growth of industries in the region. The chi square statistics shows that at df 2 and significant level <0.001 the chi square value is 76.543, which is significant at 95% confidence interval, which means that there is significant difference in opinion of authorities about affecting growth of industries due to lack of resources in the region. Thus, high percentage of authorities agreed that lack of resources affects the growth of industries in the region.

**Fig. 2:** The lack of resources affects the growth of industries in the region

**Table 3: There is scope of expansion of industry near future**

There is scope of expansion of industry near future	Frequency	Percentage
Yes	141	80.6
No	34	19.4
<b>Total</b>	<b>175</b>	<b>100</b>
<b>Chi sq</b>	<b>Df</b>	<b>Sig.</b>
15.303	1	<0.001

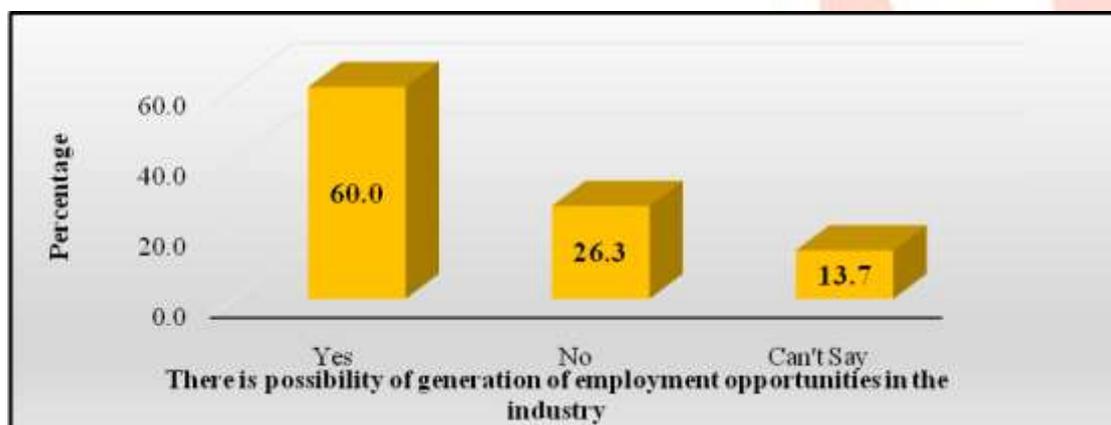
**Table 3** illustrates opinion of authorities about scope of expansion of industry near future. It is evident from the information that according to 80.6% authorities there is scope of expansion of industry near future. Furthermore, 19.4% authorities reported that there is no scope of expansion of industry near future. The chi square statistics shows that at df 1 and significant level <0.001 the chi square value is 15.303, which is significant at 95% confidence interval, which means that there is significant difference in opinion of authorities regarding scope of expansion of industry near future. Thus, high percentage of authorities reported that there is scope of expansion of industry near future.

**Fig. 3:** There is scope of expansion of industry near future

**Table 4: There is possibility of generation of employment opportunities in the industry**

There is possibility of generation of employment opportunities in the industry	Frequency	Percentage
Yes	105	60.0
No	46	26.3
Can't Say	24	13.7
<b>Total</b>	<b>175</b>	<b>100</b>
<b>Chi sq</b>	<b>df</b>	<b>Sig.</b>
29.914	2	<0.001

**Table 4** illustrates opinion of authorities regarding possibility of generation of employment opportunities in industries. It is evident from the information that according to 60.0% authorities there is possibility of generation of employment opportunities in the industry whereas according to 26.3% authorities there is no possibility of generation of employment opportunities in the industry. Furthermore, 13.7% authorities are uncertain regarding possibility of generation of employment opportunities in industries. The chi square statistics shows that at df 2 and significant level <0.001 the chi square value is 29.914, which is significant at 95% confidence interval, which means that there is significant difference in opinion of authorities regarding possibility of generation of employment opportunities in industries. Hence, high percentage of authorities agreed that there is possibility of generation of employment opportunities in the industry.

**Fig. 4:** There is possibility of generation of employment opportunities in the industry

### Conclusion:

The MSME sector has habitually been termed the 'engine of growth' for budding economies. There have been major policy changes over the last few years, at the national and state level aimed at consolidating and developing this sector. There are some factors, which have interfered the growth of the MSMEs sector,

Though there are limitations like above, the growth of MSMEs over the period in India is creditable, but still there is a lot of scope for the upliftment of MSMEs sector. With respect to this, it is an urgent need that state as well as central government to keep watches to respond appropriately for further improvement of MSMEs sector.

It is concluded from the study that micro, small and medium scale industries However, it is also evident that there is scope of expansion of micro, small and medium scale industry near future. There is strong possibility of generation of employment opportunities in micro, small and medium scale industries.

It is suggested that Government should encourage MSMEs in the region, Local administration should encourage MSME entrepreneurs to establish their production unit in MIDC areas.

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