

Role of Micro Small and Medium Enterprises (MSMEs) in Economic Growth -A Study on India's Perspective

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Abstract

MSMEs in our country have been playing a very important role to provide employment opportunities and they involve lower cost of capital as compared to larger industries. Industrialization in the rural as well as backward areas, there has been reduction in regional imbalances and also assured equitable distribution of national wealth and income. The domain of MSMEs has been widening among different sectors and this has diversified different types of product and services for meeting demands of people functioning in domestic and global market. The objectives of the study are to understand the role of MSMEs in the Indian economy, to evaluate the contribution of males and females towards growth of MSMEs and to estimate the distribution of MSMEs based on different social groups. This study is descriptive in nature as it is based on understanding about the role which MSMEs play in the Indian economy. MSMEs are considered to be complementary to the larger industries since the contribution by the ancillary units as well as this sector has contributed in a significant manner in inclusive India's industrial development. This study is based on evaluation of contribution of males and females towards growth of MSMEs and to estimate the distribution of MSMEs based on different social groups. This study is based on secondary data which is collected from different published sources like Journals, newspapers, Government reports, websites etc.

Keywords: MSME, Stakeholders, Technology, Economic Development

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Introduction

The “Micro, Small and Medium Enterprises (MSME)” sector emerged as a highly dynamic and vibrant sector in the Indian economy during last few decades. It has contributed in a significant manner towards the social and economic development in the country through fostering

entrepreneurship and generation of larger employment opportunities and the capital involved is also quite low when compared to Agriculture. MSMEs are considered to be complementary to the larger industries since the contribution by the ancillary units as well as this sector has contributed in a significant manner in inclusive India's industrial development. MSMEs are now focusing

into widening of their domain in different sectors in India and this has produced diversified products range and also services for meeting demands raised by domestic and global markets.

Ministry of MSME has envisioned progressively the MSME sector to promote development and growth of this sector which would include Khadi, Coir and Village Industries which are working in cooperation with the concerned Departments/ Ministries, State Government and the other Stakeholders by providing support and guidance to the existing enterprises through adoption of technologies which is providing a cutting edge and would encourage creation of newer enterprises.

There are many bodies which are statutory or non-statutory working under aegis of Ministry of MSMEs. Such bodies would include

- “Khadi and Village Industries Commission (KVIC)”
- Coir Board besides “National Small Industries Corporation (NSIC)”
- “National Institute for Micro, Small and Medium Enterprises (NIMSME)” and
- “Mahatma Gandhi Institute for Rural Industrialization (MGIRI)”.

Ministry of MSMEs have been running different schemes which aimed to provide financial assistance, technological upgradation, technological assistance, skills training and development, enhancing competitiveness, market assistance and infrastructure development of the MSMEs.

Ministry is quite committed toward agenda which

focuses on inclusive development and they have taken up many initiatives as well as measures for ensuring that people who are geographically and demographically weak get benefit from the work which the Ministry indulged in. Ministry has also been committed toward progressive usage of Hindi as their official language in the offices which are working under MSME.

Definition of Micro, Small and Medium enterprises:

Based on the provision of MSME Development Act, 2006, MSME has been classified as below:

(i) a micro enterprise, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crores rupees;

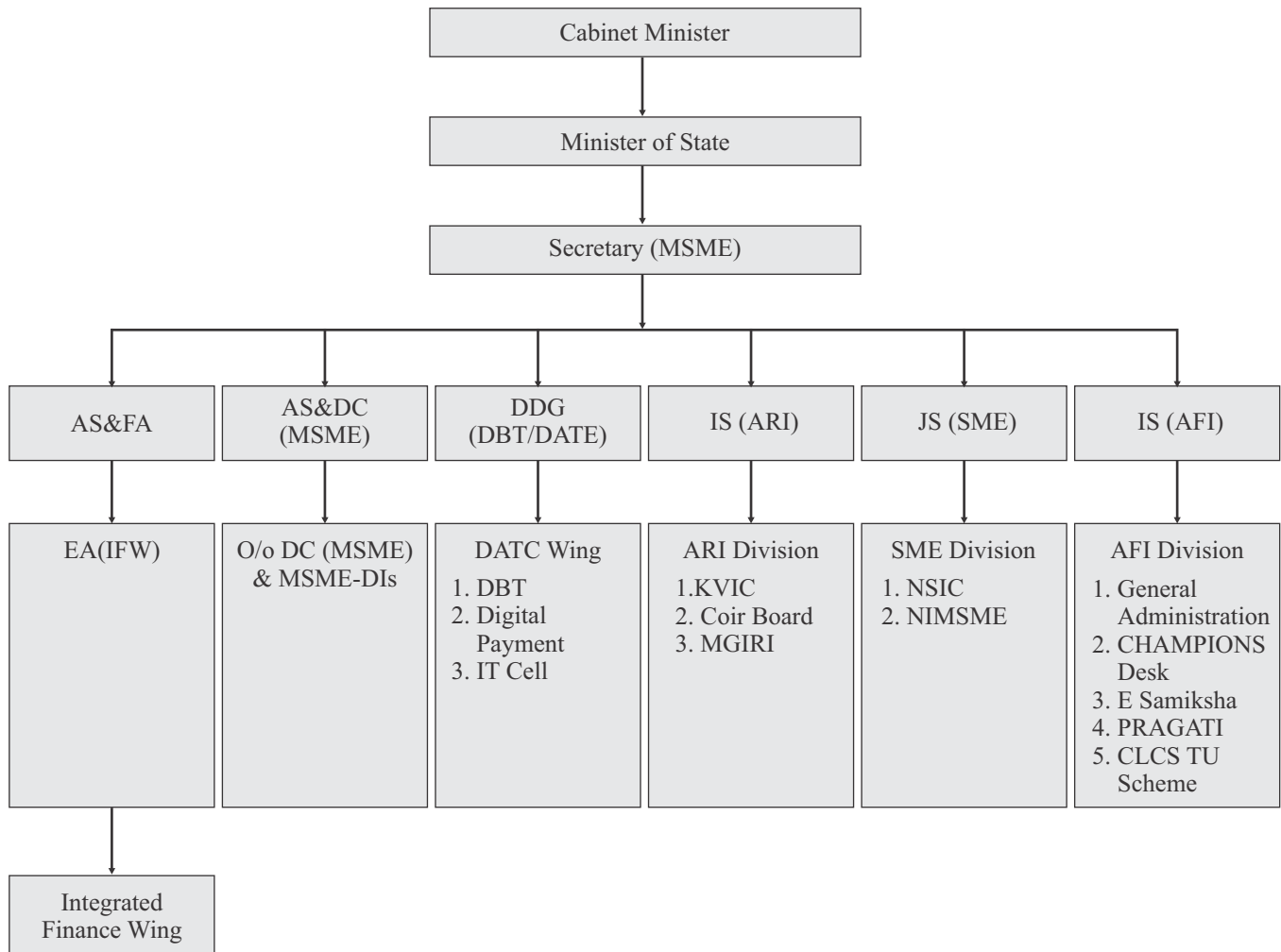
(ii) a small enterprise, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crores rupees; and

(iii) a medium enterprise, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crores rupees.

The classification of the MSMEs has changed and this new classification has become effective from July 1st, 2020. The criteria of MSME based on the Act, 2006 was mainly based on investment in equipment/ plant and machinery and this criteria was quite different for the service and manufacturing units. This was quite low based on financial limits.

Organizational structure of MSME

Fig. 1 Organizational structure of MSME



Source: Annual report 2020-21, Government of India Ministry of MSME

The Organizational structure of MSMEs has been explained above, it starts from the Cabinet Minister, followed by Minister of state and then Secretary, MSME. MSME Ministry consisted of different divisions i.e. Administration & Financial Institutions (AFI), Small & Medium Enterprises (SME), Integrated Finance Wing (IFW), Data Analytics and Technical Co-ordination (DATC) Wing and Agro & Rural Industry (ARI), and besides them there is Office of the Development Commissioner (DC, MSME) having an attached office as well as other subordinate organizations.

Literature review

Bhuyan U. (2016) have considered MSME as an engine for growth of economy. Estimated contribution of MSME sector which includes service segment to country's GDP during the year 2012-23 has been 37.34% while total employment in this sector has been 805.24 Lacs. Contribution of this sector to total exports of India for year 2014-15 has been 44.70%. There have been problems based on inequality and poverty which have been deep rooted mainly in developing countries such as

India. For addressing such problems, there is a need to direct towards inclusive growth of the economy. Growth could be inclusive unless fruits of growth gets percolated to bottom of the pyramid. Specifically in developing nation such as India where there exists inequality in wealth distribution and income has been significantly high and it could not be translated automatically towards sustained increase in the living standards.

Sivasree H. V. & Vasavi P. (2020) have explored that MSMEs in India has been a very important factor which drives growth of the Indian economy. MSMEs not help in providing employment opportunities that helps in process of industrialization in the rural areas which could simultaneously reduce inequality in the income distribution amongst residents. MSMEs have been contributing significantly in development of the Indian economy through the low investment requirement, domestic production, technology oriented enterprise, export production, operational flexibility etc. After agriculture in India, smaller business is largest employer in the human resource. MSMEs have constituted more than 80% of total number of support industrial development and industrial enterprises. This paper has made an attempt to know contribution and growth made by MSMEs in India and for understanding role that MSMEs providing employment opportunity in India. Various problem which are being faced by MSMEs in the execution of operations have been discussed in this study.

Singh A. (2021) have explained that MSMEs embodies foundation of economy for nurturing rate of recognizable growth and to engender employment juncture. This sector is considered as device of socio-economic development in developed and developing economies. It contributed significantly towards India's export, industrial production, employment and generate base of extensive entrepreneurship. Pandemic

strike globally and also had an adverse impact on the MSMEs after Covid pandemic, this sector assumes pivotal role in driving growth engine. This paper has analyzed definition of MSME, performance and role of MSMEs in current scenario and various prospects and challenges associated with this sector in our country. This study concluded that pandemic had adversely impacted MSMEs and government should undertake proper measure for overcoming their effect.

Research Gap

Ministry of MSMEs have been running different schemes which aimed to provide financial assistance, technological upgradation, technological assistance, skills training and development, enhancing competitiveness, market assistance and infrastructure development of the MSMEs. MSMEs are considered to be complementary to the larger industries since the contribution by the ancillary units as well as this sector has contributed in a significant manner in inclusive India's industrial development. MSMEs are playing a very important in the development of urban and rural areas. This study is based on evaluation of contribution of males and females towards growth of MSMEs and to estimate the distribution of MSMEs based on different social groups. The performance of the rural and urban area also varies, hence a comparative study between their performance has been made in this study.

Objectives of the study

- To understand the role of MSMEs in the Indian economy
- To evaluate the contribution of males and females towards growth of MSMEs
- To estimate the distribution of MSMEs based on different social groups

Research Methodology

This study is descriptive in nature as it is based on understanding about the role which MSMEs play in the Indian economy. MSMEs are considered to be complementary to the larger industries since the contribution by the ancillary units as well as this sector has contributed in a significant manner in inclusive India's industrial development. MSMEs are playing a very important in the development of urban and rural areas. This study is based on evaluation of contribution of males and females towards growth of MSMEs and to estimate the distribution of MSMEs based on different social groups. This study is based on secondary data which is collected from different published sources like Journals, newspapers, Government reports, websites etc.

Digital transactions in MSMEs

Indian government has been putting in efforts for promoting an economy which is cashless and for providing facilities for providing a digital

payment service for all Indian citizens which they could make use of in convenient manner. Digital payments could be accorded based on the highest priority given by the Government of our country for bringing every segment under formal folding of services based on digital payment. This has been a vision of the government to provide different financial services in a digital way to the citizens of our country and making it quite easy, quick, affordable, secured and convenient.

MSME Ministry has been acting as partner in this initiative and has considered to perform various initiatives which would enable MSME ecosystem to perform in a digital way. Based on the recommendations given by Committee of Secretaries (CoS) as well as guidelines of MeitY, there was formation of committee based on Digital Payment in Ministry which worked under Chairmanship of the Secretary (MSME) to make Ministry and other attached offices for achieving implementation of 'Digidhan Mission' successfully.

Table 1 Digital transactions in MSMEs

Digital Transaction for the Ministry of MSME and its attached Offices (2021-22) (Upto December, 2021)

Sl.No.	Name of the organisation	Number of Transactions					
		Total		By Digital Means		Percentages	
		No. of Transactions	Value in Rupees (In crores)	No. of Transactions	Value in Rupees (In crores)	No. of Digital Transactions (in %)	Value of Digital Transactions (in %)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	KVIC	3921840	4414.86	3412686	4343.45	87.02	98.38
2	NSIC	93392	13818.01	88640	13512.74	94.91	97.79
3	DC office (Tool Room+DI offices+HQ)	98892	8842.301	89483	8824.323	90.49	99.80
4	COIR BOARD	19002	186.6	17805	180.	93.70	96.95
5	NIMSME	2212	25.66	2089	24.25	94.44	94.51
6	MGIRI	659	5.552	659	5.552	100	100
	TOTAL	4135997	27292.98	3611362	26891.22	87.32	98.53

Source: Annual report 2020-21, Government of India Ministry of MSME

The above table has indicated the digital transactions which are being conducted by MSME Ministry and the other offices which are attached with MSMEs. Overall the highest number of transactions have been conducted by KVIC, followed by DC office, then NSIC, COIR board, NIMSE and then lastly MGIRI. The total value of transactions, the highest has been of NSIC, followed by DC office, then KVIC and the others i.e. Coir Board, NIMSME and MGIRI, the value has been quite low. On the basis of digital transactions, the highest number of transactions have been of KVIC, though based on the value of digital transactions has been highest in NSIC.

Role of MSMEs in Indian Economy

MSMEs contribute significantly towards

Analysis and Discussion

Key Results of NSS 73rd Round Survey (2015-16) on MSME

(a) Estimated number of MSMEs in country:

Table 2 Estimated number of MSMEs (Activity wise)

Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
(1)	(2)	(3)	(4)	(5)
Manufacturing	114.14	82.50	196.65	31
Electricity	0.03	0.01	0.03	0
Trade	108.71	121.64	230.35	36
Other Services	102.00	104.85	206.85	33
All	324.88	309.00	633.88	100

Source: Annual report 2020-21, Government of India Ministry of MSME

On the basis of survey conducted by National Sample Survey (NSS), during period 2015-16, the above table indicates that the highest contribution in the number of MSMEs has been from the trade activities i.e. 230.35 lacs. In all, there has been, 633.88 lacs non-agriculture MSMEs which were

expansion in business innovations and entrepreneurial endeavors. When any business starts business through some innovation or in future add some innovations, the goals of the entrepreneur will be achieved. The domain of MSMEs has been widening among different sectors and this has diversified different types of product and services for meeting demands of people functioning in domestic and global market. MSMEs in our country have been playing a very important role to provide employment opportunities and they involve lower cost of capital as compared to larger industries. Industrialization in the rural as well as backward areas, there has been reduction in regional imbalances and also assured equitable distribution of national wealth and income.

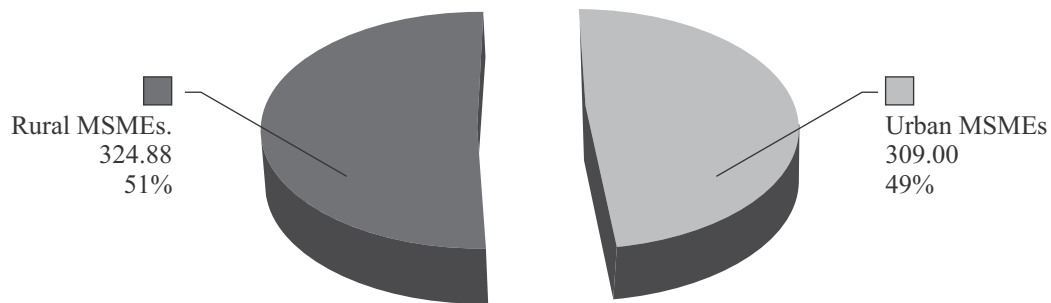
unincorporated in India and they were engaged in various economic activities i.e. (196.65 lacs in the Manufacturing activities, 0.03 lacs in the Non-captive Electricity activities related to electricity Generation as well as Transmission, 230.35 lacs in trade activities and 206.85 lacs in the other

categories of Services). The rural sector has played a major role in the manufacturing activities as compared to that of the urban sector. The urban sector has played a major role in the trade activities

as compared to that of the rural sector. The urban sector has played a major role in the other services activities as compared to that of the rural sector.

(b) Percentage share of rural and urban MSMEs in the country (No. in lakh)

Graph 1 Percentage share of rural and urban MSMEs in the country
Percentage Share of Rural and Urban MSMEs in the Country (number in lakh)



Source: Annual report 2020-21, Government of India Ministry of MSME

The above pie chart has shown that the share of Rural MSMEs is more as compared to that of the MSMEs in the urban sector. In all the rural MSMEs are 324.88 lacs having a sharing of 51% and Urban MSMEs are 309 lacs having a share of 49%. The people in the Urban areas also need to focus on

starting MSMEs so that the entrepreneurs could make a good use of facilities which are available in the urban areas and this will lead to improvement in the working of those MSMEs and this will help them in moving to great heights in future.

© *Percentage Distribution of Enterprises in rural and urban areas (Male/ Female ownership)*

Table 3 Percentage Distribution of Enterprises in rural and urban areas (Male/ Female ownership)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

The ownership of MSMEs based on the survey are mentioned in the table above. The overall ratio of males and females ownership has indicated that there are 79.63% ownership of males and 20.37% of females. In the urban areas, ownership by males is more i.e. 77.76% and among females i.e.

22.24%. In the rural areas, ownership by males is more i.e. 81.58% and among females i.e. 18.42%. The females in the rural areas should also be encouraged to focus more on the MSME sector as it provides brighter opportunities for them to come forward and start their own business.

(d) *Percentage distribution of enterprises owned by Male/ Female entrepreneurs (category wise)*

Table 4 Percentage distribution of enterprises owned by Male/ Female entrepreneurs (category wise)

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

Source: Annual report 2020-21, Government of India Ministry of MSME

The above tables indicates the participation of males and females in different category of enterprises. The categories considered here for the study include Micro, Small and Medium enterprises. The overall ratio of males and females show that there are more males involved in the

MSMEs i.e. 79.63% are males and 20.37% are females. Among the micro category, 79.56% are females, in the small category, 94.74% are males and 5.26% are females. In the medium enterprises category, 97.33% are males and 2.67% are females.

(e) *Percentage Distribution of enterprises by social group of owner in rural and urban Areas*

Table 5 Percentage Distribution of enterprises by social group of owner in rural and urban Areas

Category	SC	ST	OBC	Others	Not Known	All
Rural	15.37	6.70	51.59	25.62	0.72	100.00
Urbal	9.45	1.43	47.80	40.46	0.86	100.00
All	12.45	4.10	49.72	32.95	0.79	100.00

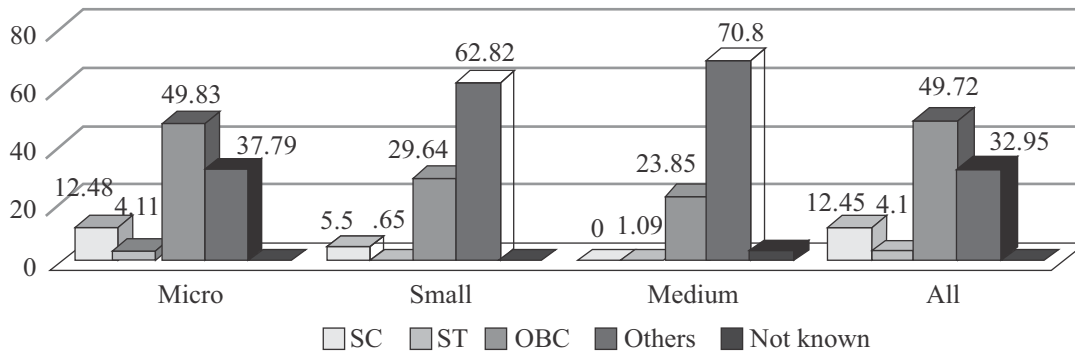
Source: Annual report 2020-21, Government of India Ministry of MSME

The above table indicates participation of the socially backward groups in the MSMEs. Overall participation of the OBC category has been the highest with 49.72%, followed by others i.e. 32.95%, then SC i.e. 12.45%, ST 4.10% and remaining 0.79% were not known. Participation in the rural areas has been highest of OBC category

with 51.59%, followed by others i.e. 25.62%, then SC i.e. 15.37%, ST 6.70% and remaining 0.72% were not known. Participation of the OBC category has been the highest in the urban areas with 47.80%, followed by others i.e. 40.46%, then SC i.e. 9.45%, ST 1.43% and remaining 0.86% were not known.

(f) *Percentage Distribution of type of Enterprises by Social Group of the Owner*

Graph 2 Percentage Distribution of type of Enterprises by Social Group of the Owner



Source: Annual report 2020-21, Government of India Ministry of MSME

The above graph has indicated the participation of different group of individuals belonging to different categories in three segments of MSME. In the micro sector, the highest ownership has been of

the OBCs i.e. 49.83%. In the Small sector, the highest ownership has been of the others i.e. 62.82%. In the medium sector, the highest ownership has been of the others i.e. 70.8%.

(g) Estimated Employment in the MSME Sector (Activity Wise)

Table 6 Estimated Employment in the MSME Sector (Activity Wise)

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
(1)	(2)	(3)	(4)	(5)
Manufacturing	186.56	173.86	360.41	32
Electricity	0.06	0.02	0.07	0
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
All	497.78	612.10	1109.89	100

Source: Annual report 2020-21, Government of India Ministry of MSME

Based on the survey, MSMEs have created huge employment opportunities for the people belonging to different areas like Rural and urban and belonging to different broader category of activities i.e. Manufacturing, trade, electricity and

other services. MSME sector has overall created 1109.89 lacs jobs out of which 360.41 lacs is from manufacturing activities, 0.07 lacs from activities related to electricity, 387.18 lacs belong to Trade activities and 362.82lacs in the other Services).

*(h) Distribution of employment by type of Enterprises in Rural and Urban Areas***Table 7 Distribution of employment by type of Enterprises in Rural and Urban Areas**

(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

Source: Annual report 2020-21, Government of India Ministry of MSME

The above table indicates that distribution of employment in different category of enterprises i.e. Micro, Small and Medium enterprises. Overall contribution towards MSME has been more of the Micro sector with 1076.19 lacs enterprises, out of which more share is of urban area and lesser share

of the rural areas. The contribution by the Small enterprises i.e. 31.95 lacs, out of which more share is of urban area and lesser share of the rural areas. The contribution by the Small enterprises i.e. 1.75 lacs, out of which more share is of urban area and lesser share of the rural areas.

*(i) Distribution of workers by gender in rural & urban areas***Table 8 Distribution of workers by gender in rural & urban areas**

(Numbers in lakh)

Sector	Female	Male	Total	Share (%)
Rural	137.50	360.15	497.78	45
Urban	127.42	484.54	612.10	55
Total	264.92	844.68	1109.89	100
Share (%)	24	76	100	

Source: Annual report 2020-21, Government of India Ministry of MSME

The above table indicates the distribution of workers based on their gender from the urban and rural areas. From 1109.89 lacs employees in the MSME sector, 844.68 lacs are males which form

76% and 264.92 lacs are females which form 24%. In the rural areas, 360.15 lacs are males and 137.50 lacs are females. In the urban areas, 484.54 lacs are males and 127.42 lacs are females.

(j) Comparative distribution of top ten states

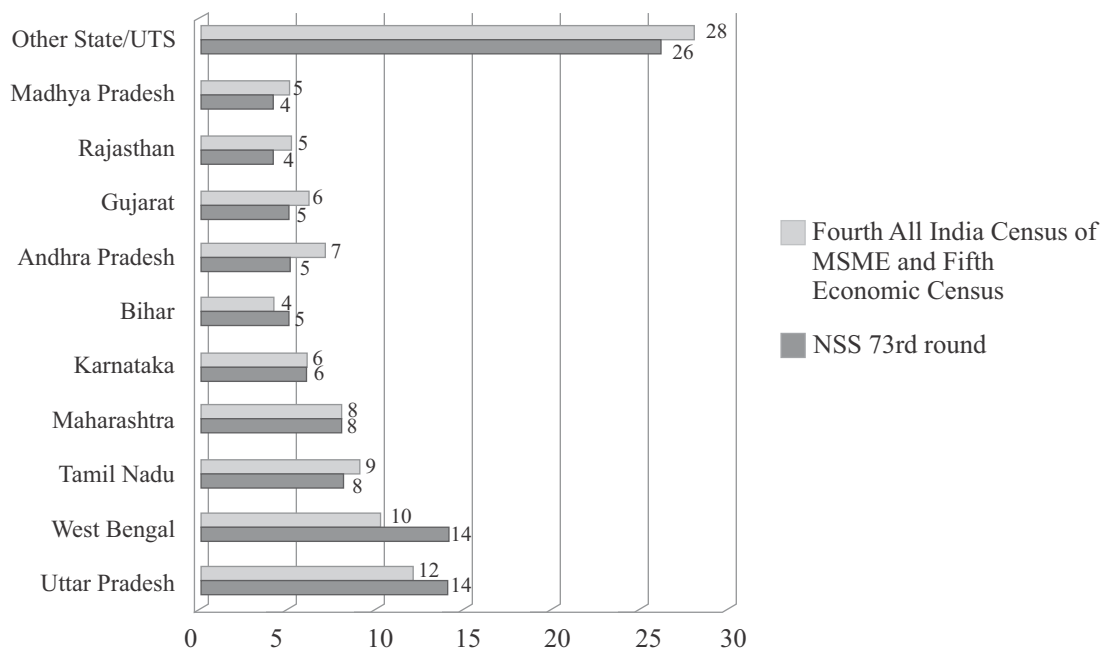
Table 9 Comparative distribution of top ten states

Sl. No.	State/UT	NSS 73rd round*		Fourth All India Census of MSME and Fifth Economic Census**	
		Number (in lakh)	Share (%)	Number (in lakh)	Share (%)
1	Uttar Pradesh	89.99	14	44.03	12
2	West Bengal	88.67	14	34.64	10
3	Tamil Nadu	49.48	8	33.13	9
4	Maharashtra	47.78	8	30.63	8
5	Karnataka	38.34	6	20.19	6
6	Bihar	34.46	5	14.70	4
7	Andhra Pradesh***	33.87	5	25.96	7
8	Gujarat	33.16	5	21.78	6
9	Rajasthan	26.87	4	16.64	5
10	Madhya Pradesh	26.74	4	19.33	5
11	Total of above ten States	469.4	74	261.04	72
12	Other State/UTS	164.5	26	100.72	28
13	All	633.9	100	361.76	100

Source: Annual report 2020-21, Government of India Ministry of MSME

Graph 3 Comparative distribution of top ten states

Comparative Percentage Distribution of MSMEs in top 10 States



Source: Annual report 2020-21, Government of India Ministry of MSME

The above table indicates a comparative distribution of the number of MSMEs based on different states. The highest contribution has been of Uttar Pradesh having 89.99 MSMEs which form 14% of the total number, followed by west Bengal i.e. 88.67 which forms 14%. There is not much difference in the number of MSMEs from Uttar Pradesh and West Bengal. Similarly, there is not much difference in the number of MSMEs from Tamil Nadu and Maharashtra though they occupy the third and fourth rank. The overall number of MSMEs in the top 10 states is 469.4 which forms 74% and remaining 26% are from the other states/UTs.

International Cooperation of MSMEs

Worldwide, MSMEs are being accepted as engines working towards economic growth towards promotion of equitable development. In a similar manner, MSMEs have contributed towards promotion of exports in our country. Progression of COVID-19 virus has been across globe which began in 2020 and created a lot of problems in the trade and other sectors of economy. For maintaining their niche in global markets, there was a need that MSMEs remain active and competitive globally and they need to continuously update them for meeting challenges which emerged out based on technology, change in demand of people and also lead to emergence of the new markets, etc. With dynamism and agility, this sector has shown adaptability and innovation in past. MSMEs are facing many challenges still which were brought in by the pandemic.

There have been consistent measures which were taken in our country for curbing the virus and boosting MSMEs for sustaining future prospects and economic climate. There have been various programmes which were conducted for encouraging the participation of the MSME sector. The Indians who are engaged in MSME sector

were given exposure to the latest technology, international market, management practices and sharing of experience by different countries in International arena. MSME entered into a long term Agreements, MOU and an action plan which was executed jointly with various countries like Romania, Tunisia, Mexico, Rwanda, Lesotho, Uzbekistan, Algeria, Republic of South Korea, Sri Lanka, Cote d'Ivoire, Sudan, Egypt, Mozambique, Botswana, Vietnam, Indonesia, Sweden, UAE and Mauritius. Different programmes were held in different countries virtually and they provided help about the practices and policies which were shared about the functioning of the MSMEs and this provided a boost to this sector. Few examples of the events held in other countries have been mentioned below:

- Virtual G2G webinar between Brazil and India during March 2021.
- Virtual Meeting between Algeria and India during April 2021.
- Virtual meeting between Brazil and India during May 2021
- Meeting between Serbia and India during May 2021
- Virtual meeting between Ireland and India during August 2021

There were many conferences, programmes, meetings, webinars etc. held during the period of pandemic and after so as to support the MSME sector of our country.

Findings

- Overall the highest number of digital transactions have been conducted by KVIC
- Highest contribution in the number of MSMEs has been from the trade activities i.e. 230.35 lacs
- In all the rural MSMEs are 324.88 lacs having a

sharing of 51% and Urban MSMEs are 309 lacs having a share of 49%

- The people in the Urban areas also need to focus on starting MSMEs so that the entrepreneurs could make a good use of facilities which are available
- The overall ratio of males and females ownership has indicated that there are 79.63% ownership of males and 20.37% of females.
- The overall ratio of males and females show that there are more males involved in the MSMEs i.e. 79.63% are males and 20.37% are females.
- Overall participation of the OBC category has been the highest with 49.72%, followed by others i.e. 32.95%
- In the micro sector, the highest ownership has been of the OBCs i.e. 49.83%. In the Small sector, the highest ownership has been of the others i.e. 62.82%.
- The contribution by the Small enterprises i.e. 31.95 lacs, out of which more share is of urban area and lesser share of the rural areas.
- The highest contribution has been of Uttar Pradesh having 89.99 MSMEs which form 14% of the total number of MSMEs in India.

13. Conclusion

Ministry of MSME has envisioned progressively the MSME sector to promote development and growth of this sector which would include Khadi, Coir and Village Industries which are working in cooperation with the concerned Departments/ Ministries, State Government and the other Stakeholders by providing support and guidance to the existing enterprises through adoption of technologies which is providing a cutting edge and would encourage creation of newer enterprises.

There are many bodies which are statutory or non-statutory working under aegis of Ministry of MSMEs. MSME Ministry has been acting as partner in this initiative and has considered to perform various initiatives which would enable

MSME ecosystem to perform in a digital way. On the basis of digital transactions, the highest number of transactions have been of KVIC, though based on the value of digital transactions has been highest in NSIC. MSMEs contribute significantly towards expansion in business innovations and entrepreneurial endeavors. When any business starts business through some innovation or in future add some innovations, the goals of the entrepreneur will be achieved. The domain of MSMEs has been widening among different sectors and this has diversified different types of product and services for meeting demands of people functioning in domestic and global market. MSMEs in our country have been playing a very important role to provide employment opportunities and they involve lower cost of capital as compared to larger industries. Industrialization in the rural as well as backward areas, there has been reduction in regional imbalances and also assured equitable distribution of national wealth and income.

Recommendations

- The rural sector has played a major role in the manufacturing activities as compared to that of the urban sector, the urban sector should also aim to work in the manufacturing activities.
- The urban sector has played a major role in the trade activities as compared to that of the rural sector, rural sector should increase their role in the trade activities.
- The people in the Urban areas also need to focus on starting MSMEs so that the entrepreneurs could make a good use of facilities which are available in the urban areas
- The females in the rural areas should also be encouraged to focus more on the MSME sector as it provides brighter opportunities for them to come forward and start their own business.
- The overall ratio of males and females show that there are more males involved in the MSMEs, even the females should be

encouraged to join in groups and work so as to improve their standard of living.

Scope for Future Research

- This study is based on a selected period, similar studies could be conducted for future period
- Comparative study has been carried out based on top 10 states only, the researchers can conduct studies based on other states.
- Other aspects about MSME could be considered in future studies.

Limitations

- This study has considered manufacturing, electricity and trade activities related to MSMEs only.
- The categories considered here for the study include Micro, Small and Medium enterprises as a whole and individual bifurcation in detail has not been studied.
- Participation of the socially backward groups in the MSMEs have been considered in the study, the role of General category was not undertaken.
- Distribution of workers based on their gender from the urban and rural areas have been considered, other demographic variables were

not considered.

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