

## Growth and Performance of MSMEs in India – A Review

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### Abstract

Micro and Small Enterprises (MSE) sector has been developed as a highly vibrant and dynamic sector of the Indian economy over the last few decades. The sector contributes about 45 per cent of country's manufacturing output, 40 per cent of total exports of the country, employs about 69 million persons in over 29 million units throughout the country (12th five year plan) and the sector contributed 8 per cent of the country's GDP (Annual Report 2013-14, Ministry of MSME, Government of India). In spite of the major contributions to the economy the sector faces varied challenges such as handicapped in achieving economies of scale in procuring equipment, raw materials, finance and consultancy services. The growth and performance of MSMEs in India as a whole, in Tamil Nadu state and in Coimbatore district has been discussed in this article for a period of fourteen years from 2000-01 to 2017-18

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### I. Introduction

SINCE INDIA'S INDEPENDENCE, the micro and small business (MSE) sector, formerly known as small scale industries (SSIs), has grown rapidly. After India's independence in 1947, the government was faced with the enormous task of swiftly industrialising the country. With the purpose of expanding employment with minimal capital investment, the small-scale manufacturing sector was given a particular position in the industrial policy choices of 1948 and 1956. The Micro, Small, and Medium Enterprises (MSME) sector has grown as an extraordinarily dynamic and active sector of the Indian economy during the last several decades, as well as a potential engine of growth for the country. The industry is praised for fostering grassroots

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India level and at Coimbatore district level there was no significant change in the growth of MSME sector. So it is necessary to identify the cause for slow growth of this sector through elaborate research studies so that uniform growth of MSMEs in the country can be ensured

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