

Growth and Performance of MSMEs in Papumpare & Lakhimpur Districts: A Comparative Study

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Abstract: *The growth and development of Small Scale Industries now known as Micro Small and Medium Enterprises (MSMEs) was at priority for the Government of India since independence. The Government have an expanded organisational structure to monitor and guide the growth of MSMEs. There are various policies, programmes and schemes provided by the Government to support and expand MSMEs growth. Statutory organisations like KVIC, Coir Industries, NSIC, SIDBI etc, are there for assistance, policy formulation and implementation. The growth pattern in MSMEs in India has a positive point, which indicates as the industries grew it lead to the growth and development of the nation and its economic development. The role of MSMEs in North East India is an important element which is evident from the resource utilisation pattern, increasing entrepreneurship, positive growth in employment. The study areas of the research which has list of problems for the industrial development shows that overcoming the hurdles the industrialisation can boost the economy of the region and increase standard of living. Papumpare and Lakhimpur are adjacent districts of Arunachal Pradesh and Assam respectively, are dependent on each other for its everyday economic and social activity. The later district has more positive growth of MSMEs with far more better performance.*

Key Words: *Growth, Performance, Development, MSMEs, Employment.*

1. INTRODUCTION:

The growth in an economy can be defined as increase in real per-capita income which means income per head of an economy for a given period of time. Industrialisation is a prime source for growth of national output and economy. Industrialisation is an introduction or expansion of industries in a place (Obioma, 2004). Industrialisation brings economic growth (Ozughalu, 2004). The development of a society is process of transformation of improving capacities to reach its pursuit and industrialisation helps to a greater extend to reach it (Desai, 2000). The sector employs about 18.2 percent labour force in Bangladesh, 70.97 percent in Bhutan, 81.72 percent in Nepal, 67.8 percent in Japan, 56.47 percent in U.K, 55.48 percent in Ghana, 87.18 percent in Nigeria and 63.26 percent in Switzerland.¹ The number of small-scale units in India has increased from an estimated 272.27 lakhs thousand units in 2007-08 to 285.16 units in the year 2008-09. The employment in SSI sector has increased from 626.34 lakhs persons in 2007-08 to 659.35 person's in 2008-09. The small industries are not only generating employment in the society but also helping the Indian socio-economic condition to grow well by providing better opportunities for the development of the standard of living, growing per capita income etc, (MSMEs Annual Report 2009-10). As per the 11th Five Year Plan of our country is concerned, SSI sector has provided the life and livelihood to more than 65 million people and also contribute to GDP of about 6.1 percent. MSMEs are playing a stellar role in the economic development of the country but the problems in performing the financial functions are the major hurdles in their development. According to a survey in Assam conducted by Indian Institute Entrepreneurship (2002-2003), out of total small scale industries of North East India, 63.7 percent are in Assam which is only 1.29 percent of all India total small scale industries. . The Arunachal Pradesh has 665 registered Units the state have 417 SSIs of which 399 are micro, 16 are small and 2 are medium enterprises. (SIDO Cumulative Report 2000). Papumpare is the capital district of Arunachal Pradesh and Lakhimpur is a district of Assam sharing its border with Papumpare. Both the districts are dependent on each other for various economic and non-economic factors. There is a cast difference in socio-economic status of these two districts because of its geographic and economic factors.

Objective of the study :

- To study the growth of MSMEs in Papumpare and Lakhimpur
- To study the performance or role of MSMEs in these two districts.

2. LITERATURE REVIEW:

Indian Micro Small Enterprises allows the poor people of rural India mostly marginalised and woman, youth landless to diversify their earnings and finding a new source of income generation. There are very limited government

¹ OECD SME Employment Report 2014

jobs available in the NER, which cannot satisfy the demand of the growing population. An MSEs can be set up for self-employment based on the interest and suitability of the area. The State Government of Assam has also taken its own steps to promote MSEs in the region. (Talukdar, 2013). According to a survey in Assam conducted by Indian Institute Entrepreneurship (2002-2003), out of total small scale industries of North East India, 63.7 percent are in Assam which is only 1.29 percent of all India total small scale industries. Most of the food processing industries use same short of labours with almost same efficiency, the results of which are not that fruitful. It's not bringing the required industrial growth for the state. More awareness and strong assistance is required for growth of MSMEs in the state. (Saikia, 2011). The highest number of employment in MSMEs has been found in Papum Pare district with 406 persons followed by West Siang district with 336 persons and the lowest being Upper Siang with only 5 persons. In terms of employment in rural and urban areas, the study on Papumpare account for 22 percent out of the total rural employment and 31 percent out of the total urban employment. At present there are 15 medium scale industries which are mostly saw mill, plywood and 11 veneer mill functioning in the state. In spite of many obstacles in the way of development of large and medium scale industries, significant numbers of small-scale industrial units have come up in the state over the year due to active support and positive policy of the government. (Moyong, 2012). Socio-cultural factors like values, roles, family and kinship, social stratification, religion and culture exerts considerable influence on entrepreneurship development in North-East India. Among the various hindrances, it was found that some socio-cultural factors like abstractive and patriarchal values, male bias, caste and gender inequalities, traditional inheritance of property, community and land ownership, lack of family business tradition, absence of enterprising communities, collective orientation and religious and customary laws are unfavourable for industrial growth in the region. Some of the socio-economic factors like religious attitude for marriage, religious values for working ethics, gender differences in certain economic activities and above all cultural practices, skills, expertise, knowledge are favourable points for development of MSMEs in NER. (Nanda, 2010). Northeast economy has been trapped in the vicious circle of socio-political stability and under development. It has not been able to get out of this circle. The flow of private investors is also very low in the region. He suggested that for the long term development SMEs should establish in the region at its social sector, village and small industries besides a strong political will and favourable change in the attitude of the local people towards development. (Kishore, 2001). MSMEs units have good prospects for development through diversification of products and modernization process. The growth of micro, small and medium enterprises in Nagaon district is based on a number of factors like infrastructure facility, state govt Industrial policy, entrepreneurial training programmes etc. The state government should take initiative and provide concession for the development of these industries. (Borah, 2012). SMEs with innovative, inventive, ideas are getting their business into international business outlook, also established a strong technological base, have competitive spirit and willingness to restructure and develop themselves to withstand present challenges and come out successfully to contribute 22 percent to GDP (OECD, 2003). A bottom up approach is need of the hour; such approach will bring an attitudinal change among the entrepreneurs in the state and will also help in the identification, assessment and promotion of small scale units. These small scale units will use the local resources and will have strong linkages with the local and outside markets. In such a way the small units will be sustainable and would help in a positive way in their further development, in a state like Orissa. (Mishra, 2006). According to Economic survey of Assam 2007-2008, there are 27,913 small scale industrial units in Assam and providing employment to 1, 31,099 persons till 2006-2007 which is only 0.50 percent of total population.²

The Central Government, in exercise of the power conferred by Section 7(1) of MSMEs Development Act, 2006, after having obtained the recommendation of the Advisory Committee under the Section 7(4) of the Act in this regard notified the following enterprises as MSMEs-

1. In Case of enterprise engage in manufacturing or production of goods pertaining to any industry specified in the First Schedule of the Industries(Development and Regulation) Act,1951,as-
 - (a) A micro enterprise is where the investment in plant and Machinery doesn't exceed Rs.25 lakhs;
 - (b) A small enterprise is where the investment in plant and Machinery is more than 25 lakhs but doesn't exceed Rs.5 crore; or
 - (c) A medium enterprise is where the investment in plant and machinery is more than Rs.5 crore but doesn't exceed Rs.10 crore.
2. In case of enterprise engaged in providing and rendering services, as-
 - (a) A micro enterprise is where the investment in equipment doesn't exceed Rs.10 lakhs
 - (b) A small enterprise is where the investment in equipment is more than Rs.10 lakhs but doesn't exceed Rs.2 crore; or

² The Economic survey of Assam 2007-2008

(c) A medium enterprise is where the investment in equipment is more than Rs.2 crore but doesn't exceed Rs.5 crore.

The new definition of the MSMEs has given wider scope to small industries to get the benefits of the assistance and support provided by the Government of India for the growth, expansion and development of industries in the country.

3. MATERIALS & METHOD:

The study is based on secondary data. It is both a quantitative and qualitative research. Tables and bar charts has been used to explain the data. The study contains 10 years statistics of growth and development of MSMEs, i.e from the year 2005 to 2015 and 3rd SSIs and 4th MSMEs Census.

4. DISCUSSION:

The rural and cottage industries play an important role in rural areas, resource utilisation is enhanced, employment is generated especially for traditional artisans and the weaker sections of society (Industrial Development & Progress after Independence, 2010). MSMEs' greater labour intensity means that job creation entails lower capital costs than in larger firms which are particularly important for developing countries and economies with high unemployment. The SMEs play a major role in economic growth in the OECD area, providing the source for most new jobs. Over 95 percent of OECD enterprises are SMEs, which account for 60 percent-70 percent of employment in most of the countries. Productivity, growth and consequently economic growth are strongly influenced by the competition inherent in the birth and death, entry and exit of smaller firms. These SMEs are located in the top 5 percent-10 percent of all growing firms. At present, SMEs contribute between 25 percent-35 percent of world exports of manufactures and account for a small share of foreign direct investment.³ More than 95 percent of enterprises across the world are SMEs, which accounts for approximately 60 percent of private sector employment.⁴ Japan has the highest proportion of SMEs among the industrialised countries, accounting for more than 99 percent of total enterprises (EIU 2010). MSMEs have emerged as a highly dynamic and vibrant sector of Indian economy in last 5 decades. The sector besides providing employment opportunities, it allows establishing enterprise at lower cost involvement and helps in industrialisation in rural and backward areas, thereby reducing regional imbalances, equitable distribution of national income and wealth. The contribution of the MSMEs cannot be neglected in Indian economy and its development it is because of this sector that rural, semi-urban entrepreneur could made it possible to go for industrial activity.

4.1 Performance and Growth of MSMEs in India:

In a country like India, where capital is scarce and unemployment is wide spread, growth of small-scale industries plays a vital to achieve balanced economic growth. The strength of small-scale enterprises lies in their wide spread dispersal in rural, semi-urban and urban areas, fostering entrepreneurial base, shorter gestation period, and equitable distribution of income and wealth. India, according to its Ministry of Micro, Small and Medium Enterprises, had 488.46 lakhs SMEs in 2014, equivalent to 80 percent of all the country's businesses (MSME annual Report 2014-15). The performance of MSMEs in India is assessed by conduct of periodic All India Census of the Sector (the latest census conducted was Fourth All India Census of MSME 2006-07) and Entrepreneurs Memorandum-II (EM-II) form filled at DICs. Since the conduct of Fourth All India Census of MSME, 2006-07, the trends in the sector is assessed with the help of number of EM-II filled at District Industries Centres (DICs) over the years. The latest census of the sector was conducted in 2006-07, wherein data was collected till 2009 and results were published in 2001-12. The results made use of Economic Census, 2005 (EC, 2005) conducted by Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation (MoSPI) for activities excluded from Fourth All India Census of MSMEs: 2006-07 for Unregistered Sector, namely wholesale/retail trade, legal, educational & social services, hotel & restaurants, transports and storage & warehousing (except cold storage).

The data on the table (4.1) given below presents the growth and performance of the MSMEs from the year 2005-06 to 2014-15, i.e. over a period of ten year's statistics which shows a positive growth rate in the industries as well as in the generation of the employment. During the year 2005-06 there were 123.42 Lakh MSMEs Units in the country, employing 294.91 Lakh employees. The definition of the MSME which was implemented from the 2006-07 under Micro Small and Medium Enterprises Development (MSMED), allowed more number of industries to enter the MSME sector. The year 2006-07 had 361.76 Lakh Units; the number of units compare to the previous year is more than the double which employed 805.23 Lakh People. The most positive fact of growing MSME in the country is, it is

³ OECD Policy Brief 2000 (<http://www.oecd.org/cfe/leed/1918307.pdf>)

⁴ M. Ayyagari, A. Demirguc-Kunt and V. Maksimovic: *Small vs. young firms across the world: Contribution to employment, job creation, and growth*, World Bank Policy Research Working Paper 2011.

helping in reducing the unemployment from the economy and at the same time resource utilisation is taking place. 2007-08 also shows a positive growth rate of MSMEs with 372.36 Lakh units and there is 2.19 percent increase in the number of units compare to the previous year, the employment increased to 4.66 percent compare to the year 2006-07, i.e. 842.00 Lakh. 2008-09 has 5.73 percent growth in the number of units i.e. 393.70 Lakh MSMEs which employed 880.84 Lakh people, there was 4.61 percent growth in the employment.

The following table shows the employment in MSMEs in India:

Table-4.1
The Total number of MSMEs and Employment in MSMEs

Sl. No.	Year	Total MSMEs (Lakhs)	Employment (Lakhs)
1	2005-06	123.42	294.91
2	2006-07	361.76	805.23
3	2007-08	372.36	842.00
4	2008-09	393.70	880.84
5	2009-10	410.80	921.79
6	2010-11	428.73	965.15
7	2011-12	447.64	1011.69
8	2012-13	447.54	1061.40
9	2013-14	488.46	1114.29
11	2014-15	510.57	1,171.32
Total		3984.98	9068.62

Source: Annual Report -2006-07 to 2015-16; Ministry of MSMEs; Govt. of India

There was 4.34 percent growth in the MSME units in 2009-10 i.e. 410.80 Lakh units, which led to the 4.64 percent employment growth in the MSMEs i.e. 921.79 Lakh employees. The year 2010-11 had 428.73 Lakh Units which is 4.36 percent growth from previous year, which had 4.70 percent growth in employment with 965.15 Lakh employees. 4.41 percent growth in the number of MSME units was there in the year 2011-12 i.e. 447.64 Lakh units, the employment increased to 1011.69 Lakh Employees i.e. 4.82 percent. The 2012-13 had a decline in the growth of 447.54 Lakh MSMEs, there was (-) 0.02 percent decline compare to previous year, the situation prevailed because of the closing of sick units. The 2012-13 though had negative growth in MSME units but there was positive growth in terms of employment which was 4.91 percent growth with 1061.40 Lakh employees. 2013-14 has 488.46 Lakh units which was 9.14 percent increase comparing to the previous year and there was 4.98 percent growth in the employment with 1114.29 Lakh employees. 4.52 percent growth can be seen in the year 2014-15 which shows 510.57 Lakh units, employing 1,171.32 Lakh employees which again had 5.11 percent growth.

4.2 North East State wise number of MSMEs in India:

The North East (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura) which cover 263179 Km² of area that is 8 percent of India's total area face a number of critical developmental challenges. The region is characterized by low per capita income, low capital formation, inadequate infrastructural facilities, having bottleneck communication and geographically isolated from the mainstream.

The Shukla Commission's Report on "Transforming the North East" (1997) defined five basic deficits: a basic need deficits in infrastructure, a resource deficit, a two-way deficit of understanding with the rest of the country and a governance deficit. The biggest problem facing the NER is the lack of adequate and reliable infrastructure. In terms of the industrial development, the NER is a late comer to development, as defined by Shukla Commission, 1997. It is in the lowest rank in development, among the other states of the country. Even after 68 years of Independence and planned development, we continue to see the phenomenon of regional imbalances, inter-state or even intra-state imbalances in the country. The NER is now particularly backward in both physical and social infrastructure. The region has to import for many of its needs including the basic needs. The industrial backwardness of the region is reflected in its total number of enterprises. Only about 1.5 percent of country's MSMEs have been set up in the region. In absence of large scale industries, manufacturing in north east is currently dominated by these SMEs. Industrialisation in the region as it stands today is marked by declining share of manufacturing sector at 5.66 percent (2012) as compared to 17 percent at National level since 1993-94. National Sample Survey Organisation (NSSO, 2012) shows that in the industrial output of NER states, there is substantial contribution from the local Micro and Small enterprises (MSEs). The informal manufacturing sector (IMS), which is basically MSME in nature, is the highest contributing segment (62 percent) in the industrial output of the region.

The MSMEs are providing a greater scope for economic development of the region. Many untapped resources like Tea, Oil, Cane, Bamboo, Silk, Water, Cotton, etc. are getting economically exploited. Though the role of SMEs for development in the NER can't be neglected but at the same time the SMEs in the region are facing huge challenges to be able to play their due role in the regional economy and national economy as well as to remain competitive in the era of globalization and liberalization. The Government of India has turned its focus on MSMEs sector of the region, which has tremendous growth potentials. Banks and financial Institutions are also now offering to SMEs, various products from working capital loans to term loans.

4.3 Growth and Performance of MSMEs in Northeast India:

The growth of MSMEs in the NER can be seen and discussed with the help of the Small Scale Industries Census (SSI Census) from 1st Census 1972-73 to 4th Census 2006-07. The tables' below presents the growth and performance of the MSMEs in the region (NER):

Table-4.3
Growth of MSMEs in North East India

Sl. No.	Name of the State	Number of Enterprises (Registered Sector)			
		1st Census (1972-73)	2nd Census (1987-88)	3rd Census (2001-02)	4th Census (2006-07)
1	Arunachal Pradesh	11	326	255	417
2	Assam	1,648	4,430	14,453	19864
3	Manipur	485	2,078	4,599	4492
4	Meghalaya	164	587	1,939	3010
5	Mizoram	61	917	2,733	3715
6	Nagaland	38	183	568	1332
7	Sikkim	N. A.	66	174	124
8	Tripura	246	809	959	1343
9	NER	2653	9330	25506	116566
10	All India:	1,39,577	5,82,368	13,74,974	1552492

Source: SSI/MSME Census (1972-73, 1987-88, 2001-02 and 2006-07)

The above data of number of MSMEs working (registered) in North eastern Region shows that Assam has the highest number of MSMEs in the NER, its shows 91.70 percent growth from 1st Census (1972-73) to 4th Census (2006-07). Mizoram shows 98.36 percent growth in MSME units till 4th Census. The growth of the sector depends on various factors like availability of raw material, infrastructure, institutional support, government supports etc. Assam having the varied natural resources and supportive geographical characteristics like plain land, proper water supply, agricultural zone, supported increase in the units of MSMEs compare to other states in the northeast. Nagaland having 1332 units shows 97.15 percent growth in the units from 1st Census to 4th Census. Arunachal Pradesh which had only 11 registered units in 1st Census of SSI had 417 registered units by 4th Census which is 97.36 percent growth in the number of units from 1st to 4th Census. Similarly Manipur shows 89.20 percent growth in MSME units, Meghalaya shows 93.55 percent growth, Tripura shows 81.68 percent growth in the registered units. Sikkim stands at the end in terms of number of MSME units with only 124 registered units during 4th Census which is only 46 percent growth compare to 2nd Census, the data for 1st SSI Census of Sikkim is not available. Sikkim is the smallest state, not only in the NER but in the entire country. The state generally supports agro based industries, cosmetic industries, food processing industries, corrugated boxes etc (Commerce and Industries department of Sikkim). Eventually NER is a hub of natural resources in the entire nation; many food processing, herbal industries, cane and bamboo industries can be established. In total NER shows a growth of 97.72 percent growth in the MSME Unit from 1st to 4th Census.

The Arunachal Pradesh shows employment of 5809 persons in its registered MSMEs as per 4th MSME census 2006-07, which is 96.88 percent increase as compare to 1st SSI Census. Assam having the highest number of MSMEs employs the highest number of persons; the 2006-07 Census shows employment of 157058 people, it registers 87.49 percent growth in the last census as compare to the first. There is growth of 82.64 percent in employment in MSME units in Manipur, employing 19638 people. Meghalaya has 90.73 percent growth in the employment compare to its first census, Mizoram showing 99.85 percent growth in the employment in 4th Census of MSME, Similarly there is 96.53 percent growth in employment in Nagaland, 93.66 percent in Tripura, Sikkim shows only 0.39 percent growth in the employment compare to its 2nd Census of SSI (data of 1st SSI Census for Sikkim is not available). The NER in total shows 89.70 percent growth in employment in MSME units as compared to the 1st SSI Census with its 4th MSME Census.

Table-4.4
Growth of Employment in MSMEs in North East India

Sl. No.	Name of the State	Total Number of Employees			
		(Registered Sector)			
		1 st Census (1972-73)	2 nd Census (1987-88)	3 rd Census (2001-02)	4 th Census (2006-07)
1	Arunachal Pradesh	181	2771	1481	5809
2	Assam	19652	34475	64623	157058
3	Manipur	3409	10216	19626	19638
4	Meghalaya	1188	3780	10734	12810
5	Mizoram	36	42233	9061	23267
6	Nagaland	448	3059	4967	12922
7	Sikkim	N. A.	1033	959	1037
8	Tripura	1698	10069	11666	26794
9	NER	26612	106603	122158	258298
10	India	1653178	3665810	6163479	9471186

Source: SSI/MSME Census (1972-73, 1987-88, 2001-02 and 2006-07)

Arunachal Pradesh among the North Eastern States is the largest state which abounds in a variety of natural resources including agricultural, forest and mineral wealth. This state would be benefited with a high degree of industrialisation. Unfortunately, the position is just the reverse. As per 4th Census of MSMEs there 417 registered MSME units in the state, mostly engaged in activities like black smithy, tin smithy, carpet making, carpentry, wool knitting handloom and weaving, cane and bamboo works, printing press etc. There are no major industries in the region and hence no large scale industrial productions. Neither the government nor private sectors initiates for large scale manufacturing enterprises in the state. The number of Micro units is more in compare to small and medium enterprises. Again, these micro enterprises hardly includes manufacturing units, most of them fall in the category of food processing, cane and bamboo work, handloom and handicraft items, mineral water processing units etc. These units rarely turn out to be cost efficient and to adopt any new or advanced technology which is not allowing the growth of the MSME sector.

Assam has 19864 registered units as per the 4th Census of MSMEs which is mostly engaged in bee hiving, carpet making, carpentry, wool knitting handloom and weaving, cane and bamboo works, printing press etc. Assam is said to be the self dependent state among all the other NER states, its rich agriculture, bamboo cultivation, petroleum production, world's largest tea supplier etc, characteristics makes it different from other states. It has the highest number of MSMEs in North East employing among the highest number of employees 210507. The state is always engaged in producing its own goods and services. There will be hardly any household in the rural Assam where weaving doesn't takes place, cane and bamboo items are not produced. The lack of government supports and private interventions is keeping the growth of MSMEs at back as compare to national level scenario.

4.4 Growth and Performance of MSMEs in Papum pare and Lakhimpur:

The districts Papumpare and Lakhimpur in Arunachal Pradesh and Assam respectively are bestowed with abundant resources like silk, bamboo, cane, water, rubber etc. Lakhimpur is mostly dependent on agricultural activities and Papumpare is dependent on government services along with agriculture in village areas. Though the industrial profile of both the districts Papumpare and Lakhimpur is not strong enough to support the entire economy of the districts, yet the MSMEs in the region is playing a vital role in developing the economy. Among all the eight north eastern states Assam is the only state with highest number of MSMEs with highest employment providing region in MSMEs sector. The growth of MSMEs in both Assam and Arunachal Pradesh have been show above, the trend of growth of MSMEs in the district Papumpare and Lakhimpur can be seen with the help of above table depicted from 3rd and 4th census of SSIs and MSMEs in the 2001-02 and 2006-07.

Table 4.6
Growth and Performance of MSMEs in Papumpare and Lakhimpur

State	Number of Enterprise		Employment	
	3rd Census	4th Census	3rd Census	4th Census
Papum Pare	81	111	401	631
Arunachal Pradesh	255	417	1544	5411
Lakhimpur	213	833	628	1289
Assam	14,453	19864	64623	210507

Source: SSI & MSMEs Census

The figure (Fig 4.1) shows that there is a positive growth in the number of MSMEs in both the districts. The 3rd census (2001-02) shows there were only 81 units in Papumpare and 213 units in Lakhimpur which employed 401 employees in the former district and 628 employees in the later, respectively. The 4th MSMEs Census (2006-07) shows growth in the number of units in the two study districts, where, 111 units in Papumpare (includes both registered and unregistered MSMEs) and 833 units in Lakhimpur (both registered and unregistered) MSMEs. The former district shows a growth of employment with 631 employees and 1298 employees in later district. The growth of MSMEs in both the districts can be understood better with the help of following chart-

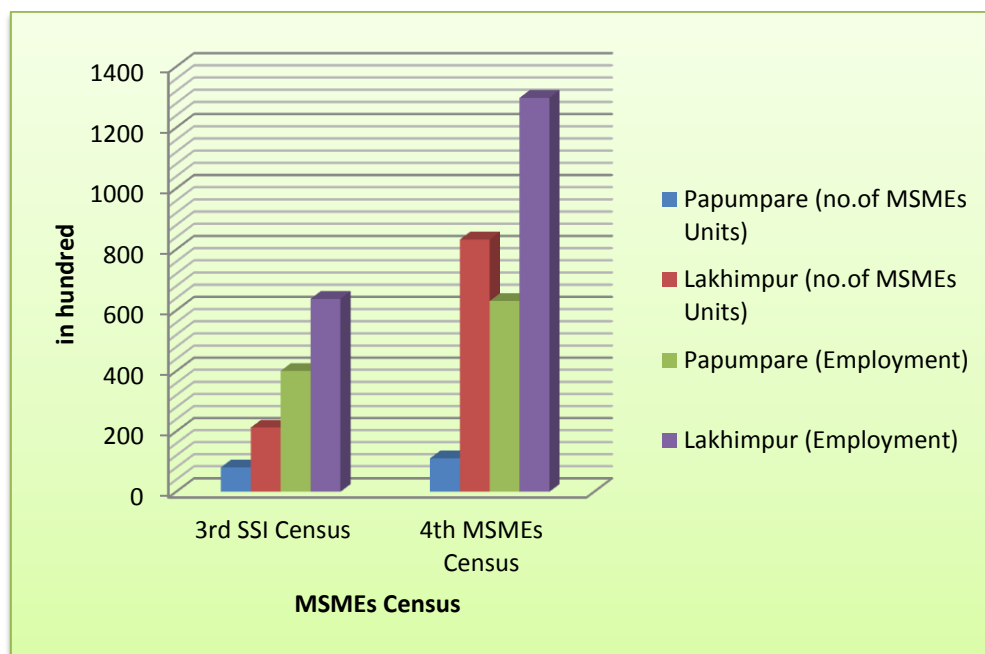


Figure 4.1 Growth and Performance of MSMEs in Papumpare and Lakhimpur

The census statistics shows a positive growth in MSMEs sector in both the district. The more the number of enterprises increases the more employment is generated, this not only reduces the unemployment scenario from the economy but at the same time helps in increasing the socio-economic status of the people, society and the state as a whole. The geographical location, poor infrastructure, and lack of proper government support the industrialisation is not allowing the proper growth of the MSMEs in these two regions. The economic development of a country depends to a more or less extends on industrialisation, industrialisation is recognised as an essential ingredient of economic development. The MSMEs sector emerged as a vehicle, a potential solution for increasing industrialisation in the country and reducing unemployment, resource utilisation, economic development etc.

5. FINDINGS:

The major findings of the study are :

- Growth of MSMEs in Lakhimpur 722 more number of MSMEs than papumpare as per the 3rd and 4th Census of MSMEs.
- MSMEs in Lakhimpur are generating more employment for people. It has 4780 number of more employees than Papumpare.
- There is a huge scope for growth of MSMEs and creation of employment in the two study district.
- The problems of MSMEs can't be avoided in this regions'.
- The performance of MSMEs in India is assessed by conduct of periodic All India Census of the Sector (the latest census conducted was Fourth All India Census of MSME 2006-07) and Entrepreneurs Memorandum-II (EM-II) form filled at DICs. Filing of EM-II with DICs has got replaced from September 2015 onwards with Udyog Aadhaar online filing system.

6. CONCLUSION:

Growth of MSMEs can lead to growth of Indian economy, it has evidence from the above statistics provided for India, North East and Papumpare and Lakhimpur in specific. As the number of industries has

grown the number of employment has also grown with a positive impact. Proper assistance and support can play a great role in the development and performance of MSMEs in India and its States.

The SMEs plays a vital role in giving a boost to the overall Gross Domestic Products (GDP), it is the reality in the Indian economy and it is still overlooked by the government, corporate sector and the financial sector in the country. The sector doesn't receive the commendable efforts, attention and support of the authorities. The SMEs in India are operating at challenging atmosphere because of the exports of comparatively cheap products available in the Indian Markets.

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