



An Account of Industrialisation in Maharashtra

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Abstract

The paper is aimed at analyzing the state-wise trends in GDP in order to recognize the state which has been contributing the highest to the overall GDP of India. With the help of data from various sources it could be noticed that the SGDP in the state of Maharashtra is substantially more in comparison to the other states and it accounts for 15.29% of the overall GDP of the country till 2018-19. Further, it is examined how the state has come about to be the most industrialized state of the country having the highest share of urban population and attracting the maximal amount of investments both through public and private sources. Annual Growth rates of GSVAs by Industries and other components has been calculated for a detailed analysis. Setting up of online portals like MAITRI and establishments of various industrial parks by the Government and MIDC have successfully contributed to creating a business-friendly environment. Apart from various policies helping in cluster promotion of industries and other institutions supporting the same through fiscal incentives and public funding, the well-knit transportation system developed by the State Government has caused the state to be a “one-stop” for the investors and new businesses. Though, the state is industrially the most developed and accounts for the highest share of GDP, inter-state disparity has always been a matter of concern. Thus, measures must be taken to overcome the disastrous situations prevailing in the backward regions of the state so as to reach new heights of prosperity in the overall state.

Keywords: GDP, SGDP, Annual Growth Rate, GSVAs, MAITRI, MIDC.

1. Introduction

India, a union of states, is a Sovereign, Secular, Democratic Republic with a Parliamentary system of Government. The President is the constitutional head of Executive of the Union. In the states, the Governor acts as the representative of the President. There are 28 states and 8 Union territories in the country. India is the second-most populous country in the world (after China), having an estimated population of 1.39 billion people in 2021 with sixty-five percent of the population residing in the rural areas. The Indian sub-continent with its large size and wide structural and economic variations is better understood and better interpreted when studied at the regional level which narrows down the variability and enables better identification of the special characteristics. From the largest to the smallest, each State/UT of India has a unique demography and a history of growth. In a country with a growing population like ours, it is difficult to cope up with the developed nations of the world in terms of trade and commerce and sustainability. Close inspections reveal that Uttar Pradesh has the largest rural population

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(18.62% of the country's rural population) whereas **Maharashtra has the highest urban population** (13.48% of country's urban population) in the country. Thus, an inter-state disparity is noticeable in this regard on the grounds of geographical boundaries, climatic conditions, density of population, availability of resources and the efficiency of the governing bodies of each state.

Pre-colonial India saw traders from all around the world. Urban handicraft industry was a highlight of the then industrial sector. People found employment in the industrial and agricultural sectors. The Indian economy under colonial rule became primarily agrarian. People left with no other option after the downfall of industrial sector either flocked to these plantations or were forced by the colonials to do so. The Britishers also introduced The **Trade Union Act** in 1927 which outlawed general strikes and sympathetic strikes and banned civil servants from joining unions affiliated to the Trade Union Congress. After independence, the **Planning Commission** (1950) concentrated investments in the agricultural and allied sectors which constitutes the primary sector of the economy. However, in the later years, there was a gradual shift from the primary sector to the tertiary sector, furthermore, keeping most of the workforce in the former. Due to this major shift of sectoral focus and lack of public investment, agriculture is still restricted to traditional methods, failing to compete with the other nations of the world. States of Bihar, Uttar Pradesh, Chhattisgarh, Madhya Pradesh and Rajasthan comprising of the maximum rural population earns their livelihood predominantly through the agriculture and allied sectors.

After 1947, India adopted socialist form of economy which involved a good deal of Government intervention into the market and enterprises making the economy conservative compared to other prevalent economies. Consequently, before the country could grasp the provisions for industrialization, **Minimum Wages Act (1948)** was implemented with an idea of providing a decent standard of living for all. In relation to the labor laws and regulations, The **Industrial Disputes Act (1947)** and **The Factories Act (1948)** deserve special mention. The Planning Commission was set-up on 15th March 1950 with a view of effectively directing the economy of the country. The **First Plan (1951-56)** focused on agriculture, price stability, power and control. The **Second Plan (1956-61)**, led by P. C. Mahalanobis was solely based on the concept of a socialist pattern in the economy. As a result of the **Fourth Plan (1969-74)**, Green Revolution in India advanced agriculture. The most successful proposition was The **Sixth Five Year Plan (1980-85)** which marked the beginning of trade liberalization and also setting up of The National Bank for Agriculture and Rural Development (NABARD) took place with an aim to safeguard the interests of the workforce involved in agricultural activities. There has been a drastic change in the Indian economy with the adoption of the **New Economic Policy of 1991**. With the arrival of liberalization, the Government had regulated the private sector organizations to conduct business transactions with fewer restrictions. It had opened economic borders to foreign companies and investments. The economic liberalization reduced all these obstacles and waived a few restrictions over the control of the economy to the private sector. Later on, the **NITI Aayog** was established to replace the Planning Commission in 2015. It is the country's premier policy-making institution that is expected to strengthen the economic growth of the country. It aspires to construct a state that will help to create a dynamic and strong nation. This is aimed at assisting India to emerge as a major economy in the world.

Recently, The Government of India launched schemes with a view to resolve concerns on socio-economic grounds. The major schemes include “**Make in India**” Scheme (2014) which is an initiative to attract investments from across the globe and strengthening the manufacturing sector, thereby, creating additional employment opportunities and “**Atmanirbhar Bharat Abhiyan**” (2020) which aims to make the country and its citizens independent and self-reliant in all senses. The “**Digital India**” Scheme was implemented in 2015 with a vision to transform India into a digitally empowered society and knowledge economy. Mention should be made of other schemes like the **Kisan Vikas Patra** (2014) and the **Pradhan Mantri Fasal Bima Yojana** (2016) which has given an impetus to the growth of agriculture and allied sectors.

This paper seeks to analyze the state-wise trends in GDP focusing on the years from 2005-2006 till 2018-2019. The data is split under three separate base years and the aim of the analysis is to discover the state contributing the highest percentage to the overall GDP of the country over the two distinct category of years and further to look into the industrial evolution that followed in the state which play a vital role in this high percentage of contribution.

The main objective of the project is entirely centered on the following two analyses-

1. Proving that the state of Maharashtra is the highest contributor to the GDP of India.
2. Is Maharashtra the most industrialized state of India

The paper has been divided into four sections. **Section-2** contains the **Literature Review** of three articles which are related to the main research questions of this paper. **Section-3** consists of the **Research Methodology** wherein, it is explained how the study of the paper is done using mathematical operations for a detailed understanding taking data from various consolidated sources. **Section-4** aims to analyze and answer the **objectives** of the paper with proper reasoning and justification using tabular format of findings that has been done. **Section-5** is the **conclusion** drawn from the analysis of the entire paper along with certain measures which can be further adopted.

2. Literature Review

In the context of the slowly rising disparities in economic services across states, authors **Kaliappa Kalirajan, Shashanka Bhide** and **Kanhaiya Singh** in their article “*Development Performance across Indian States and The Role of the Governments*” have emphasized on the fact that policies at the Central as well as State level influence the state level variations in economic conditions. The study is based on the period between 1980-81 to 2006-07. At the aggregate level, the rise in investment spending relative to overall GDP has been a proximate cause of higher output growth. There has been higher investment in physical and social infrastructure over the years leading to better performances. India’s past record, even before the launching of the economic reforms in the early 1990s, also points to wide variations across states. Moreover, the authors have analyzed that only five states have a per capita GSDP of more than \$900 and only two have a per capita GSDP of more than \$1000, though these two are relatively smaller states in terms of population and economic activities. Among the states with a population of more than 50 million, Bihar and Uttar Pradesh have the lowest per capita GSDP of below \$350 and Maharashtra and Gujarat, which are the industrially advanced states, have the per capita GSDP of more than \$900. The

interesting result is that states with high initial levels of literacy rate appear to have higher per capita growth in gross state domestic product and also in per capita manufacturing growth, while such a relationship could not be established in the case of agricultural growth [1].

Authors **Pragyan Parimita Nayak, Rashmita Khatei** and **Lipuna Khatei** with the aim to compare the growth rate of GSDP of different states in India and to examine trends of real GDP and nominal GDP of India has mentioned in their article “*An empirical analysis of variation in gross state domestic product (GSDP) of different states in India*” gross state domestic product as an important parameter to measure the state of economic health of states and as a whole of the country. The GDP of a country helps to describe the status of public welfare of the states and overall picture of the economy. But there is uneven growth of state domestic product (SDP) of Indian states which is a constraint on the overall growth of India’s gross domestic product (GDP). The growth of most of the Indian states is found to be featured with instability and volatility. The extent of disparity in growth of state domestic products of different Indian states and also the trends of growth of GDP of India is examined in this paper. The annual growth rate (AGR) of state domestic product at constant prices (2011-12) of year-to-year for different states in India is used as a measure of disparity and volatility. This study is based on secondary data collected from various sources to find out the uneven growth of state domestic product at constant price in India. This study reveals that the growth is inconsistent in different states in India as well as in GDP of India and it is due to uneven distribution of economic activities among the states as well as across the country [2].

It is evident that till the year 1999, Maharashtra had the maximum share of India’s overall GDP contribution. With an attempt to put forward the inter-district disparities in Maharashtra, authors Neeraj Hatekar and Swati Raju analyzed in their article “*Inequality, Income Distribution and Growth in Maharashtra*” the inequality which had been on an increasing trend back in the period between 2001-05 amongst the different districts of the state. Data does not point to the convergence of per capita incomes across districts. The historical composition of incomes, in particular the share of the tertiary sector in GDP, is an important predictor of divergence in district per capita incomes. Maharashtra’s economy has witnessed an annual average growth rate of 8.13% during the decade between 2001- 2010. It also has the highest average per capita income of Rs.45,575 during the same time period. Despite its affluence, the state historically has had a skewed distribution of income resulting in inequalities as well as political unrest among the backward regions like Vidarbha which lies in the eastern part of the state. Maharashtra has six administrative divisions namely- Konkan, Nashik, Pune, Aurangabad, Amravati and Nagpur. The paper examined the income distributions across districts with the help of non-parametric kernel density functions. The limitation of this article includes the fact that labor productivities in the tertiary sector has been assumed to be identical across districts, when in reality, the differential labor productivity might be crucial in this regional disparity. The result pointed towards a substantial reduction in inter-district discrepancy post 2005. While, Konkan, Nashik and Pune divisions had lost rank, Amravati and Nagpur have moved a rank up and the rank of the Aurangabad division had remained unchanged between 2001-2010 [3].

3. Research Methodology

To prove that Maharashtra is the highest contributor to the GDP of India, data has been collected from the year 2005-06 till the year 2018-19. This fourteen year of data is divided into two base years each containing seven years. The **First Base Year** is between 2004-05 and it consists of data from 2005-06 till 2011-12 and the **Second Base Year** is between 2011-12 consisting of data from 2012-13 till 2018-19. Change of base year to calculate GDP is done in line with the global exercise to capture economic information more accurately. After the base year is changed, the GDP of previous years is revised according to the new base year for a fair comparison. Ideally, base year must be changed every five years which however does not alter the overall trajectory. At present, there are 28 states but the state of Telangana was formed very recently in the year 2014. Thus, although there is a presence of this state in the Second Base Year, under the First Base Year it is not there. So, this particular state is not taken in the analysis so that an equality can be maintained for the number states taken. In order to show the most industrialized state, the **Gross State Value Added (GSVA) by Industry** data is taken. Both of these data are taken from the National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India. The percentage of each state to that of the total country is calculated and graphs have been generated to support the analyses. The data for regional analysis of Maharashtra is taken from the official website of the Government of Maharashtra, India. Furthermore, the factors for industrial production data for the same time period is taken from the Handbook of Statistics on Indian States provided by the Reserve Bank of India. Here, only the three most important factors namely- the number of factories, total inputs and total investments are taken for the analysis and the entire data set is for fourteen years from 2005-06 till 2018-19. These are the certain limitations of this project. The growth rate of all the three factors is compared to that of the GSVA by Industry of the particular state to have a better understanding of the relationship between each of the factor with the GSVA. This is done to understand and examine the policies which have been taken by the state and to point out the loopholes which would require rectifications.

4. Results and Analysis

Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. The gross domestic product of an individual state inside a country is known as the Gross State Domestic Product (GSDP) of that particular state. Estimates of the GSDP are one of most important single indicators to measure the economic growth as well as to study the sectoral shifts in a state. The growth rates in various individual sectors and the pattern of investment therein help in indicating the extent to which the postulated growth rates are achievable and are commensurate with the investment targets. The estimates are also useful in measuring the effects of implementation of planned programs. On proper observation of the graphs [4], it can be noticed that, amongst the 27 states, **Maharashtra has recorded**.

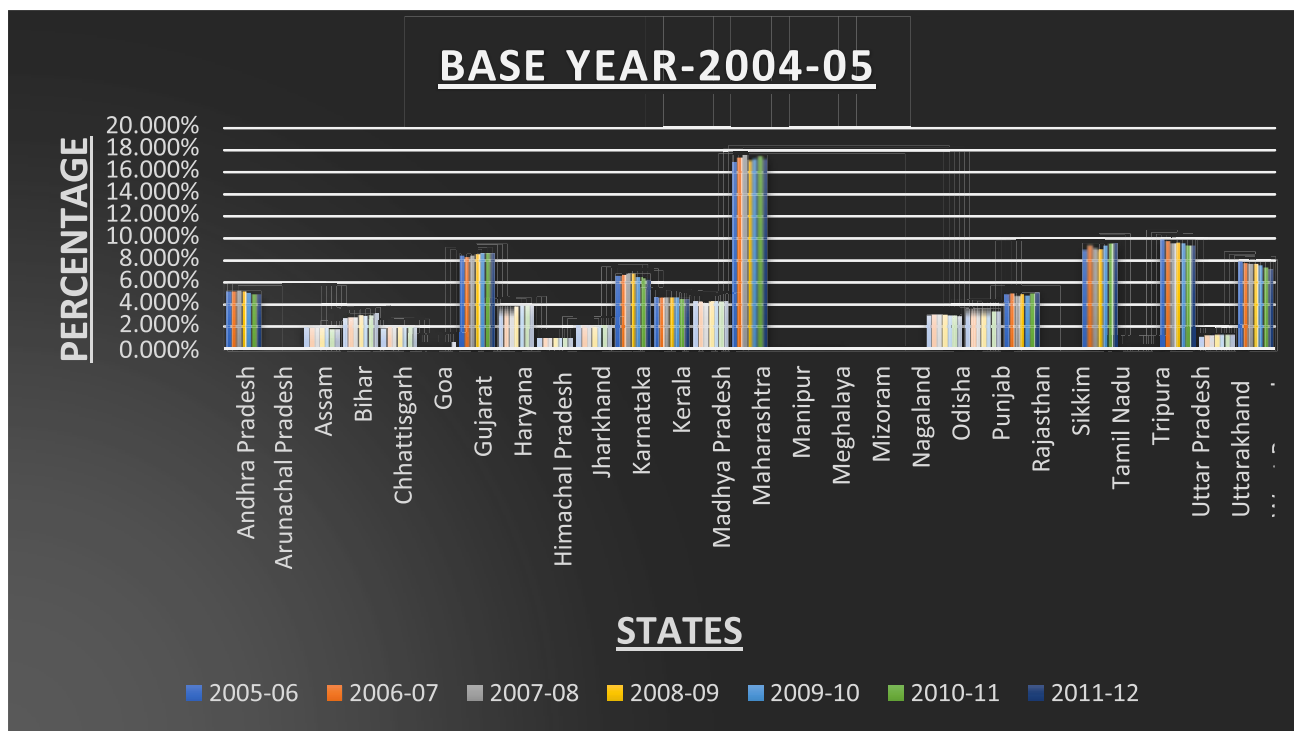


Figure 1: SGDP Percentage between 2005-06 till 2011-12

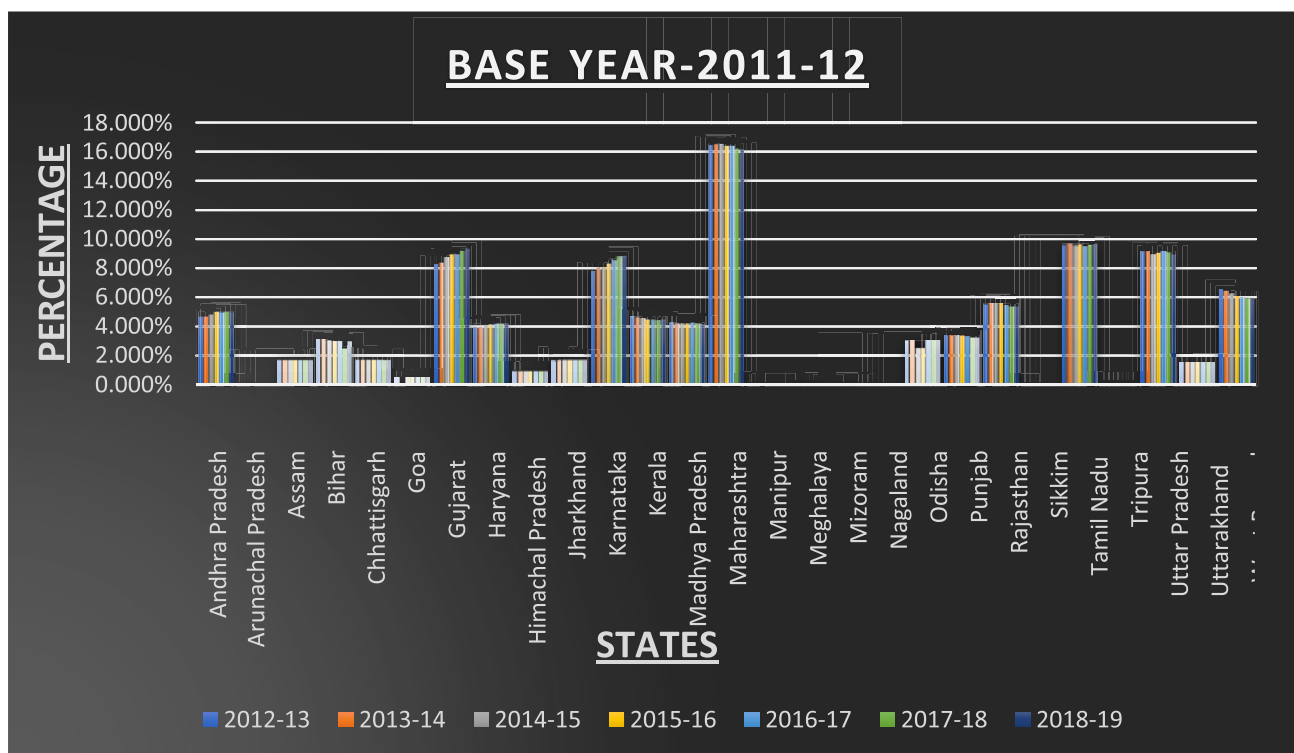


Figure 2: SGDP Percentage between 2012-13 till 2018-19

The highest GSDP over the period of fourteen years which is taken in this analysis whereas, the north-eastern states account for the lowest GSDP. Maharashtra's contribution to the All India GDP is the highest at **15.29%** till 2018-19. GSDP of the state grew at a CAGR (in Rs) of around 11.77 per cent from 2011-12 to 2017-18 whereas the Net State Domestic Product (NSDP) grew at a CAGR of around 11.75 per cent from 2011-12 to 2017-18. Maharashtra occupies the western & central part of India and has got 720 km long coastline along the Arabian Sea enjoying tropical monsoon type of climate. The state has taken lead in changing business atmosphere by adopting varied measures to increase '**Ease of Doing Business**'. The recently launched **Start Up policy** is being held as pioneering by the innovative and creative industry, which aims at giving institutional and intellectual support to the new budding entrepreneurs. The policy underscores the State's take on big challenge of unemployment, by encouraging job creators rather than job seekers. Maharashtra is the **1st State** to unveil Aerospace and Defence manufacturing policy and FinTech policy.

The state has **36 districts** [5] which are categorised under five main administrative regions namely- The **Pune** Region which is known as the sugar-belt of Maharashtra. It is the second-largest producer of sugar in India and hosts the country's second largest sugar processing capacity. The **Vidarbha** Region which is the eastern region and had achieved national infamy for suicides, mostly by cotton farmers. It is largely agrarian with cotton, jowar, soybean and pulses as its main farm output. The **Nashik** Region which is widely known for its wine industry. Of the 46 wineries in India, 43 of them are around in the said region. The **Marathwada** Region is the rain-shadow region of the state having droughts as a very common phenomenon. The fifth region is The **Konkan** Region which alone accounts for nearly **42%** of the state GDP. Compared to the other regions, this region covers the least area but due to the highly developed industrial and financial sectors of Maharashtra, which is mostly concentrated in this region, it drives the largest portion of the entire GSDP. The state capital Mumbai, comprising of approximately 70% of this region, is the 2nd largest metropolitan city in India. It is home to some of the biggest industries and is also the financial, commercial and entertainment capital of India. The business opportunities in Mumbai attract migrants from all over the world. It has the well-developed industrial infrastructure accounting for **25%** of industrial output of the entire country.

Table 1: Regional division of districts of Maharashtra

REGIONS	DISTRICTS	AREA (sq.km)		
KONKAN	Mumbai	30,746		
	Thane			
	Palghar			
	Raigad			
	Ratnagiri			
	Sindhudurg			
VIDARBHA	Amravati	97,321		
	Buldhana			
	Akola			
	Washim			
	Yavatmal			
	Nagpur			
	Wardha			
	Gondia			
	Bhandara			
	Chandrapur			
	Gadchiroli			
	NASHIK		Nashik	57,806
			Dhule	
Nandurbar				
Jalgaon				
Ahmednagar				
PUNE	Pune	57,054		
	Satara			
	Sangli			
	Solapur			
	Kolhapur			
MARATHWADA	Aurangabad	64,590		
	Jalna			
	Parbhani			
	Hingoli			
	Beed			
	Nanded			
	Osmanabad			
	Latur			

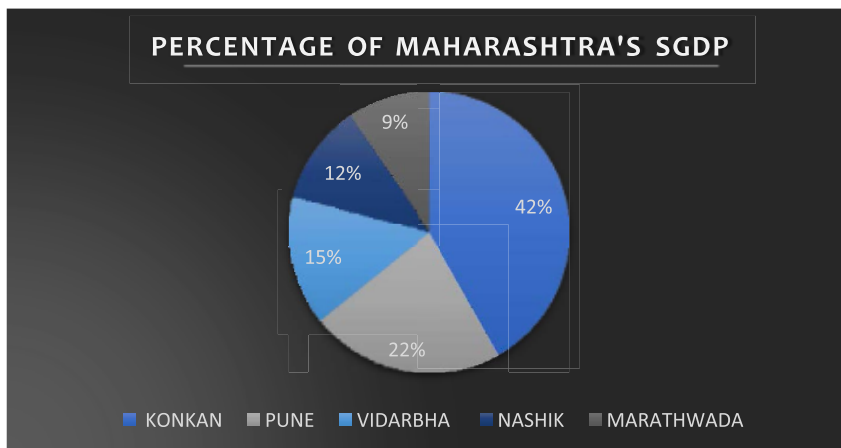


Figure 3: Zonal share of SGDP

Looking into the data of the Gross State Value Added by Industries [6], one can perceive that amongst other states, it is Maharashtra that is at an all-time high from the year 2005-06 till the year 2018-19. This state is the most industrialised state and has maintained a leading position in the industrial sector of India. It is a pioneer in small scale industries and continues to attract investments from both the domestic as well as the foreign institutions. The state has well developed industrial ecosystem for various industries including **Automobile** (Mumbai, Pune and Aurangabad region), **ESDM** (Pune region), **Pharmaceuticals & Chemicals** (Mumbai- Thane, Aurangabad and Pune region), **Engineering** (Ahmednagar-Nashik, Pune and Aurangabad region), **FMCG** (Pune region), **Textile** (Solapur and Nagpur-Amravati region), **Food Processing** (Solapur, Ahmednagar-Nashik, Nagpur-Amravati region), **Logistics** (Mumbai-Thane and Nagpur-Amravati region), **Cement and Steel** industry (Vidarbha-Marathwada region) and **IT & ITES** (Mumbai- Thane, Pune and Nagpur-Amravati region). Most the industries are concentrated in the Nashik Region in the capital city of Mumbai which is the most urbanised amongst other regions. Mumbai is divided into two districts- the Sub-urban Mumbai and the Navi Mumbai.

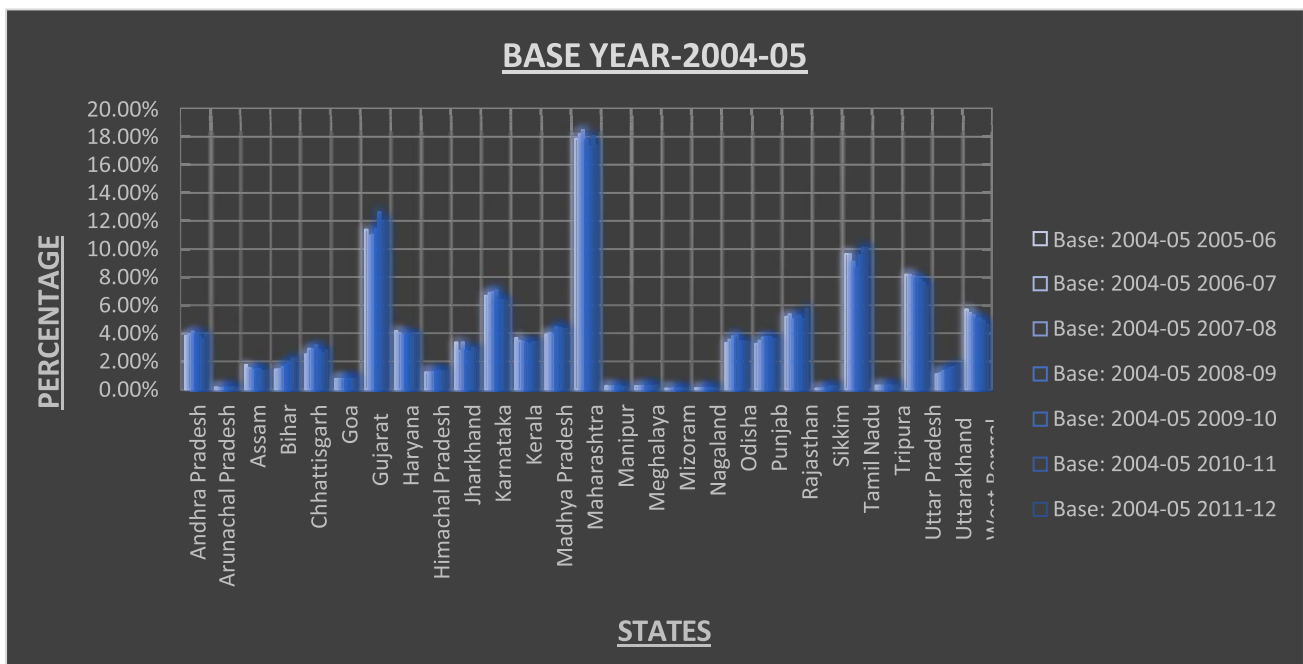


Figure 4: GSVa by Industries from 2005-06 till 2011-12

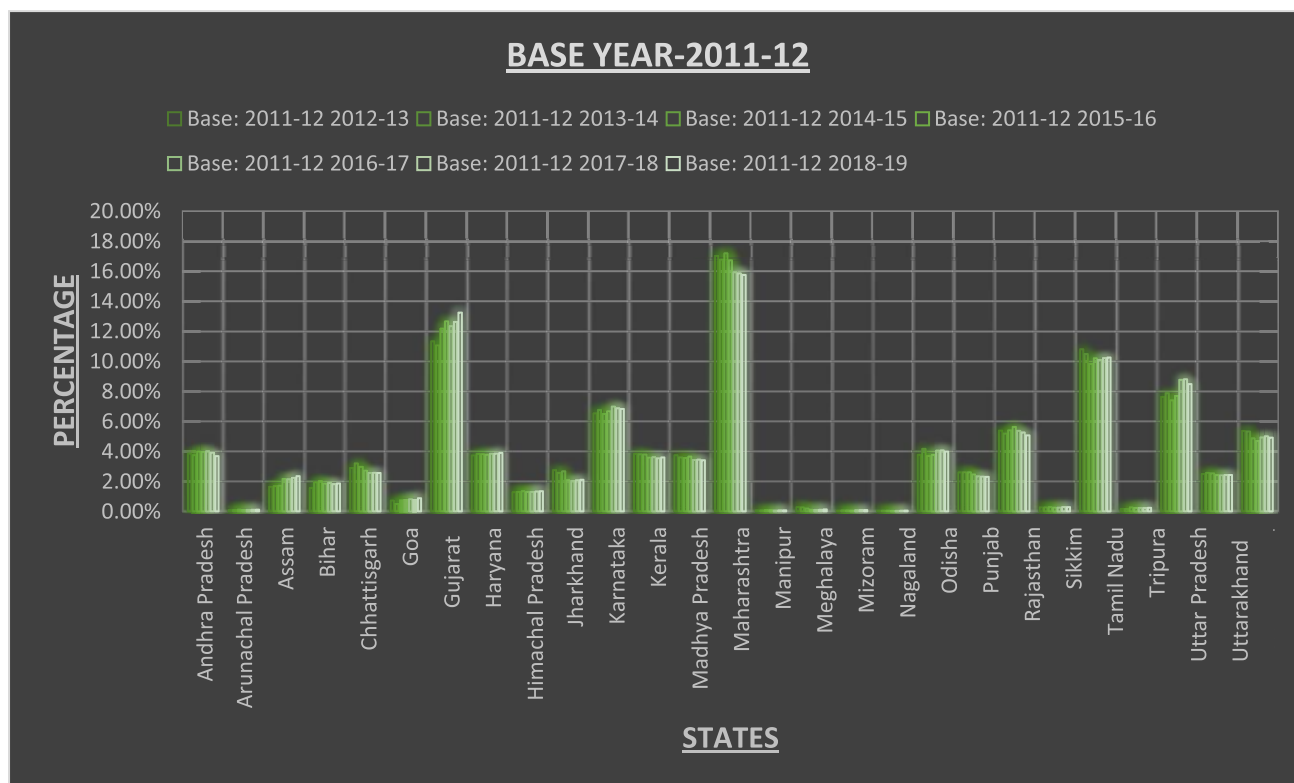


Figure 5: GSV by Industries from 2012-13 till 2018-19

These are the two main districts behind the steady industrial expansion from 2005-06 till 2018-19. Behind every industrial growth, there are three major factors namely- the number of factories in which the manufacturing and the processing of various goods are taken place, the total amount of input going into the production procedure and the combined investments in the industrial sector, which gives a tremendous boost to the entire manufacturing growth. On a more detailed inspection of the data so collected, of the three major factors, the average annual growth rate of investment is the highest at 8.52% compared to that of the number of factories which has a growth rate of 2.54% and the total number of inputs at 8.33%. Thus, we find that amongst three factors taken into consideration; the number of investments is playing an integral part in the development of industries.

A more comprehensive method of looking at it can be by comparing the yearly growth rate of the GSV by Industries with that of the three factors taken into account. It can be seen that during certain years, when the growth rate of GSV is at 89%, the number of factories grew only by 3% and likewise when the number of factories grew by 12%, the GSV was at a 1% decline than the previous year. The possible reasons of such occurrence are:

1. **Commissioning of Factories-** one cannot clearly perceive from the data if the number of factories so given, are the factories which are just built or if it is also commissioned. Until and unless the factories are commissioned, it will not be able to take part in the production process and thus would not serve the purpose of increasing the GSV of the state.
2. **Capacity Utilisation-** the factories so built might not be operating at 100% of its capacity, but, with time, as the demand increases, the capacity utilisation increases to meet the rising demand and hence

although the number of factories is not increasing, but there is an increase in the operational capacity, thereby, increasing the industrial production. Thus, one might not be able to always establish a direct linkage between the number of factories and the GSVA growth rate.

3. **Internal Expansion-** with time, due to certain technological or infrastructural expansion inside the same number of factories, the production procedure might be going on in full swing and driving the growth rate of GSVA but the number of factories is not increasing given the fact that a new establishment also requires certain time to be fully operational. So, certain producers prefer qualitative expansion rather than quantitative one.

The same trend can be seen in case of the total inputs. The total inputs here is taken as the monetary values of all the kinds of inputs that go in for industrial production. The cost of inputs keeps fluctuating over the years and hence at times the GSVA fails to cope up with the increasing cost of inputs. When the cost of input is very high, the producer is purchasing the same quantity of input but at a much higher price. Thus, although the growth rate of inputs goes up due to the high price, no growth rate takes place in value addition. In certain industries, the high-cost price of inputs is channelized to the consumers by selling the goods at a higher price but in several others, the cost is often borne by the producers. The cost-bearing mechanism depends on the type of industry. In this regard, mention must be made of the **Porter's Five Forces Model** described by Michael Porter. This model describes how the five factors- Competitive Rivalry, Power of Consumers, Power of Suppliers, Threat of Substitutes and the Threat of New Entrants help in the analysis of the profitability and attractiveness of an industry. Competitive Rivalry looks at the number of competitors and their strength in comparison to a particular industry. If the rivalry is intense, companies must often lower prices and provide incentives to attract consumers.

Thus, in such an industry increase in selling price of goods can be done till a very limited extent, otherwise, consumers can easily shift to other suppliers provided the cost of switching is low. This is known as the Power of Consumers. On the other hand, there are industries where the Power is with the Suppliers. When there are only a few suppliers, customers are small and very few substitutes, then the suppliers have high bargaining power and thereby can influence pricing and in turn, the profits. In these types of industries, the burden of high input cost can be shifted to the consumers. Also, if the barriers of entry like- high investments to start up, Government regulations etc. are low, the threat to existing players is high and thus the producers will be cautious about the high input cost-bearing mechanism and in most cases take it upon them instead of putting it on the consumers.

Table 2: Factors for Industrial Growth and AAGR of the factors

FACTORS	No. of Factories(units)	Total Inputs (₹ Lakh)	Investments (₹ Lakh)
2005-06	18711	28952654	15770422
2006-07	18612	36986119	19213013
2007-08	18304	39734657	21476750
2008-09	20450	47256822	26109467
2009-10	19457	48906614	29309909
2010-11	27892	61689519	35473725
2011-12	28215	82615593	41237802
2012-13	28949	81945368	49723272
2013-14	29123	83739649	48716663
2014-15	28601	88054248	49798019
2015-16	28210	91954097	53072745
2016-17	27010	83281871	50280256
2017-18	26393	94108687	53725099
2018-19	26702	93031392	52002678
AAGR	2.54019202	8.337679353	8.522564693

Table 3: Growth Rate of GSV by Industries of Maharashtra along with the factors

Years	GSVA	No. of Factories(units)	Total Inputs(₹Lakh)	Investments(₹Lakh)	GROWTH RATE			
					GSVA	Factories	Inputs	Investments
2005-06	14630829	18711	28952654	15770422				
2006-07	16945066	18612	36986119	19213013	16%	-1%	28%	22%
2007-08	18933289	18304	39734657	21476750	12%	-2%	7%	12%
2008-09	18732209	20450	47256822	26109467	-1%	12%	19%	22%
2009-10	20023451	19457	48906614	29309909	7%	-5%	3%	12%
2010-11	22755162	27892	61689519	35473725	14%	43%	26%	21%
2011-12	22800246	28215	82615593	41237802	0%	1%	34%	16%
2012-13	43074568	28949	81945368	49723272	89%	3%	-1%	21%
2013-14	44411243	29123	83739649	48716663	3%	1%	2%	-2%
2014-15	47968559	28601	88054248	49798019	8%	-2%	5%	2%
2015-16	52192116	28210	91954097	53072745	9%	-1%	4%	7%
2016-17	55285010	27010	83281871	50280256	6%	-4%	-9%	-5%
2017-18	59215283	26393	94108687	53725099	7%	-2%	13%	7%
2018-19	62442988	26702	93031392	52002678	5%	1%	-1%	-3%

Amongst the three factors taken in the analysis, Investments is that one factor which is stable throughout the years. Maharashtra has always led the country's industrial development scenario and continues to attract the largest quantum of investments, both domestic and foreign. The state succeeded in creating the right business climate through the finest infrastructure, quality trained manpower, a professional work ethic and a conducive business environment. According to the Department of Industrial Policy and

Promotion (DIPP), Government of India, cumulative FDI inflows in Maharashtra during April 2000 to December 2017 stood at US\$ 113.82 billion, amounting to one third of the total FDI inflow in the country [7]. Several renowned industrial units have come up as a result of the supporting industrial policy environment. During 2014 to 2018, 119 private IT parks with an investment of approximately INR 192.60 billion and employment of 5, 50,000 have come up in the state. Dedicated investor facilitation cell and online Single Window portal has been established under Maharashtra Industry, Trade & Investment Facilitation Cell [8]. The Single Window Portal has provision for single application, payment, tracking and monitoring of majority of industry related approvals across various departments of the State Government. MAITRI cell also acts as a grievance redressal cell. It provides G2B services, one-stop-shop for existing and prospective investors. As per World Bank Doing Business report 2019 (assessment covering 190 economies), India was ranked 77, a massive jump of 23 positions against its rank of 100 in 2018 and 130 in 2017. Mumbai has been the largest contribution in achieving quantum jump in the World Bank ranking. As per 'Asian Competitiveness Institute of Lee Kuan Yew School of Public Policy of Singapore' Index on ease of doing business in 2016, Maharashtra ranks first in the country. Mega events were organized in the state such as "**Magnetic Maharashtra**" and "**Make in India**" along with state's participation in various national and international road shows. All these efforts resulted in receipt of industrial investment proposals over INR 8 lakh crore in the last five years. Maharashtra has the largest number of Large and Mega projects in the country. These Large, Mega and Ultra-Mega projects have a proven track record of providing multi-faceted benefits to the State in terms of revenue and employment generation. To leverage the benefits further, concerted efforts are made in the policy to ensure regionally balanced and inclusive growth of the industry. Maharashtra Industrial Development Corporation (MIDC) is the nodal Investment Promotion Agency under the Government of Maharashtra which alongside creating a strong relation between the local authorities, Government and industries, also is the "one-stop" for investors relations [6].

Thus, it can be concluded that, Maharashtra which is the highest contributor of SGDP in the country, is also the most industrialised state of India. Investments play a major role behind the industrial development of Maharashtra. The Government of Maharashtra has made several policy announcements in order to set up the right kind of business climate. These policy documents aim to motivate investors to invest into the various sectors of the state and thereby contribute to the overall development of the economy. They are endeavoured to remove various roadblocks which hampers the industrial map and also envisage various incentives and schemes for the investors.

5. Conclusion

Maharashtra is the leading state generating the maximum Gross State Domestic Product amongst other states. It is the most industrialised state having the highest share in the Gross State Value Added by Industry. The topography and climatic conditions in the state favours this development and the policy implementations by the state could succeed in creating a business-friendly environment along with easy access to infrastructure and robust connectivity. Policies [6] like- promoting MSMEs through public funding, fiscal incentives, cluster promotion and institutional support have caused the state to reach new heights. Special incentives for the underdeveloped regions of Vidarbha and Marathwada have been taken with the view to bring an end to the intra-disparities within the state. Through promotion of thrust

sectors like- Aerospace and Defence, Textile Machinery, Nuclear Power Plant projects, Biotechnology and Food Processing industries the state is paving the way for an overall development. Maharashtra accounts for approximately 35.1% of the country's output of automobiles by value. It has leading auto industry hub of the country with market share of 21% in India [5]. The auto industry in Maharashtra has witnessed a significant growth with CAGR of 21.08% from 2009 to 2013. According to the Government of Maharashtra, the pharmaceutical sector is one of the key exporters from the state [5]. Nearly, 500 projects have been commissioned under the pharmaceuticals sector in Maharashtra which is worth Rs. 4,386 crores till 2016. Pune, Nashik and Aurangabad form the pharma hubs of the state. It accounts for about 65 million kg of cotton production which is 25% of the country's total. The textile industry of the state holds a strategic importance in the country as it is the single largest employer and contributes around 27% of India's total exports [9]. The state contributes 10.4% to the country's textile and apparels output. It also holds immense future potential in global markets, particularly in value added segments like garments and ready-to-wear goods. Besides, the textile parks are being set up in Nagpur and Dhule in order to maintain its leadership position in textile exports and production. The key players include Bombay Dyeing, Century Textiles and Raymond. In 2018-19, the state reportedly produced 7.7 million bales of cotton. In 2019-20 (as of April 2020), the state has also produced 428 MT of raw silk. Roads are the key to prosperity for Maharashtra (Karayamparambil, 2020). The "Samruddhi Mahamarg", which is a super communication expressway between Mumbai and Nagpur, connects ten districts. It alone is expected to generate direct employment for five lakh people over the next decade. The underbellies of Maharashtra will also be connected under this project. By the next two decades, all the thirty-six districts would be inter-connected through expressways. Under the State Budget 2021-22, the government has approved construction of the Pune-Nashik medium high-speed railway line, Nashik Metro Neo Project and Metrolite system in Thane city. In spite of its affluence, the state historically has had a skewed distribution of income resulting in inequalities as well as political unrest among the backward regions [3], mostly located in the eastern regions of the state. Effective measures like- work-support programs, positive work incentives, investments in early education and further vocational training along with providing proper nutritional diet through the Public Distribution System are the necessities that must be paid attention to. Thus, structural policies and awareness amongst the people residing in the depressed areas are a necessity for an overall development of the state.

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Table 3: Percentage of GSVA of Each State with respect to the Total GSVA of India

STATES	Base: 2004-05							Base: 2011-12						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Andhra Pradesh	3.80%	3.95%	4.12%	3.98%	3.77%	3.57%	3.88%	3.85%	3.75%	4.01%	3.97%	4.02%	3.92%	3.69%
Arunachal Pradesh	0.14%	0.12%	0.13%	0.15%	0.13%	0.13%	0.13%	0.09%	0.09%	0.13%	0.11%	0.11%	0.11%	0.11%
Assam	1.73%	1.52%	1.39%	1.45%	1.44%	1.34%	1.33%	1.64%	1.70%	1.72%	2.19%	2.15%	2.24%	2.35%
Bihar	1.43%	1.46%	1.59%	1.79%	1.86%	2.19%	2.17%	1.56%	1.95%	2.04%	1.86%	1.90%	1.82%	1.87%
Chhattisgarh	2.49%	2.91%	2.84%	3.15%	2.79%	2.62%	2.77%	2.90%	3.20%	2.99%	2.73%	2.58%	2.58%	2.56%
Goa	0.76%	0.77%	0.73%	0.76%	0.76%	0.77%	0.76%	0.73%	0.49%	0.73%	0.77%	0.81%	0.77%	0.89%
Gujarat	11.38%	10.96%	11.03%	11.40%	12.62%	11.94%	11.99%	11.34%	11.06%	12.18%	12.67%	12.35%	12.64%	13.25%
Haryana	4.17%	4.01%	3.88%	3.90%	3.97%	3.84%	3.87%	3.73%	3.82%	3.80%	3.79%	3.85%	3.86%	3.89%
Himachal Pradesh	1.22%	1.22%	1.21%	1.29%	1.34%	1.28%	1.29%	1.28%	1.30%	1.36%	1.31%	1.31%	1.32%	1.34%
Jharkhand	3.34%	2.76%	3.35%	2.75%	2.68%	2.98%	2.84%	2.76%	2.59%	2.67%	2.09%	2.04%	2.08%	2.12%
Karnataka	6.68%	6.88%	6.92%	7.07%	6.35%	6.38%	6.32%	6.53%	6.74%	6.50%	6.68%	6.99%	6.86%	6.82%
Kerala	3.67%	3.45%	3.37%	3.29%	3.24%	3.37%	3.38%	3.83%	3.82%	3.78%	3.60%	3.63%	3.54%	3.61%
Madhya Pradesh	3.92%	4.02%	3.87%	4.47%	4.36%	4.27%	4.32%	3.74%	3.60%	3.56%	3.67%	3.43%	3.44%	3.40%
Maharashtra	17.86%	18.20%	18.46%	17.74%	17.30%	18.04%	17.36%	17.03%	16.76%	17.21%	16.74%	15.94%	15.87%	15.76%
Manipur	0.25%	0.22%	0.21%	0.21%	0.20%	0.16%	0.16%	0.07%	0.08%	0.09%	0.10%	0.08%	0.08%	0.07%
Meghalaya	0.23%	0.23%	0.22%	0.26%	0.25%	0.24%	0.29%	0.29%	0.26%	0.19%	0.14%	0.12%	0.12%	0.13%
Mizoram	0.07%	0.06%	0.06%	0.07%	0.07%	0.06%	0.06%	0.06%	0.08%	0.08%	0.08%	0.08%	0.09%	0.09%
Nagaland	0.11%	0.11%	0.11%	0.12%	0.12%	0.09%	0.10%	0.06%	0.05%	0.05%	0.06%	0.05%	0.05%	0.05%
Odisha	3.32%	3.55%	3.78%	3.87%	3.44%	3.41%	3.39%	3.76%	4.17%	3.69%	3.77%	4.07%	4.07%	3.99%
Punjab	3.25%	3.48%	3.68%	3.72%	3.70%	3.60%	3.54%	2.61%	2.61%	2.60%	2.47%	2.36%	2.32%	2.31%
Rajasthan	5.17%	5.36%	4.99%	5.19%	5.24%	5.01%	5.77%	5.39%	5.18%	5.41%	5.65%	5.38%	5.25%	5.08%
Sikkim	0.07%	0.06%	0.06%	0.08%	0.21%	0.22%	0.24%	0.26%	0.26%	0.28%	0.27%	0.27%	0.29%	0.29%
Tamil Nadu	9.65%	9.63%	9.08%	8.64%	9.53%	10.09%	10.08%	10.80%	10.48%	9.83%	10.20%	10.11%	10.21%	10.26%
Tripura	0.29%	0.29%	0.26%	0.28%	0.29%	0.26%	0.28%	0.18%	0.17%	0.27%	0.23%	0.25%	0.23%	0.25%
Uttar Pradesh	8.19%	8.18%	8.06%	7.93%	7.77%	7.61%	7.34%	7.64%	7.88%	7.41%	7.69%	8.78%	8.81%	8.48%
Uttarakhand	1.09%	1.15%	1.29%	1.40%	1.53%	1.60%	1.72%	2.50%	2.59%	2.54%	2.43%	2.41%	2.43%	2.42%
West Bengal	5.70%	5.45%	5.29%	5.04%	5.05%	4.90%	4.61%	5.36%	5.32%	4.88%	4.71%	4.94%	4.99%	4.92%
INDIA	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%