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Socio-Economic Profile and Performance of Smes in Chincholi and Akkalkot Midcs

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Abstract

The present study analyses the socio-economic profile and performance of SMEs located in Chincholi and Akkalkot MIDCs of Solapur District, Maharashtra. It integrates very recent data up to 2025 from sources affiliated with the Ministry of MSME, Government of Maharashtra, and MIDC. By conducting descriptive and comparative analyses of changes in industrial infrastructure, investment patterns, employment generation, and sectoral output from 2012 to 2025, the paper presents an account. It has been observed that the expansion of the industrial base in both MIDCs, especially during the post-COVID-19 recovery period, is relatively strong. Akkalkot MIDC continues to display higher capital intensity and productivity, while the location advantage of Chincholi MIDC, a backward zone D⁺, provides the latter with the benefits of sops and relative cost advantages. This analysis underlines the important role played by infrastructure, finance, and policy support for driving regional industrial development.

Keywords: *MSMEs, MIDC, Industrial Development, Solapur, Infrastructure, Entrepreneurship, Regional Growth.*

Introduction:

The core mechanism of regional economic transformation in India is industrialization, with Maharashtra serving as a relevant example through a strategic approach managed by the Maharashtra Industrial Development Corporation (MIDC). Since its inception in 1962, MIDC has developed over 290 industrial corridors covering more than 125,000 hectares across the state. Solapur District has become a major industrial hub in Western Maharashtra, supported by various MIDC estates especially those in Chincholi and Akkalkot. This has led to significant employment opportunities, industrial diversification, and increased regional incomes. Since 2020, initiatives like Make in India, Digital MSME, and Atmanirbhar Bharat by the Government of India have boosted MSME growth through digitalisation, cluster financing, and improved supply chain linkages. From 2020 to 2025, policy measures in MSME financing, environmental compliance, and infrastructure development have strengthened the competitiveness of the Chincholi and Akkalkot MIDCs. This paper offers an update on the socio-economic profiles of these industrial areas based on the latest available data and includes an analytical comparison of their performance.

Objectives of the Study:

1. Review the present socio-economic and industrial profiles of Chincholi and Akkalkot MIDCs.
2. Examine the trends in MSME development from 2012 to 2025.
3. Assess infrastructural and financial performance indicators.
4. Evaluate employment, investment, and productivity growth.
5. Identify constraints and suggest policy recommendations to realize balanced regional development.

Data and Methodology:

The study integrates primary field observations conducted from 2012 to 2014 with secondary data updated to 2025, sourced from the District Industrial Centre (DIC), Solapur (2024–25), the Ministry of MSME Annual Report (2024–25), the Economic Survey of Maharashtra (2024–25), MIDC official statistics, and the MSME Dashboard. Descriptive and comparative analyses are employed by incorporating Compound Growth Rate and Coefficient of Variation to assess growth dynamics and stability.

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Overview of Industrial Development in Maharashtra:

As of 2025, Maharashtra remains the leading industrial state in the country and contributes a great deal to India's national industrial growth. It contributes around 15.1 percent to the all-India industrial output and about 13.5 percent to the country's total MSME registrations. The MIDC has established around 290 industrial estates in the state, accommodating more than 60,000 operational units with over four million workers. Maharashtra has developed advanced industrial zones such as SEZs, Biotech Parks, and Five-Star Industrial Areas like Butibori, Kagal, Shendre, and Indapur that encourage large-scale industrial investments. Regional MIDCs, like those at Chincholi and Akkalkot, are representative of decentralization and generation of employment in rural and semi-urban areas, hence embracing an inclusive and sustainable industrial framework for Maharashtra.

Industrial Profile of Solapur District:

As per the District Industries Centre, 2025, the Solapur district has witnessed balanced and sustained industrial growth in the last ten years. The total developed industrial area under MIDC and cooperative estates increased from 2,274 hectares in 2015 to 2,670 hectares in 2025, reflecting orderly land use and corresponding infrastructure development. Fully 41% more MSME units, at 18,450, are indicative of significant growth in entrepreneurial activity and diversification of industry. This growth has generated substantial employment opportunities for about 114,000 workers, indicating that MSMEs are indeed local job-creating engines. The aggregate fixed investment of ₹4,560 crore reflects increasing industrial confidence in and capital flow into the region. The industrial pattern of the district has diversified with textiles and engineering maintaining their preeminence; the agro-processing, solar equipment manufacturing, and food industries have emerged as growth propellers. This restructuring into modern and clean industries suggests that Solapur is shifting from a conventional industrial base into a technologically responsive and eco-friendly economy.

Comparative Profile of Chincholi and Akkalkot MIDCs:

Table No. 1.

Profile of Chincholi and Akkalkot MIDCs

Sr. No.	Parameter	Chincholi MIDC	Akkalkot MIDC
1	**Year Established**	1983	1969
2	**Total Area (hectares)**	1,025	218
3	**Developed Plots**	760	930
4	**Allotted Plots**	710	930
5	**Vacant Plots**	50	Nil
6	**Land Rate (₹/sq. m.)**	3,650	4,850
7	**Industrial Zone**	D^+	D
8	**Operational MSMEs (2025)**	1,225	1,820
9	**Employment**	28,600	35,400
10	**Major Industries**	Chemical, Engineering, Agro	Textile, Engineering, Plastic

Sources: DIC Centre Solapur

Table 1 provides a comparative profile of the Chincholi and Akkalkot MIDCs, with marked differences in development and performance. Akkalkot MIDC was established in 1969, much earlier than the Chincholi MIDC, inaugurated in 1983. Chincholi MIDC represents a much larger total area but Akkalkot MIDC shows better land utilization. All the developed plots in Akkalkot MIDC have been allotted, while Chincholi MIDC still has vacant plots. The land rates are higher in Akkalkot MIDC, indicating a higher demand for land and a more active industrial scenario. Akkalkot MIDC also has more operational MSMEs and higher employment generation compared to Chincholi MIDC. Chincholi MIDC falls within the D+ zone category, whereas Akkalkot MIDC falls within the D category. Its industrial composition is mainly chemical, engineering, and agro-based units, whereas Akkalkot MIDC is dominated by textile, engineering, and plastic units. Thus, on the whole, Akkalkot MIDC is more developed and industrially vibrant, with scope for further expansion at Chincholi MIDC.

Year-wise Growth of MSMEs (2015–2025):

Table No. 2.

Growth of MSMEs

Sr. No.	Year	Chincholi MSMEs	Akkalkot MSMEs
1	**2015**	540	900
2	**2018**	770	1,210

3	**2021**	980	1,520
4	**2023**	1,140	1,710
5	**2025**	1,225	1,820
CGR		**8.4%**	**7.6%**

Sources: DIC Centre Solapur

Table 2 presents the growth of MSMEs in Chincholi and Akkalkot MIDCs from 2015 to 2025. In 2015, Akkalkot MIDC had a larger number of MSMEs than Chincholi MIDC. Over the next years, both MIDCs demonstrate a consistent increase in the number of MSMEs. From 2015 to 2025, the MSMEs of Chincholi grew from 540 to 1,225, while Akkalkot MSMEs grew from 900 to 1,820 in the same period, indicating sustained industrial growth in the areas. Throughout this period, Akkalkot MIDC has remained higher in MSME count; however, the growth rate of Chincholi MSMEs has been relatively higher, with the CGR being 8.4% in Chincholi MSMEs against 7.6% in Akkalkot MSMEs. This indicates more rapid expansion within Chincholi MIDC, along with signs of improvement in industrial infrastructure and increased investment opportunities in both the MIDCs. To put it all together, Akkalkot MIDC is bigger in size, whereas Chincholi MIDC is growing faster.

Infrastructure and Investment Analysis (2025):

The infrastructure and investment pattern for 2025 shows constant growth in industries within the study area. The trend of total infrastructure investment and annual maintenance expenditure testifies to continuous support for industrial development. Enough water supply capacity and assured electricity supply ensure continuous industrial operations without any interruption. Road networks and drainage facilities promote internal connectivity and manage the environment. The use of renewable energy sources starts the gradual shift toward sustainable and eco-friendly industrial practices.

Table No. 3.
Infrastructure and Investment

Sr. No.	Facility	Chincholi MIDC	Akkalkot MIDC
1	**Total Infrastructure Investment (₹ crore)**	142.5	185.3
2	**Annual Maintenance (₹ crore)**	11.2	13.8
3	**Water Supply Capacity (MLD)**	38	42
4	**Electricity Supply Rate (₹/unit)**	7.10	7.85
5	**Road Length (km)**	52	46
6	**CETP & Drainage Expenditure (₹ lakh, 2024–25)**	95	118
7	**Renewable Energy Usage (%)**	22	19

Sources: DIC Centre Solapur

Table 3 defines the infrastructure facilities and investment levels in Chincholi and Akkalkot MIDCs for 2025. Akkalkot MIDC has a higher total infrastructure investment than Chincholi MIDC. Thus, it also involves more annual maintenance expenditure, which indicates heavier ongoing maintenance. The water supply capacity is slightly higher in Akkalkot, facilitating a larger extent of industrial activity. Akkalkot shows a slightly higher electricity supply rate than Chincholi. In contrast, the Chincholi MIDC has a longer road network, indicating better internal connectivity. Akkalkot has higher CETP and drainage expenditure, reflecting the greater need for environmental management. The usage of renewable energy is higher in Chincholi than in Akkalkot. Collectively, Akkalkot MIDC has stronger investment and utility capacity, while Chincholi MIDC has better road infrastructure and higher renewable energy adoption.

Sectoral Composition of MSMEs (2025):

The sectoral composition in 2025 outlines a diversified industrial structure. The textile sector retains its centrality and is a major employment provider. Chemical industries contribute to processing and input-based manufacturing activities. Engineering units support the growth of industries through fabrication and machinery services. The food and agro sector strengthen backward and forward linkages between agriculture and industry. Plastic and rubber industries underpin packaging and consumer goods production. Renewable energy and solar units reflect a progressive move toward greener industrial practices. Other manufacturing and service activities reflect a broad array of small-scale and ancillary industries. Overall, the sectoral configuration reflects balanced industrial development.

Table No. 4.
Sectoral Composition of MSMEs

Sr. No.	Sector	Chincholi MIDC (%)	Akkalkot MIDC (%)
1	**Textile**	8.5	51.3
2	**Chemical**	17.2	4.1
3	**Engineering**	14.8	7.9
4	**Food & Agro**	16.0	10.2
5	**Plastic & Rubber**	5.2	8.5
6	**Renewable Energy & Solar**	4.8	2.3
7	**Other Manufacturing & Services**	33.5	15.7

Sources: DIC Centre Solapur

Table 4 depicts the sectoral distribution of MSMEs in Chincholi and Akkalkot MIDCs for the year 2025. There is a marked domination of Akkalkot MIDC by the textile sector, representing more than half of the MSMEs there. Only a minute fraction of MSMEs in Chincholi MIDC is textile units, reflecting a diversified industrial base in this location. The chemical, food and agro-based, and engineering units show significant representations in Chincholi MIDC. It is noteworthy that the chemical sector is far stronger in Chincholi MIDC than in Akkalkot MIDC, while engineering units are also more substantial in Chincholi MIDC. Plastic and rubber industries have a modest to medium presence in Akkalkot MIDC. Renewable energy and solar units occupy a relatively small share in both MIDCs, with Chincholi MIDC doing slightly better in this respect. A large proportion of MSMEs in Chincholi MIDC is under other manufacturing and service activities, thereby indicating that industrial diversification is wider in Chincholi MIDC. Put together, all these pieces of evidence indicate that Akkalkot MIDC is specialized in textiles, while Chincholi MIDC maintains a balanced diversified MSME base.

Employment and Output Trends:

The employment growth from 2015 to 2025 indicates a significant increase in industrial employment and, therefore, expansion of MSMEs. Both MIDCs have contributed significantly to the regional employment generation. Annual industrial output in 2024–25 indicates good production performance and an increase in market demand. High output levels presuppose improved capacity utilization and higher investments. Productivity per worker is an indicator of the efficiency of labor and technological level used in the industry. Increasing productivity indicates the improvement of skills and mechanization. In general, employment growth and output expansion observed indicate healthy industrial growth, underlining the positive contribution of MSMEs to the regional economy.

Table No. 5.
Employment and Output

Sr. No.	Indicator	Chincholi MIDC	Akkalkot MIDC	% Change / Remark
1	**Employment (2015-2025)**	17,800 to 28,600	24,200 to 35,400	+60% (Chincholi) / +46% (Akkalkot)
2	**Annual Industrial Output (2024-25)**	₹2,850 crore	₹3,970 crore	Akkalkot output higher by ₹1,120 crore
3	**Per-Worker Productivity (₹ lakh/year)**	9.9	11.2	Akkalkot 13% higher productivity

Sources: DIC Centre Solapur

Table 5 shows the employment growth pattern and industrial output performance of Chincholi and Akkalkot MIDC. In Chincholi MIDC, employment has increased from 17,800 in 2015 to 28,600 in 2025, a growth of around 60%. On the other hand, in Akkalkot MIDC, the increase is from 24,200 to 35,400 during the same period, which is a 46% growth. These numbers indicate higher growth in employment for the Chincholi MIDC; however, Akkalkot MIDC yields higher industrial output. Akkalkot MIDC yielded an annual industry output of ₹3,970 crore during 2024–25, which is higher by ₹1,120 crore compared to Chincholi MIDC. Productivity per worker is also higher in Akkalkot MIDC, with every worker producing ₹11.2 lakh annually against ₹9.9 lakh in Chincholi MIDC, indicating better efficiency and use of technology in Akkalkot MIDC. In all, the growth in

employment is superior in Chincholi MIDC, while Akkalkot MIDC is performing better in output and productivity.

Policy and Institutional Support:

The Government of India and the Government of Maharashtra have put in place a set of policy interventions from 2020 to 2025 to achieve the goal of strengthening MSME development and regional industrialization. MSME CGTMSE has ensured substantial enhancement of access to collateral-free credit for small entrepreneurs, particularly within the textile and engineering sectors of Solapur. The emergence of a large number of micro-units under PMEGP and Mudra Yojana has enabled self-employment and first-generation entrepreneurship in rural and semi-urban areas. The Digital MSME Scheme has enabled digital adoption by promoting online accounting, inventory management, and e-commerce participation of MSMEs to enhance market competitiveness. The financial and technical support provided under the MIDC Cluster Development Programme (2021) upgraded the infrastructure, logistics, and common facility centers in both MIDCs, leading to better operational efficiency. Similarly, the promotion of the Solapur Textile Cluster in 2022 integrated activities related to spinning, weaving, and processing, therefore achieving economies of scale and better realization of value for Akkalkot's textile industries. Collectively, these interventions have increased the intensity of credit flow, technological adoption, employment, and export readiness, leading to inclusive and sustainable industrial growth within the Chincholi and Akkalkot MIDCs.

Major Findings of the Study:

1. Both Chincholi and Akkalkot MIDCs demonstrate steady growth in MSMEs from 2015 to 2025, indicating sustained industrial growth in the Solapur district.
2. While Akkalkot MIDC has a greater number of MSMEs, higher employment, and higher industrial output, the industrial structure is relatively more developed in comparison.
3. Chincholi MIDC, while being smaller in scale of industrial activity, has a higher compound growth rate of MSMEs, reflecting rapid recent expansion.
4. Employment generation has increased significantly in both MIDCs. While Chincholi has succeeded in achieving higher employment growth, Akkalkot dominates in absolute figures of employment.
5. Infrastructure investment is higher in Akkalkot MIDC, especially in water supply, CETP, and maintenance, thus supporting higher industrial productivity.
6. The sectoral composition indicates that Akkalkot MIDC is highly specialized, dominated by textile industries, while Chincholi MIDC continues to remain diversified in its industrial base.
7. Productivity per worker in Akkalkot MIDC is higher, reflecting better technology usage, higher capital intensity, and operational efficiency.
8. Government policies and institutional support, like the MSME schemes, MIDC infrastructure development, and cluster programs, have been pivotal for the growth of both the MIDCs.

Limitations of the Study:

The study recognises many limitations. It confines its scope to Chincholi and Akkalkot MIDCs in Solapur district, which limits generalisation to all Maharashtra MIDCs. Industrial conditions, infrastructure facilities, and policy impacts may vary across regions. The analysis partly draws from primary data collected during an earlier period, and more recent insights are drawn from secondary sources, possibly constraining the depth of current field-level understanding of MSME operations. Representation through informal and unregistered MSMEs may be incomplete on account of non-availability of reliable data and partial portrayal of actual industrial activity. The COVID-19 pandemic has brought in temporary production, employment, and investment fluctuations, thereby affecting growth trajectories. Firm-level financial performance indicators like profitability, cost efficiency, or capital structure are not rated. Social dimensions such as gender participation, income inequality, labour welfare, and working conditions are not quantified. Environmental analysis is confined to expenditure data, with no measure of pollution levels or regulatory compliance. Technological adoption and innovation have been inferred because detailed enterprise surveys are lacking. Though these constraints may affect the comprehensiveness of this study, they by no means detract from its overall analytical relevance.

Conclusion:

The comparative analysis of Chincholi and Akkalkot MIDCs until 2025 finds both industrial estates playing a crucial role in the overall regional economic development of Solapur. Akkalkot MIDC maintains its lead position in the textile and engineering industries, promoted by good infrastructure, skilled manpower, and judicious use of land. In contrast, Chincholi MIDC is moving ahead with diversification into chemical, agro-based, and green industries, thus turning toward sustainable and inclusive industrialization. New entrepreneurs are attracted to the relatively low cost of land, fiscal incentives, and

environmentally congenial policies in the estates. To achieve balanced regional development, focused interventions are suggested: digital infrastructure expansion to link MSMEs with wider markets; a dedicated skill-training center at Chincholi to fulfill the requirements of industry; and policies aimed at the use of renewable energy and waste management for environmental resilience. Financial inclusion can be improved to support first-generation entrepreneurs. Cluster-based integration can help link both the MIDCs with the large industrial ecosystem of Solapur. Overall, progress in Chincholi and Akkalkot MIDCs represents the model of decentralized industrialization in Maharashtra and fulfills the requirements of the national vision - Atmanirbhar Bharat 2047.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper

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