

**Industrial Dynamics and MSME Growth in Sonipat City: A Sectoral  
Analysis (2000–2020)**

**Archana Dalal**

Research Scholar Geography, Department of Social Science, Baba Mastnath University,  
Asthal Bohar – 124021, Rohtak

**Dr. Sunila Kumari**

Supervisor, Assistant Professor, Department of Social Science, Baba Mastnath University,  
Asthal Bohar – 124021, Rohtak

**Abstract**

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a cornerstone of India's economic development, contributing significantly to GDP, employment, exports and regional balance. This study explores the classification, role and spatial-temporal growth of MSMEs in Sonipat City, Haryana, from 2000 to 2020, alongside the evolution of large-scale industries. Following the revised 2020 MSME definitions under the Atmanirbhar Bharat Abhiyan, this research analyzes the industrial structure in Sonipat across three tiers—small, medium and large enterprises—by assessing investment, turnover, sectoral distribution and locational dynamics. The study highlights the growth of small-scale industries in areas such as Kundli, Rai and Murthal, their contribution to employment and their function as feeder units to larger industries. Medium-scale industries are examined for their integration into national supply chains, use of advanced technologies and export capacity, while large industries are assessed for their impact on infrastructure, innovation and regional industrial transformation. Through primary and secondary data, including government reports and geospatial mapping, this paper offers insights into the industrial trajectory of Sonipat and evaluates the challenges and government interventions that shape its industrial ecosystem. The findings underscore Sonipat's emergence as a key industrial hub in Haryana, reinforcing the critical role of MSMEs in India's industrial policy and economic decentralization.

**Keywords:** MSME Classification, Small Scale Industries, Medium Scale Enterprises, Large Scale Industries, Industrialization

**Introduction**

The Micro, Small and Medium Enterprises (MSMEs) form the backbone of the Indian economy, playing a vital role in promoting inclusive and sustainable growth. As engines of employment, innovation and entrepreneurial development, MSMEs contribute approximately 30% to India's Gross Domestic Product (GDP), 45% to the manufacturing output and nearly 48% to the country's total exports. Recognizing their importance, the Government of India revised the classification criteria for MSMEs under the Atmanirbhar Bharat Abhiyan in 2020, introducing a uniform threshold for both manufacturing and service sectors based on investment in plant and machinery or equipment and annual turnover. This redefinition aimed to streamline policy implementation, improve access to institutional support and encourage growth across all enterprise categories.

Sonipat City, located in Haryana's National Capital Region (NCR), exemplifies the transformative impact of MSMEs on local and regional economies. With its strategic proximity to Delhi, well-developed industrial estates like Kundli, Rai and Barhi and support from the Haryana State Industrial and Infrastructure Development Corporation (HSIIDC), Sonipat has evolved into a dynamic industrial hub. Over the past two decades, the city has witnessed a significant rise in the number of small and medium-scale industries, alongside the establishment and expansion of several large-scale enterprises. The growth of small-scale industries in Sonipat has particularly accelerated due to favorable policy incentives, availability of industrial plots, improved transportation infrastructure and access to urban and rural labor markets. These industries have not only generated employment and promoted grassroots entrepreneurship but have also contributed to supply chains of medium and large-scale enterprises. Medium-scale industries, while fewer in number, serve as a crucial bridge by incorporating technology, skilled labor and broader market linkages. Large-scale industries, with high capital investment and production capacity, have further enhanced the region's industrial profile by integrating into global value chains and contributing to technological advancement and export promotion.

### **Study Area**

Sonipat is a city & administrative headquarter in Sonipat district of Haryana state of India. It comes under the National Capital Region and is around 44 kilometers from New Delhi. It is also around 214 km southwest of Chandigarh, the state capital. The Yamuna River runs along the eastern boundary. Located at 28° 98' N and 77° 02' E, Sonipat has an average elevation of 224.15 meters or 735.4 feet above mean sea level. This Haryana city borders Delhi, the National Capital to the South, Rohtak District to the West, Panipat District to the North and UP State to the East. Broadly speaking, the entire Sonipat district is a part of the Punjab plain; however, the area is not levelled in some parts. As far as soil of Sonipat is concerned, it is fine loam of rich colour.

### **MSME**

The Micro, Small and Medium Enterprises (MSMEs) constitute a highly significant segment of the Indian economy and serve as a key driver for inclusive growth, employment generation, innovation and balanced regional development. The Government of India, recognizing their contribution, has provided a formal classification of MSMEs based on two financial parameters: investment in plant and machinery or equipment and annual turnover. According to the revised definition under the Atmanirbhar Bharat Abhiyan (2020), micro enterprises are those with an investment not exceeding ₹1 crore and an annual turnover not exceeding ₹5 crore; small enterprises are defined by investment up to ₹10 crore and turnover up to ₹50 crore; and medium enterprises include those with an investment up to ₹50 crore and turnover up to ₹250 crore. This classification is applicable to both manufacturing and service sectors, which marks a departure from the previous separate criteria for each. MSMEs play a pivotal role in the Indian economic framework by contributing approximately 30% to the country's GDP, over 45% of manufacturing output and around 48% of total exports. They act as a breeding ground for entrepreneurs and innovators, especially in semi-urban and rural areas, thereby facilitating the

decentralization of industrial activities and reducing urban migration. Furthermore, MSMEs have the potential to generate large-scale employment at relatively low capital cost compared to large industries, making them essential for tackling unemployment and underemployment issues. Thus, MSMEs are not just small businesses; they are fundamental to India's socio-economic fabric, acting as catalysts for innovation, job creation, poverty reduction and sustainable industrial development.

**Table 1: MSME Qualification**

Enterprise Type	Investment in Plant & Machinery / Equipment	Annual Turnover
Micro Enterprise	Not more than ₹1 crore	Not more than ₹5 crore
Small Enterprise	Not more than ₹10 crore	Not more than ₹50 crore
Medium Enterprise	Not more than ₹50 crore	Not more than ₹250 crore

Source Industries Department, Haryana

The classification of MSMEs (Micro, Small and Medium Enterprises) is based on two primary financial parameters: the amount of investment in plant and machinery or equipment and the annual turnover of the enterprise. This classification was revised by the Government of India in June 2020 to make it more inclusive and to promote growth and competitiveness in the sector. According to the new criteria, a Micro Enterprise is defined as a business with an investment not exceeding ₹1 crore in plant and machinery or equipment and an annual turnover not exceeding ₹5 crore. A Small Enterprise is one with an investment of up to ₹10 crore and an annual turnover of up to ₹50 crore. Lastly, a Medium Enterprise can have an investment of up to ₹50 crore and an annual turnover of up to ₹250 crore.

### **Small Scale Industries in Sonipat City**

Small Scale Industries (SSIs) in Sonipat City play a vital role in the region's industrial and economic development. These industries are typically characterized by limited investment in plant and machinery, smaller workforce sizes and a focus on labor-intensive manufacturing or service activities. As per the Government of India's definition, small enterprises are those where the investment in plant and machinery does not exceed ₹10 crore and the annual turnover is within ₹50 crore. In Sonipat, a city located in the National Capital Region (NCR) of Haryana, small scale industries have seen significant growth over the past two decades due to its strategic location, improved infrastructure and proximity to Delhi. A wide range of SSIs operate in Sonipat, with prominent sectors including textile manufacturing, food processing, packaging, plastic molding, metal fabrication, furniture making and electrical goods. For example, many small packaging units in Kundli Industrial Area manufacture corrugated boxes and cartons for use by larger FMCG and pharmaceutical companies in the NCR. Similarly, in the Rai Industrial Estate, small metal fabrication workshops produce spare parts and tools used in automotive and agricultural machinery. Another example is the cluster of food processing units near Murthal that produce namkeens, snacks and pickles, supplying to both local markets and inter-state distributors.

### **Medium Scale Industries in Sonipat City**

Sonipat houses several well-established industrial estates such as Rai Industrial Estate, Kundli Industrial Area and Barhi Food Park, where many medium scale units have flourished due to access to good infrastructure, connectivity via NH-44 and proximity to Delhi. Prominent sectors within the medium-scale industry category in Sonipat include automobile components, electrical appliances, processed food, pharmaceuticals, plastic products, metal works and sports goods manufacturing. For instance, medium-scale auto parts manufacturers in Rai and Murthal supply critical components like gearboxes, axles and chassis to major automobile companies across North India. In Kundli, electrical and electronics firms manufacture fans, switches and LED lighting systems, distributing them through regional and national retail chains. Another notable example is the food processing industry in Barhi Food Park, where medium enterprises produce packaged foods, frozen products and beverages that are supplied to major cities and even exported. These units not only add value to local agricultural produce but also promote agro-industrial linkage, benefiting farmers and rural communities. In the pharmaceutical sector, several medium-scale companies produce medicines, syrups and herbal products, taking advantage of government schemes for quality control, GMP certification and export promotion.

### **Large Scale Industries in Sonipat City**

Large Scale Industries in Sonipat City represent the apex of the industrial hierarchy in the region and are crucial for high-volume production, capital investment and large-scale employment generation. These industries typically require investment exceeding ₹50 crore and have an annual turnover that goes beyond ₹250 crore, thus falling outside the purview of MSMEs. Unlike micro, small, or medium enterprises, large-scale industries are characterized by their advanced technologies, mechanized processes, skilled workforce, export capabilities and integration into national and global supply chains. In Sonipat, the growth of large-scale industries has been significantly influenced by factors such as its strategic location along the Delhi-Chandigarh NH-44 corridor, proximity to Delhi and the support provided by the Haryana State Industrial and Infrastructure Development Corporation (HSIIDC). Some of the most prominent large-scale industries operating in Sonipat include:

### **Growth of Industry**

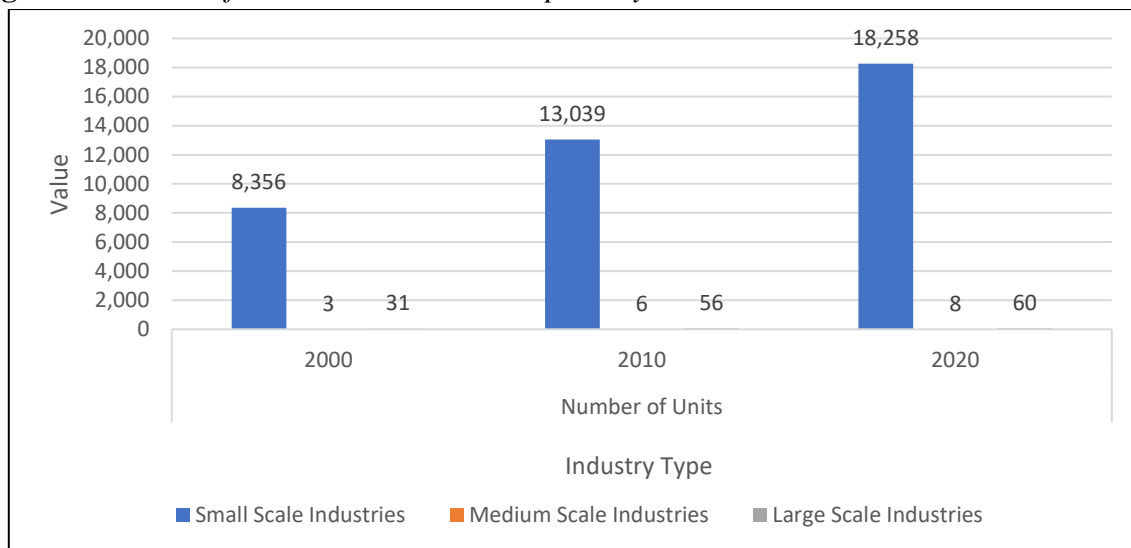
The growth of industry in Sonipat has been marked by steady diversification and expansion over the decades. Initially centered around agro-based and small-scale units, industrial activity surged with improved infrastructure, policy support and proximity to Delhi. Today, Sonipat hosts a mix of large-scale industries, MSMEs and export-oriented units, reflecting its transformation into a significant industrial hub in Haryana.

**Table 2:** *Growth of Industrial Units in Sonipat City, 2000, 2010 and 2020*

Industry Type	Number of Units		
	2000	2010	2020
<b>Small Scale Industries</b>	8,356	13,039	18,258
<b>Medium Scale Industries</b>	3	6	8
<b>Large Scale Industries</b>	31	56	60

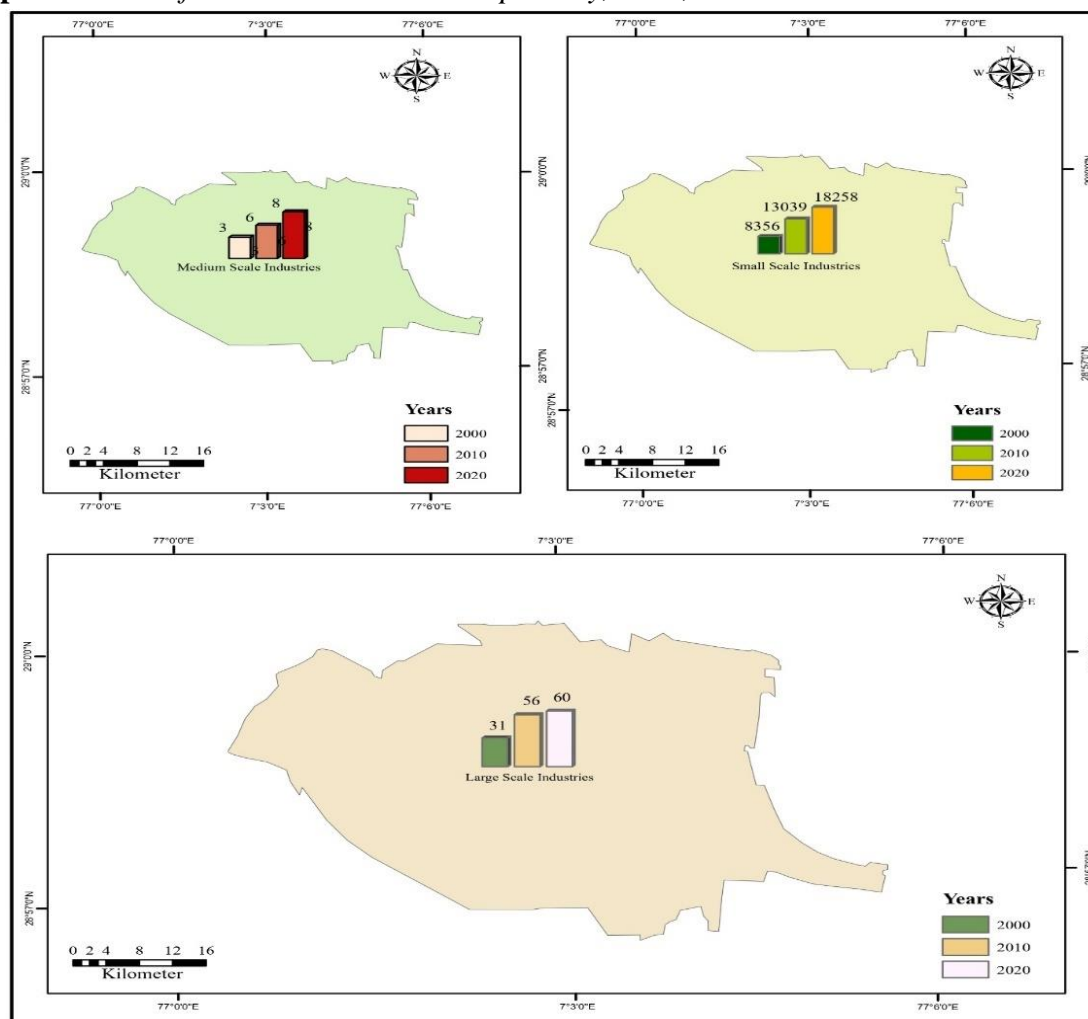
Source: MSME Department

**Figure 1:** Growth of Industrial Units in Sonipat City, 2000, 2010 and 2020



Source: Based on Table 1

**Map 1:** Growth of Industrial Units in Sonipat City, 2000, 2010 and 2020



Source:- Prepared by Research Scholar with the help of QGIS



The industrial growth in Sonipat over the two decades from 2000 to 2020 shows a steady and significant rise, especially in the small-scale sector. Small-scale industries experienced the most remarkable expansion, increasing from 8,356 units in 2000 to 13,039 in 2010 and further reaching 18,258 units by 2020. This sharp rise highlights the increasing entrepreneurial activity, supportive government policies and the availability of resources for small enterprises. In contrast, medium-scale industries grew more modestly, from just 3 units in 2000 to 6 in 2010 and 8 units by 2020, indicating slower development in this segment, possibly due to higher capital and infrastructure requirements. Large-scale industries, while fewer in number, also saw growth from 31 units in 2000 to 56 in 2010, with a slight increase to 60 units in 2020, reflecting Sonipat's gradual emergence as a base for significant industrial investments, especially in sectors like automotive, pharmaceuticals and FMCG. Overall, the data reflects a dynamic shift towards industrial expansion, particularly at the grassroots level, contributing to economic development and employment in the region.

### **Industries in Sonipat City Established in between 2000 to 2020**

Between 2000 and 2020, Sonipat City saw a substantial rise in industrial development, with a sharp increase in small, medium and large-scale industries. Industrial areas like Kundli, Rai and Barhi became key hubs for manufacturing, textiles and auto components. Government initiatives and improved infrastructure further boosted industrial growth during this period.

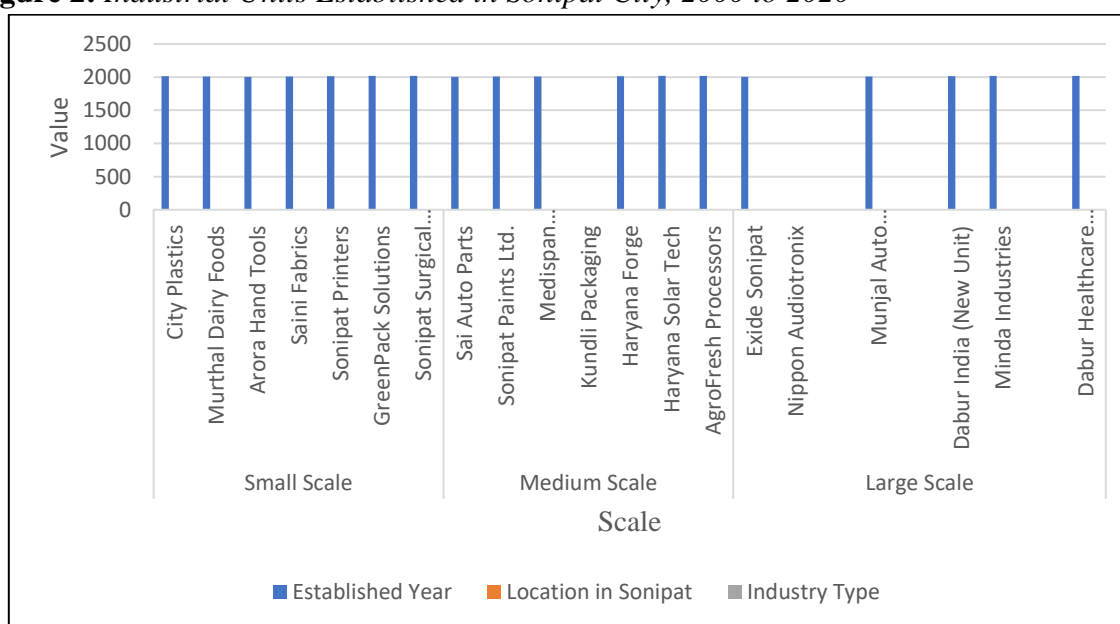
**Table 3:** *Industrial Units Established in Sonipat City, 2000 to 2020*

Scale	Industry Name	Established Year	Location in Sonipat	Industry Type
Small Scale	City Plastics	2012	Near Sonipat Bus Stand	Plastic Products
	Murthal Dairy Foods	2008	Murthal (NH-1)	Dairy Products
	Arora Hand Tools	2005	Kundli Road	Metal Fabrication
	Saini Fabrics	2010	Sector 14 Industrial Estate	Textile Manufacturing
	Sonipat Printers	2015	Ganaur Road	Printing & Stationery
	GreenPack Solutions	2020	Sector 14 Industrial Estate	Eco-friendly packaging materials
	Sonipat Surgical Equipment	2021	Kundli Road	Medical instrument manufacturing
Medium Scale	Sai Auto Parts	2003	Rai Industrial Area	Automotive Components
	Sonipat Paints Ltd.	2010	Sector 23	Paint Manufacturing

	Medispan Pharmaceuticals	2007	Barwasni Road	Pharmaceutical Formulations
	Kundli Packaging	1999 (Expanded 2005)	Kundli Industrial Area	Corrugated Box Manufacturing
	Haryana Forge	2016	Kundli	Steel Forgings
	Haryana Solar Tech	2020	Industrial Area	Solar panel components
	AgroFresh Processors	2021	Murthal	Frozen food processing
Large Scale	Exide Sonipat	2005	Industrial Area	Automotive Batteries
	Nippon Audiotronix	1999 (Expanded 2008)	Kundli Road	Car Audio Systems
	Munjali Auto (Expansion)	2011	Kundli Road	Auto Parts (Hero Group)
	Dabur India (New Unit)	2015	Sector 14 Industrial Estate	FMCG (Juices, Healthcare)
	Minda Industries	2021	Kundli Road	Automotive electronics (New Plant)
	Dabur Healthcare Expansion	2020	Sector 14 Industrial Estate	Ayurvedic medicines production

Source: Primary Data

**Figure 2: Industrial Units Established in Sonipat City, 2000 to 2020**



Source: Based on Table 3

The industrial landscape of Sonipat showcases a diverse mix of small, medium and large-scale industries that have emerged and expanded over the years across various locations in the district. In the small-scale sector, industries like City Plastics (2012) near Sonipat Bus Stand focus on plastic products, while Murthal Dairy Foods (2008) located along NH-1 in Murthal caters to dairy production. Metal fabrication is represented by Arora Hand Tools (2005) on Kundli Road, whereas textile manufacturing is undertaken by Saini Fabrics (2010) in Sector 14 Industrial Estate. Other notable units include Sonipat Printers (2015) on Ganaur Road, GreenPack Solutions (2020) promoting eco-friendly packaging in Sector 14 and Sonipat Surgical Equipment (2021) engaged in medical instrument manufacturing on Kundli Road.

In the medium-scale segment, automotive components are produced by Sai Auto Parts (2003) in Rai Industrial Area. The paint industry is represented by Sonipat Paints Ltd. (2010) in Sector 23, while Medispan Pharmaceuticals (2007) on Barwasni Road deals with pharmaceutical formulations. Packaging needs are served by Kundli Packaging, established in 1999 and expanded in 2005. Haryana Forge (2016) and Haryana Solar Tech (2020) in the Kundli area focus on steel forgings and solar panel components respectively, while AgroFresh Processors (2021) in Murthal caters to frozen food processing.

The large-scale industries include major players such as Exide Sonipat (2005), a key automotive battery manufacturer and Nippon Audiotronix, established in 1999 and expanded in 2008, producing car audio systems on Kundli Road. Munjal Auto (2011) and Minda Industries (2021), both associated with the Hero Group, are engaged in auto parts and electronics manufacturing, respectively. Dabur India has a significant presence with its FMCG unit (2015) and an Ayurvedic medicine expansion (2020), both located in Sector 14 Industrial Estate. This diverse industrial distribution reflects Sonipat's growing prominence as a hub for manufacturing, packaging, healthcare and sustainable technology.

### **Conclusion**

The industrial growth of Sonipat City over the past two decades clearly reflects the increasing significance of the Micro, Small and Medium Enterprises (MSME) sector in shaping the region's economic trajectory. Anchored by supportive government policies, infrastructural development and strategic proximity to Delhi, Sonipat has transformed from a largely agrarian economy into a diversified industrial hub, with MSMEs playing a pivotal role in this transformation. The revised MSME classification introduced in 2020 under the Atmanirbhar Bharat Abhiyan has provided greater clarity and inclusiveness by integrating both manufacturing and service sectors under a uniform framework based on investment and turnover. This has not only improved ease of doing business but also enhanced access to credit, subsidies and market opportunities for small and medium enterprises.

Small-scale industries have shown the most dynamic growth in Sonipat, especially in sectors like textiles, packaging, plastics and food processing. These industries have emerged as vital employment generators, particularly for semi-skilled and unskilled workers from rural areas, thereby contributing to rural-urban integration and poverty reduction. Medium-scale industries, although smaller in number, have established strong linkages with national and international markets and demonstrated potential in sectors such as automotive components,



pharmaceuticals and processed food. Large-scale industries, on the other hand, have played a major role in anchoring industrial ecosystems, fostering technological innovation and providing stability through large-scale employment and investment. Despite this positive trajectory, the study also identifies several persistent challenges such as limited credit access, outdated technology, regulatory complexities and skill mismatches, especially in the small and medium enterprise segments. Government initiatives like MUDRA loans, Udyam registration, ZED certification and industrial cluster development schemes are steps in the right direction, but their effective implementation and monitoring remain crucial. The industrial landscape of Sonipat demonstrates a successful case of balanced industrial development, where MSMEs coexist with large enterprises to create a robust and diversified economic base. For sustained and inclusive growth, continued focus on policy support, infrastructure enhancement, skill development and environmental sustainability will be essential. Strengthening the MSME sector in cities like Sonipat will not only contribute to regional prosperity but also help realize the broader national goals of self-reliant and decentralized industrial development.

#### **References:**

1. Kumari, P. (2023). An examination of technical efficiency of MSMEs industries in Haryana: A case study of Faridabad district. *Lloyd Business Review*, 8(1), 45–58.
2. Saini, A. K., & Maurya, A. K. (2024). Opportunities and challenges for micro, small & medium enterprises (MSMEs) in India: A detailed study. *ShodhKosh: Journal of Visual and Performing Arts*, 5(6), 915–921.
3. Nath, H. (2024). Role of micro, small and medium enterprises (MSMEs) in Indian economy. *ShodhKosh: Journal of Visual and Performing Arts*, 5(1), 193–197.
4. Choudhary, A., & Srivastava, R. (2022). Impact of COVID-19 on MSMEs in India: Challenges and solutions. *Journal of Entrepreneurship & Small Business Development*, 3(2), 34–42.
5. Gupta, N. (2021). Financial constraints and growth of micro and small enterprises in India. *Indian Journal of Economics and Development*, 17(1), 21–30. <https://doi.org/10.17485/IJED/v17i1.45>
6. Sharma, R., & Kumar, A. (2020). Technological adoption in Indian MSMEs: A study of challenges and drivers. *Journal of Small Business Technology*, 5(3), 102–115.
7. Bose, I. (2022). Women entrepreneurship through MSMEs in India: Role of government policies. *International Journal of Social Science Research and Review*, 5(8), 88–95.
8. Mehta, A., & Jain, S. (2021). Analyzing the performance of MSMEs in Haryana: A regional perspective. *Haryana Economic Journal*, 12(4), 45–55.
9. Tripathi, S., & Verma, M. (2020). MSME sector in India: Growth, constraints and policy initiatives. *International Journal of Management Studies*, 7(1), 65–75.
10. Das, K. (2021). Cluster development and competitiveness of Indian MSMEs: A policy review. *Economic & Political Weekly*, 56(32), 49–57.
11. Singh, A., & Patel, R. (2019). Institutional support and financing challenges in MSME growth. *Indian Journal of Commerce and Management*, 5(2), 122–130.

12. Jena, P. R., & Pradhan, R. (2022). Digital transformation and MSMEs: Post-pandemic strategies in India. *Journal of Business and Innovation*, 4(1), 90–101.
13. Goyal, M. (2020). The role of MSMEs in rural development: A case study of North India. *Rural Economy Review*, 8(3), 25–34.
14. Mukherjee, D., & Ray, S. (2023). MSME policy framework in India: An evaluation post-Atmanirbhar Bharat. *Policy Research Journal*, 11(2), 58–66.
15. Thakur, V. (2022). Green manufacturing and sustainability practices among MSMEs in India. *Sustainable Business Journal*, 6(4), 142–150.
16. Ahmed, A. (2021). Access to finance and informal lending among MSMEs. *Journal of Development Finance*, 9(3), 78–86.
17. Bharti, R., & Dey, S. (2020). Impact of Make in India on MSME performance: An empirical review. *Economic Affairs*, 65(1), 113–120.
18. Rani, N., & Yadav, P. (2022). Entrepreneurial skill development through MSME schemes in Haryana. *Journal of Vocational Studies*, 7(2), 66–74.
19. Narayanan, K. (2023). Regional disparities in MSME performance in India: Causes and consequences. *Indian Journal of Regional Economics*, 10(1), 20–31.
20. Kapoor, L., & Arora, D. (2020). Marketing and export challenges faced by Indian MSMEs: A study of NCR region. *International Marketing Journal*, 12(3), 135–145.