**Implications of the research:** This research aims to identify the important factors that affect industrial development of a State and correlation of the development of entrepreneurs inter se and arrive at the comparative strength of each factor and the direct impact of the state’s initiative in enacting the said Micro, Small & Medium Enterprises Development Act, 2006. It also aims to create a multi-factor cause-effect model among the different independent and contingency factors that affect and are affected by each other. The findings of the research would be of immense value to the organizations and the State in the setting up of industries in the short term and in the long term and giving a direction to the development of enterprises. It would guide organizations while setting up industries in the area which will act as a catalytic agent in its development and thus guide them where and how they must invest their resources to derive the maximum benefit from their investments.