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Abstract
Minor Research Project
Entitled as-

Role of DIC in Promotion to Small and Medium Size Enterprises: A Case Study of Aurangabad DIC

By

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Abstract

Introduction

The most pressing need of development countries (like India) is rapid industrialization. It is an effort in which the developing countries place a major hope to a finding a solution of their problem of poverty in security and over population and ending their newly realized backwardness. Economists like Colin Clark have pointed out that economic growth is positively correlated with the proportion of working population engaged in the secondary and tertiary sector and low per capital income is associated with high proportion of population engaged in the agriculture sector. Economic growth, therefore entails the movement of resources from low productive sector agriculture to a high productivity sector industry.

The relationship between industrialization and economic development has also been described by Gunner Myrdal. The development of manufacturing industry has been spectacular economic progress and rise in the level of living, not least in the under developed countries the productivity in industry trends to be considerably greater than in the traditional agriculture pursuits. Apart from this, there has been common agreement upon the specific objectives of the policies of industrialization in most of the developing economics. The importance of industrialization for India was recognized by late Pandit Jawaharlal Nehru when he said that, " Real progress must ultimately depend on industrialization" industrialization secure strong base for rapid growth of national and per capita income historical observation in this regard show a close relationship between industrialization and the growth of national income. Chenery and Tayalor also observed a meaningful relationship between per capita income and the degree of industrialization. The empirical evidence also suggest a close correspondence between the high level income and industrial development. The GNP of most industrialized countries at 1967- 69 prices was 2033 Billion Dollars in 1972 and of less developed countries only 390 Billion dollars. The GNP per capita for industrialized countries was has high as 3020 Dollars, where as it was as low as 244 Dollars for industrially backward countries.

In India the existence of unemployment and especially disguise unemployment in agriculture is a matter of serious concern. It is the root cause of rural poverty. The problem is farther accentuated by the increasing pressure of population in the country in such a situation,

industrialization is the only solution to provide work for growing population. It can increase labor utilization and generate employment opportunities at faster rate. Industrial development can also absorb rural population which either underemployed or unemployed without reducing total agricultural output.

Besides with modernization of industrial sector, India should also concentrate upon in securing competitive position in the international market, reduce the dependence on imparts and improve stability both in foreign exchange earning and national income through diversification of exports.

Industrialization , further, diversifies the nature of the economy by creating additional wealth and brings in its make technological process and change in the outlook of the people. It can also ensure a fast growth rate development of infrastructure, self-reliance in defense materials, modernization of agricultural of overall economic development of the country.

Origin of research problem

After independence India gets good scope in industry. Industry is the blood of Indian economy. But till 65 years the problem and prospects are the same. This project will investigate in detail about the role of DIC. Small and Medium size enterprises generating wide employment in Aurangabad industrial area. Hence this step is an important part in the today global Aurangabad industrial world.

International status:

The world is hypnotized to the concept of development. Any developing nation is needed to equal growth and equal justice in all sectors. Without equal growth there is not possible to develop the country. Growth in industrialization is the most important aspect for the developing nation. Eminent scholars have done research at international level on this topic. Many articles were published between 1990 and 1998 in seven major English-language journals at international level such as Cambridge Journal of Economics, Economic Geography, Entrepreneurship and Regional Development, European Planning Studies, Growth and Change, International Journal of Urban and Regional Research, and Research Policy. These journals serve as important outlets for industrial district research, as evidenced by the frequency with which they are cited in publications. To be parsimonious but also sufficiently comprehensive, and to restrict potential sample-selection bias, a contribution from various disciplines (sociology, economics, economic geography, regional planning, etc.) using different methodological

approaches.

National Status:

India is second in world ranking in population. Population explosion is main cause behind various problems in India. In 1952 Indian Central Government launched Community Development Program for rising living of standard. DIC of Aurangabad district published visionary document 2020.

Significance of the study:

SEZ already established in five star industrial zone at shendra MIDC. Scoda auto and many industries are arrived from foreign countries and recently Audi company also completed their official procedure to establish their unit in five star Aurangabad industry. Means automatically small and medium size enterprises will grow up. Hence this study is an important step in the area of research. This project will helpful to the academician, Research Scholars, DIC offices, State Govt., Planning department of Maharashtra state, SIDBI and related offices.

iii. Objectives:

1) To study promotional scheme of DIC for SMSE.

2) To know the Aurangabad industrial area in detail.

3) To study the factors affecting on SMSE.

4) To study the role of DIC in promotion to the entrepreneur and SMSE.

iv. Methodology:

This proposed research has completed by using primary and secondary data. Primary data is collected from selected samples from SMSE. Samples has selected with the help of convenience sampling method 5% samples will be selected for the study. Secondary data is gathered from different books, journals, magazines, and official websites. The separate questionnaire had designed to the entrepreneur for collect the primary data as well as personal observation. The scope of this study is limited to Aurangabad district only. All the conclusion and remedies had drawn on the basis of Aurangabad industrial area and DIC Aurangabad.

Tools and techniques to be used

The related data collection, tabulation and analysis had done by the help of some statistical tools and techniques i.e. co-relation, regression, ratio analysis and other related tools and techniques.

Presentation of the Project

Summary

      Various industrial policy resolutions have given the importance to Small Scale Industry. It is one of the importance sources of development of entrepreneurship culture at local level or leading to rural industrialization. Emphasizes the significance of SSI and with gives comparative picture of Large and Medium scale industries, it also elaborates the economic characters of Aurangabad district. Some inter country studies stress out the important of SSI in India. Stressed out the organizational structure of DIC in Aurangabad district, it also explains the role of interfacing agencies to DIC at central, state and local level. Introduction of selected schemes which is run by DIC Aurangabad district, the performance of DIC Aurangabad district studies with the help of techniques like calculating nnual compound growth rate and national index of the firms in Aurangabad district.

      Chapter first in this chapter an overviews of industrial policies, industries and need for institution in industrial development in Aurangabad district has been and a taken in details.

      Chapter second in this chapter it has been taken review of literature regarding DIC, SSI and rural industrialization. It also explains the methodology adopted for the study. Literature of functioning of DIC gives mix expressions about is working. It reveals that DIC are not fully successful in achieving their objective. Some Inter country experiences and studies stress out the importance of SSI for developing country like India.

      Chapter third focused on the study is on presentation given an introduction of Aurangabad district in care of area, agriculture, irrigation, road, industries and population in the district, other infrastructure related to Aurangabad district. However, most of these facilities such as transport and communication (MIDC areas, co-operative industrial estates), technical education and other financial institutions are concentrated in the Aurangabad district.

      Chapter fourth has an analyzed the performance of DIC at micro level. Introduction of

selected scheme has given in this chapter which runs by DIC in Aurangabad district. In this chapter we have explained the tree structure of institutions working in the field of SSI promotion and development. Managerial structure and functioning of DIC discussed. At the sometime various scheme for SSI development and self-employment generation run by DIC have explained.

Chapter fifth explains the various schemes to promote the SSI and other industries. The level of employment in all India in the SSI sector, it expresses the dominance of agro based and engineering units in the Aurangabad district. There we have tried to calculate fertility index to see the employment generation through District Industrial Center. Category wise analysis has also given here which explains the type of industries establishment in DIC in Aurangabad. Finally chapter analyses schemes regarding number of beneficiaries and total amount distributed various schemes.

Chapter sixth covers summary, conclusions, and suggestions.

Conclusions

1) Huge quality of cotton, jawar and bajara is grown in Aurangabad, there is need of proper and effective utilization should be made through establishing processing units.

2) Similarly, pulses like Mug, Udid, Tur and Gram are grown in ample quality.

3) Fly ash coming out of thermal power station situated at parli, parbahni districts should be utilized for making bricks.

4) Efforts should be made to utilize agro-residuals like wastage coming from sugar mills, cotton stims shells of groundnut etc. for manufacturing bio-coal briquetters, handmade papers particle board etc.

5) Tremendous scope exists for exploring horticulture, fisheries, milk, poultry farming and hatcheries.

6) No specific plan for development of waste land for fodder cultivation of forestry has been chalked out.

7) Railway transport facility exist in Aurangabad district is inadequate. Similarly other infrastructural facilities like communication/electricity, roads etc. needs further improvement.

8) Medium or big industrial projects in the field of defense railway or automobiles can be started in Aurangabad districts.

9) Engg. College, poly technic and computer training center to be started in Aurangabad.

10) Entrepreneurship needs to be developed in Aurangabad city. This can be done through conducting motivational –cum awareness programmed, especially in rural areas.

11) Establishment of mini industrial area in each taluka of Aurangabad district will change the industrial scenario of Aurangabad district in future.

12] In Aurangabad there is shortage of manpower and technology based services are not available.

Findings/ Observations:

Following are some major observations regarding the performance of SSI at national and state level in general and role of DIC in promotion of SSI in Aurangabad district in particular.

1] The MIDC has performed effectively in Aurangabad district in providing Industrial Infrastructure such as Industrial plots, Industrial water, powers, Roads, Communication etc. Its contribution towards Industrial development in Aurangabad division is remarkable.

2] Aurangabad district has the largest size of Industrial area, the highest number of Industrial areas and the highest number of industrial plots naturally there has been concentration of industrial activities in Aurangabad district. These district accounted 3016 of total SSI and LSI industries on end of March 2005.

3] It is observed that the MIDC has shown a remarkable performance in Aurangabad district (Table 5.1) Has 5 major MIDC area in Aurangabad district. Major areas of Aurangabad district waluj 26% out of total MIDC.

4] During (Table 5.13) 2002-03 to 2006-07, the number of Small Scale units, Investment and Employment decreased by 40%, 56% and 32% respectively considering period of 5 years decrease rate of small scale units was so slow in Aurangabad district.

5] In terms of the number of the number of MSI units, (Table 5.14) the industrial growth in district was insignificant during 2002-03 to 2006-07 undeveloped Infrastructure, Inadequate financial assistance were main bottlenecks in the process of industrial development in the district (Graph 5.1). As regards the growth of MSI industries unit

increased by 20% Aurangabad district.

6]   Paper product SSI unit have shown good performance in Aurangabad district during year end of March 2005 (Table 5.2). the number of paper product Investment, Production and Employment increased by 11.31%, 7.25% and 10.57% comparison to other industries.

7]   The DIC Aurangabad covered the highest number of (Table 5.3) PMRY performance of Maharashtra state during year 2002-07, this table seen that beneficiaries and sanction loan percentage are increased per year. PMRY performance during year 2004-05 beneficiaries percentages was 22.74% (37,007 No.) and loan sanction percentages was 22.95% (211 crore) out of total. 2005-06 year was decreased performance and year 2006-07 beneficiaries percentages was increased 22.58% (36750 No.), but sanction loan decreased 21.51% (197.92 No.) out of total year.

Suggestions:

1]   Adequate staff which is talented, motivated and dynamic in nature should be required in DIC, Quality personnel in DIC office is important. It should have vision and direction for industrial development of Aurangabad District hence requirement pattern of DIC staff should be based on competitiveness.

2]   The co-ordination and co-operation between other industrial promotional agencies as well as in universities of that region and DIC should be increased. They should be linked with computer to each office of DIC. At the same time government should emphasize on the concerned departments to delegates enough powers so the DIC as to make a single window concept in reality.

3]   Government of Maharashtra should create cluster program for the backward region like Marathwada. This cluster approach should be based on the availability of local inputs which would encourage local entrepreneurs. This will be supporting for the performance and role of DIC's.

4]   DIC's should conduct proper and regular techno-economic survey of the district, at the same time preparation of action plan is one of the main function of DIC which should not be avoided.

5]   The action plan prepared by the DIC's and the credit plans prepared by the lead banks should work on total co-ordination of officials from each office.

6]   State government should insist on conducting the nodal agency meeting on specific date.

It should be obligatory for every official member of the DIC.

7] If DIC's are not working properly or not using resources efficiently them power should be given to DIC (Commissioner) SSI regarding penalty to that particular DIC.

8] Overall industrial development in general and development of SSI in particular is the need of Aurangabad district. We have suggested some agro based unit which are suitable for the Aurangabad district. This would lead to self-employment opportunities. Maximum of local resources and employment potential are characteristics of SSI. Therefore DIC should concentrate on those industries which are suitable for this district. But at the same time emphasis should be given on technical up gradation and modernization.

Concluding Remark

Aurangabad is the fastest growing industrial hub in Asia. But due to some basic infrastructural facility it resulted slow growth. For instance, lack of cold storage facility for agricultural product. Aurangabad district is world heritage, historical and holy place but due to professional manpower in the field of tourism the district can't show upward trend. There is need to proper and effective utilization of forest product and transport facilities should be developed further. Fishing and its allied activities should be develop at Paithan Dam. There is shortage of water and electricity power. So due such basic facilities and structural development Aurangabad district and industrial area is getting slow growth. So study suggested strongly basic facilities and research development should be increased including quality higher education.

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