Chapter VI

EVALUATION OF EFFORTS OF INDUSTRIAL DEVELOPMENT
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5.0 Summary.
1.0 General Account:

1.1 Generally growth of industries is dependent upon several factors viz. availability of raw materials, climate, water resources, labours, capital, power resources, transport system, and market facilities. Besides these factors, efforts made by either individual entrepreneurs or co-operative societies or industrial estates or Government, prove significant for growth of industries in any region.

1.2 Efforts of these four agencies i.e. individual entrepreneurs, co-operative societies, industrial estates and Government create pre-conditions and infrastructure which are essential for industrial growth.

1.3 These efforts, though basically essential are not be necessarily conductive for proper regional development. These efforts if done on good scientific bases, then proper utilization of resources is a possibility while planning a region industrially, it is necessary to see whether the contemporary efforts put in by these agencies are competent to use the regional resources efficiently and optimally. Our aim here is, therefore, to examine the extent of the efforts put in by the individual
entrepreneurs, industrial estates and Government in the Marathwada region, for the development of industries.

2.0 Individual Efforts:

2.1 The main object of any industrialisation programme is to raise the standard of living of the people. Industrialisation is one of the powerful and effective tool for raising the level of regional economy.

It is regarded that the entrepreneurs are the prime movers in the process of regional growth. It is stated that unless the entrepreneurs organise the skills and the resources of a society efficiently, its economic growth or industrial growth is bound to be slow.

Since entrepreneurs the organisers of initiative and responsibility are regarded as a rare human race, their shortage is believed to have made the process of industrialisation slow. Due to the major impediments rooted in the social structure itself, in the rigidity


of the social system and in the value which society attaches to different kinds of economic activity, there is the general lack of industrial leadership in under-developed countries. One of the best examples of a social structure in which rigid stratification of occupations represents a considerable barrier to industrial expansion may be seen in the caste system of India.

In the under-developed region only a few men with growth perspective would came forward for changing the stationery inertia and creating preconditions for industrialisation, since they are motivated for higher achievements than the financial gains. The entrepreneurship can emerge either as a result of individual efforts or collective and co-operative efforts.

2.2 Individual Entrepreneurs in the Marathwada:

2.2.1 Individual entrepreneurs efforts made for are very significant for the growth of industries in any region. But Marathwada region has a shortage of individual intrepreneurs. This shortage in the region

is mainly because of two reasons. Firstly the absolute poverty of the ordinary people and secondly unwillingness of the rich people to assume the challenging role of entrepreneurs.

2.2.2 It is observed that throughout the eleven industrial estates of Marathwada region are established by the migrant entrepreneurs, while most of the village industries and local resources based industries are managed by the local people. i.e. sugar industries, Dal mills, Oil mills, etc. However, both migrants as well as local individual entrepreneurs have been playing significant role in the development of the industries of the Marathwada region.

2.3.0 **Efforts of the Individuals:**

2.3.1 Due to the development of banking facilities along with Maharashtra State Finance Corporation and Development Corporation of Marathwada Ltd. most of the individual entrepreneurs came forward and started their own industrial plants. Management, purchasing the raw materials, technical guidance, marketing of the finished goods all these are handled by the individual entrepreneurs.
2.3.2 Most of the individual entrepreneurs have a tendency to send finished products with the exception of consumer goods to the Bombay market as well as neighbouring markets like Pune, Hyderabad, Nasik, etc.

3.0 **Industrial Estates**:

3.1 **Concept of Industrial Estates**:

The idea of industrial estate is not a new one. It was originated about hundred years ago. Industrial estates vary from place to place, particularly in respect of facilities provided therein.

An industrial estate has been defined as "a tract of land which is subdivided and developed according to a comprehensive plan for the use of a community of industrial enterprises".  

According to Dr. P.C. Alexander, "Industrial Estate is a group of factories constructed on economic scale in a suitable sites with facilities of water, transport, electricity, steam watch and ward and first-aid provided with special arrangements for technical guidance and

common service facilities". The study made by the United Nations entitled 'Policies and Programmes for the establishment of industrial Estates', defined an industrial estate as "a planned clustering of industrial entreprises offering standard factory buildings erected in advance of demand and a variety of services and facilities to the occupations".

Various terms are used to denote the concept of industrial estates in different countries. In the United States of America, the estates are termed as planned or organised tracts, District or parks. In the United Kingdom these are known as "Trading Estates" or Industrial Estates, 'Industrial Zone' and Industrial Nucli in Italy.

The emphasis of all these definitions more or less has been placed on the some factors like provision of proper factory accommodation in advance of or on demand and on other basic industrial pre-requisites. In


9. Ibid., p. 4.

10. Ibid., p. 4.
the case of the concept used in the planner had added
two more facilities like technical guidance and common
facilities.

As we shall be seeing in an industrially backward
like Marathwada, the provision of all these facilities
is not adequate to create a tempo of industrilisation.
In addition marketing and financial facilities should
also be given.

There are many agencies that provide land,
buildings and infra-structure facilities to the entre-
preneurs. The sites for the buildings are sometimes
either sold or leased out or rented. The industrial
estate offers basic facilities to the small-scale
industries for their sound development.

3.2 Objectives of Industrial Estates:

The objectives of industrial estates programme in
India are typical of the under-developed economy. The
primary objective has been the rapid development of
industries. The subsidiary objective has been the
dispersal of industries to rural and under-developed areas,
to raise their level of industrialisation.
Industrial development in India has shown fairly strong tendencies to concentrate in particular regions. For example nearly 50 percent of the total factories in the State of Maharashtra which comprises 3,07,690 Square Kilometres of area are located in Greater Bombay alone, the area of which is only 437.71 Square Kilometres. There are a few other places in Maharashtra where industries have developed but large areas like Marathwada Vidarbha and Konkan remain industrially backward. The concentration of industrial development in certain areas has been due to the ready availability there of various infra-structural facilities like power, water supply and transport. Unless and until these facilities are made available to the industrially backward areas, these areas will not develop and will always lay behind, resulting in imbalances and unemployment. The Government therefore, decided to provide the basic needs in under-developed areas, so as to attract industries to settle down there and bring prosperity to these areas, thereby reducing pressure on an industrially crowded area.

3.3 Industrial Estates Programme in Maharashtra:

3.3.1 Growth of Industrial Estates in Maharashtra:

Programme of industrial estates was for the first time, introduced in the second five year plan of the
Maharashtra State. The policy and objectives of the Government of Maharashtra in regard to the industrial estates are almost the same as those of the Central Government.\textsuperscript{11} Out of the ten industrial estates proposed to be established during the Second Five Year Plan, eight started functioning. The State Government had incurred an expenditure of about Rs. 51.92 lakhs for these estates.

In the Third Five Year Plan, a provision of Rs. 2.22 crores was made for setting up of 59 additional industrial estates. Out of this a provision of Rs. 2/- crores was made available by the life Insurance Corporation of India. Out of 59 industrial estates targetted during the plan, 31 Industrial estates were established and 23 industrial estates started functioning by the end of the plan.

During the plan period a total expenditure of Rs. 137/- lakhs was incurred on 31 industrial estates.

Table No. 6.1 indicates that there were 14 industrial estates in Maharashtra State during 1962. Out

Table No. 6.1: Growth of Industrial Estates in Maharashtra.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Developed Industrial Estates</th>
<th>Number of Developing Industrial Estates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>8</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>1967</td>
<td>9</td>
<td>11</td>
<td>20</td>
</tr>
<tr>
<td>1972</td>
<td>10</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>1977</td>
<td>11</td>
<td>35</td>
<td>46</td>
</tr>
<tr>
<td>1982</td>
<td>12</td>
<td>45</td>
<td>57</td>
</tr>
<tr>
<td>1987</td>
<td>12</td>
<td>58</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Office of the Joint Director of Industries, Vikas Bhavan, Aurangabad.

of the total industrial estates 57.14 percent industrial estates were developed and 42.86 percent developing during 1962. Industrial estates has increased from 14 in 1962 to 70 in 1987 in Maharashtra State. At present there are 70 industrial estates in Maharashtra. Out of total industrial estates 82.86 percent estates are developing estates in Maharashtra. Only 17.14 percent industrial estates are treated as developed estates in the State of Maharashtra.
3.3.2 **Present distribution of industrial estates in Maharashtra State:**

**Table No. 6.2:** Table showing divisionwise distribution of industrial estates in Maharashtra State as on 31st March, 1987.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Division</th>
<th>Number of Industrial Estates</th>
<th>Total area Planned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bombay</td>
<td>10</td>
<td>4,840.90</td>
</tr>
<tr>
<td>2.</td>
<td>Pune</td>
<td>2</td>
<td>1,239.10</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>6,080.00</strong></td>
</tr>
</tbody>
</table>

**Developing**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Division</th>
<th>Number of Industrial Estates</th>
<th>Total area Planned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>Konkan</td>
<td>11</td>
<td>4,532.61</td>
</tr>
<tr>
<td>4.</td>
<td>Nasik</td>
<td>9</td>
<td>2,945.86</td>
</tr>
<tr>
<td>5.</td>
<td>Pune</td>
<td>10</td>
<td>2,765.69</td>
</tr>
<tr>
<td>6.</td>
<td>Aurangabad</td>
<td>11</td>
<td>3,483.91</td>
</tr>
<tr>
<td>7.</td>
<td>Amravati</td>
<td>8</td>
<td>1,099.07</td>
</tr>
<tr>
<td>8.</td>
<td>Nagpur</td>
<td>9</td>
<td>2,093.78</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>58</strong></td>
<td><strong>15,920.92</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>70</strong></td>
<td><strong>22,000.92</strong></td>
</tr>
</tbody>
</table>

**Source:** Office of the Joint Director of Industries, Vikas Bhavan, Aurangabad.
Table No. 6.2 shows us that there are 70 industrial estates in Maharashtra State. They are unevenly distributed in the State. There are 12 developed industrial estates in the State. They are located at Bombay and Pune. Other regions of the Maharashtra State have not a single developed industrial estates.

Table No. 6.2 also indicates that in 70 industrial estates of Maharashtra 22,000.92 hectare of land is planned. Marathwada region has 15.71 percent industrial estates of the state, but all industrial estates are treated as developing estates. Even then Marathwada region is treated as backward region in respect of industrial development in the State of Maharashtra.

### Table No. 6.3: Statement showing the progress of number of plots developed, number of units, and sheds in Maharashtra State during 1962-67 to 1982-87.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Plots allotted.</th>
<th>Number of sheds constructed.</th>
<th>Number of units in production.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962-67</td>
<td>1,459</td>
<td>135</td>
<td>249</td>
</tr>
<tr>
<td>1967-72</td>
<td>2,585</td>
<td>242</td>
<td>982</td>
</tr>
<tr>
<td>1972-77</td>
<td>5,410</td>
<td>885</td>
<td>2,599</td>
</tr>
<tr>
<td>1977-82</td>
<td>11,927</td>
<td>2,121</td>
<td>5,335</td>
</tr>
<tr>
<td>1982-87</td>
<td>16,523</td>
<td>3,161</td>
<td>8,976</td>
</tr>
</tbody>
</table>

**Source**: Office of the Joint Director of Industries, Vikas Bhavan, Aurangabad.
Table No. 6.3 indicates that 1,459 plots were allotted during 1962-67 in the States of Maharashtra. Total number of plots has increased from 1,459 in 1962-67 to 16,523 in 1982-87 in the State of Maharashtra's industrial estates.

During 1962-67 only 135 sheds were constructed in all industrial estates of Maharashtra State. At present there are 3,161 sheds in the industrial estates of Maharashtra. Number of units functioning in the industrial estates of Maharashtra State has increased from 249 in 1962-67 to 8,976 in 1982-87.

3.4 Industrial Estates in Marathwada Region:

3.4.1 Growth of Industrial Estates in Marathwada:

In the first Five Year Plan no provision was made for setting up the industrial estate in the Marathwada region. The idea was taken up for the first time, during the Second Five Year Plan. During the Second Five Year Plan two co-operative industrial estates were started at Nanded and Parli-Vaijnath. During the Third Five Year Plan, the programme received great impetus and provision for seven industrial estates located at Aurangabad, Jalna, Paithan, Nanded, Hingoli, Latur, Parli-Vaijnath was made.
Table No. 6.4: The Table showing M.I.D.C. areas in the Marathwada Region as on 31st March, 1986.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the M.I.D.C. area</th>
<th>Number of units in pro-duction</th>
<th>Capital investment in lakh.</th>
<th>Annual turn-over in Rs.</th>
<th>Total employment in lakh.</th>
<th>Number of plots cardout.</th>
<th>Number of plots allotted</th>
<th>Total area plan in hectares</th>
<th>Area in possession in hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aurangabad</td>
<td>73</td>
<td>251</td>
<td>456</td>
<td>1323</td>
<td>78</td>
<td>73</td>
<td>34.95</td>
<td>35</td>
</tr>
<tr>
<td>2.</td>
<td>Chikalthana</td>
<td>415</td>
<td>114496</td>
<td>14280</td>
<td>18224</td>
<td>541</td>
<td>510</td>
<td>719.69</td>
<td>720</td>
</tr>
<tr>
<td>3.</td>
<td>Paithan</td>
<td>37</td>
<td>1331</td>
<td>969</td>
<td>1279</td>
<td>139</td>
<td>109</td>
<td>285.51</td>
<td>286</td>
</tr>
<tr>
<td>4.</td>
<td>Waluj</td>
<td>15</td>
<td>84</td>
<td>126</td>
<td>320</td>
<td>154</td>
<td>97</td>
<td>1610.68</td>
<td>1384</td>
</tr>
<tr>
<td>5.</td>
<td>Old Jalna</td>
<td>73</td>
<td>370</td>
<td>1899</td>
<td>1808</td>
<td>80</td>
<td>80</td>
<td>50.58</td>
<td>51</td>
</tr>
<tr>
<td>6.</td>
<td>Additional Jalna</td>
<td>85</td>
<td>746</td>
<td>617</td>
<td>1475</td>
<td>225</td>
<td>178</td>
<td>158.10</td>
<td>158</td>
</tr>
<tr>
<td>7.</td>
<td>Bhir</td>
<td>41</td>
<td>218</td>
<td>217</td>
<td>594</td>
<td>89</td>
<td>71</td>
<td>68.53</td>
<td>69</td>
</tr>
<tr>
<td>8.</td>
<td>Parbhani</td>
<td>30</td>
<td>214</td>
<td>172</td>
<td>416</td>
<td>129</td>
<td>92</td>
<td>95.74</td>
<td>96</td>
</tr>
<tr>
<td>9.</td>
<td>Nanded</td>
<td>84</td>
<td>1146</td>
<td>1642</td>
<td>1774</td>
<td>338</td>
<td>256</td>
<td>312.01</td>
<td>272</td>
</tr>
<tr>
<td>10.</td>
<td>Latur</td>
<td>70</td>
<td>208</td>
<td>298</td>
<td>304</td>
<td>261</td>
<td>248</td>
<td>263.34</td>
<td>263</td>
</tr>
<tr>
<td>11.</td>
<td>Osmanabad</td>
<td>68</td>
<td>36</td>
<td>59</td>
<td>65</td>
<td>50</td>
<td>25</td>
<td>101.96</td>
<td>102</td>
</tr>
<tr>
<td>12.</td>
<td>Hingoli (Proposed)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total** 929 161000 20735 27582 2084 1739 3937.48 3436

Out of the seven industrial estates sanctioned in the Third Five Year Plan five industrial estates started functioning. The scheme of industrial estates at Dharmabad and Vaijapur could not materialise owing to lack of response from local entrepreneurs.

3.4.2 M.I.D.C.'s Industrial Areas:

At present there are 11 Maharashtra Industrial Development Corporation's industrial areas in the Marathwada region.

Table No. 6.4 indicates that Aurangabad district has 4 industrial areas, whereas the shares of Jalna, Parbhani, Bhir, Nanded, Latur and Osmanabad districts are 2, 1, 1, 1, 1 and 1 respectively. In 1986, 929 units were functioning in all M.I.D.C.'s industrial areas of Marathwada region. Out of total units nearly 44.67 percent were concentrated in Chikalthana industrial area. The shares held by Aurangabad, Paithan, Waluj, Jalna, Additional Jalna, Bhir, Parbhani, Nanded, Osmanabad and Latur areas were 7.86%, 3.98%, 1.61%, 7.86%, 9.15%, 4.41%, 3.23%, 9.04%, 0.65% and 7.54% respectively. There were 27,582 workers working in M.I.D.C. areas of the Marathwada region in 1986. Out of the total workers
66.07 percent workers were found in Chikalthana areas, whereas the shares of Aurangabad, Paithan, Waluj, Jalna, Additional Jalna, Bhir, Parbhani, Nanded, Osmanabad and Latur areas were 4.80%, 4.64%, 1.16%, 6.55%, 5.35%, 1.51%, 2.15%, 6.43%, 0.24% and 1.10% respectively. 2,084 plots are cardout in M.I.D.C's industrial areas of the Marathwada region. Out of total plots only 83.53 percent plots were allotted to entrepreneurs upto 31st March, 1986. Table No. 6.4 also shows us that 3,706.09 hectares area is planned in M.I.D.C. area's of Marathwada region; but only 3,436 hectares area is in possession.

3.4.3 Land rate in M.I.D.C's Areas of the Marathwada Region:

Table No. 6.5 : Land rate in MIDC's areas of the Marathwada Region.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the MIDC's Area</th>
<th>Land rate in Rs. per Square Metre</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aurangabad</td>
<td>...</td>
</tr>
<tr>
<td>2.</td>
<td>Chikalthana</td>
<td>...</td>
</tr>
<tr>
<td>3.</td>
<td>Waluj</td>
<td>...</td>
</tr>
<tr>
<td>4.</td>
<td>Paithan</td>
<td>...</td>
</tr>
<tr>
<td>5.</td>
<td>Old Jalna</td>
<td>...</td>
</tr>
<tr>
<td>6.</td>
<td>Additional Jalna</td>
<td>...</td>
</tr>
<tr>
<td>7.</td>
<td>Bhir</td>
<td>...</td>
</tr>
<tr>
<td>8.</td>
<td>Latur</td>
<td>...</td>
</tr>
<tr>
<td>9.</td>
<td>Osmanabad</td>
<td>...</td>
</tr>
<tr>
<td>10.</td>
<td>Nanded</td>
<td>...</td>
</tr>
<tr>
<td>11.</td>
<td>Parbhani</td>
<td>...</td>
</tr>
</tbody>
</table>

Source: M.I.D.C. Office, Aurangabad.
Table No. 6.5 gives us information regarding the land rates in MIDC areas of the Marathwada region. Aurangabad, Chikalthana industrial areas have 30/- rupees rate per Square Metre. In Waluj M.I.D.C. area land rate is Rs. 25/- per Square Metre. In other areas land rate is very chief that is only ten rupees per Square Metre. Land rate is very chief in all M.I.D.C's area of the Marathwada region as compared to other M.I.D.C. areas of the State i.e. Bombay, Pune, etc.

3.4.4 Water Resources in M.I.D.C. areas of Marathwada Region:

Water is basic requirement for the development of industries in any region. Among the local supply and service consideration most significant for the operation in the development of industries\textsuperscript{12}. The number of possible locations for industrial enterprise in a given region may be restricted by overall or seasonal water shortage\textsuperscript{13}.

Jayakwadi Project supplies water to M.I.D.C. areas of Aurangabad district. The water supply to old M.I.D.C.


\textsuperscript{13} Ibid., p. 195.
Jalna area is being supplied by existing Municipal water supply scheme. Additional Jalna M.I.D.C. area has its own water supply, scheme to provide the water to the units located in this area. Particularly water is taken from river Dudhana to the Jalna M.I.D.C. areas. Bendsura project provides water to Bhir M.I.D.C. areas. River Manjara in Latur district, river Purna in Parbhani district, river Terna in Osmanabad district, river Godavari in Nanded districts provides water to the M.I.D.C. areas of the Marathwada region. The present water supply scheme of M.I.D.C. is falling short to meet the requirement of the units in M.I.D.C. areas of Marathwada region i.e. Jalna, Osmanabad.

Table No. 6.6 : Daily consumption of water in M.I.D.C. areas of Marathwada Region.

As on 30th June, 1987.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the M.I.D.C. Areas</th>
<th>Daily consumption of water in lakh litres</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Railway Station, Aurangabad</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Chikalthana area, Aurangabad</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Waluj, Aurangabad</td>
<td>60</td>
</tr>
<tr>
<td>4.</td>
<td>Paithan, Aurangabad</td>
<td>30</td>
</tr>
<tr>
<td>5.</td>
<td>Jalna (Old &amp; Additional),</td>
<td>35</td>
</tr>
<tr>
<td>6.</td>
<td>Latur</td>
<td>06.2</td>
</tr>
<tr>
<td>7.</td>
<td>Bhir, Aurangabad</td>
<td>05</td>
</tr>
<tr>
<td>8.</td>
<td>Nanded, Aurangabad</td>
<td>65</td>
</tr>
<tr>
<td>9.</td>
<td>Parbhani, Aurangabad</td>
<td>30</td>
</tr>
<tr>
<td>10.</td>
<td>Osmanabad, Aurangabad</td>
<td>00.5</td>
</tr>
</tbody>
</table>

Source : M.I.D.C. Office, Aurangabad.
Table No. 6.6 indicates that out of the total daily consumption of water nearly 86.53 percent water is consumed in Aurangabad district. Osmanabad and Bhir M.I.D.C. industrial areas requires 0.5 lakh and 5 lakh litres water per day respectively. In future all M.I.D.C. industrial areas will required more water. Some times water supply scheme is affected by seasonal nature of rivers and uncertainty of monsoon rainfall.

3.4.5 Proposed M.I.D.C. Industrial Areas in Marathwada Region:

Map No. 6.1 gives us clear-cut idea regarding proposed M.I.D.C. industrial areas in Marathwada region. Maharashtra Industrial Development Corporation have proposed 16 industrial areas for the development of industries in Marathwada region*. Particularly they are proposed at taluka level. The proposed M.I.D.C. industrial areas are Ambad, Partur, Bhokardan in Jalna district, Basmath, Kallamnuri in Parbhani district, Deglur, Kandhar, Mukhed, Hadgaon, Bhokar in Nanded district; Ausa, Ahmedpur, Nilanga in Latur district and Omerga, Kallam, Bhoom in Osmanabad district. But these industrial areas will be treated as mini M.I.D.C.

* M.I.D.C. Office, Aurangabad.
EXISTING MINI INDUSTRIAL ESTATES IN MARATHWADA REGION

MAP NO. 6.2

VAIJAPUR
AMBAD
SAILU
UMRI
KINWAT
PARENDA
AMBEJOGAI
AUSA
industrial areas in future, due to various factors such as resource, transportation facilities, water supply etc.

3.4.6 Mini-Industrial Estates in Marathwada Region:

Marathwada Development Corporation is looking after industrial development of all seven districts of Marathwada Corporation helps S.S.I. units by establishing mini-industrial estates at smaller places where there are no MIDC's of industrial estates.

At present there are 8 mini-industrial estates in Marathwada region. They are functioning at Ambad (Jalna district), Vaijapur (Aurangabad district), Sailu (Parbhani district), Umari (Nanded district), Parenda (Osmanabad district), Ausa (Latur district), Ambajogai (Bhir district) and Kinwat (Nanded district). There are 82 sheds constructed in all industrial estates. Sixty seven sheds have already been allotted to the prospective entrepreneurs on rental basis (Map No. 6.2).

3.4.7 Government Industrial Estates:

There are only two Government industrial estates in Marathwada region. Particularly they are located at Paithan (Aurangabad district) and Murud (Latur district).
DISTRIBUTION OF CO-OPERATIVE INDUSTRIAL ESTATES IN MARATHWADA REGION.
(As on 31st March, 1986)

MAP NO. 6.3

Index
- EXISTING CO-OPERATIVE ESTATES
- PROPOSED CO-OPERATIVE ESTATES
Paithan is famous for its Himroo production in the world.

3.4.8 Co-operative Industrial Estates in Marathwada Region:

Map No. 6.3 gives us idea about existing and proposed co-operative industrial estates in the region. There are 26 co-operative industrial estates in Marathwada region. Out of the total co-operative industrial estates only 11 estates are functioning in this region. At present 765 plots are developed in co-operative industrial estates of Marathwada region; but only 483 plots are allotted to the entrepreneurs in this region. There are 236 units which are functioning in co-operative industrial estates of the region.

All co-operative industrial estates are sponsored by Industrial Department of the State. The co-operative Society undertakes development of the land and construction of factory sheds and other buildings on behalf of the member entrepreneurs. For this purpose the Government gives assistance to the society in the form of equal share capital and loan under the Government guarantee scheme.
3.4.9 A case study of the Aurangabad Industrial Areas:

(A) Occupational Pattern and Small-scale Industries in Aurangabad Town:

Aurangabad town is the divisional head quarter of the Maharashtra region. Aurangabad town is very near to the well-known Ajanta and Ellora caves. The town is well connected by a network of roads, as also by the Meter-gauge section of the south-central railway between Manmad and Kachiguda and air to Bombay. The infrastructure facilities and the social overhead facilities are fairly well developed in the town.

Table No. 6.7: Economic Classification of population in Aurangabad City according to 1981 Census.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Occupation</th>
<th>Total Number</th>
<th>Percentage to the workers in 1981</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cultivators</td>
<td>1,320</td>
<td>1.59</td>
</tr>
<tr>
<td>2.</td>
<td>Agricultural labour</td>
<td>1,911</td>
<td>2.30</td>
</tr>
<tr>
<td>3.</td>
<td>Household industry</td>
<td>2,314</td>
<td>2.78</td>
</tr>
<tr>
<td></td>
<td>Manufacturing processing, servicing and repairs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Other workers</td>
<td>77,620</td>
<td>93.33</td>
</tr>
<tr>
<td>5.</td>
<td>Total workers</td>
<td>83,165</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Table No. 6.7 shows that nearly 93.33 working population is engaged in other services in Aurangabad city. Other workers includes workers of mining, quarrying live stock, hunting, plantation, construction, trade, commerce and transport storage etc. Out of total workers only 3.89 percent workers are engaged in agricultural sector; whereas 2.76 percent workers are engaged in manufacturing activities.

At present 1,269 S.S.I. units are concentrated in Aurangabad city. Out of total Small-Scale Industries nearly 45 percent units are found in M.I.D.C. industrial area of Chikalthana. They are also found in co-operative industrial estates which is located near railway station. Most of the local entrepreneurs have taken interest in the development of small-scale industries in Aurangabad city area.

(B) **The Industrial Background:**

Aurangabad town has nourished and patronised a number of handicrafts and manufactures. It is famous throughout India and abroad for Himroo and Mushroo textiles. At present there are 78 large and medium-scale industries which are located in Aurangabad M.I.D.C. area.
754.69 Hectares of land is planned in Aurangabad and Chikalthana M.I.D.C. area. 578 plots are developed in Aurangabad city area. Out of total developed plots 553 plots are allotted to the entrepreneurs. There are 99 sheds in Aurangabad city M.I.D.C. area. 100 percent sheds are allotted to the entrepreneurs.

(C) Natural Resources:

The mineral resources are not available in this taluka or surrounding areas. Only agricultural resources are available. Raw material for the engineering and chemical industries are imported from Bombay, Pune, Hyderabad etc.

(D) Water Resources:

Jayakwadi project provides water to industrial units of Aurangabad city. No problem of water supply either to the existing or prospective industries which are to be set up in Aurangabad city and other part of the district.

3.5.10 Conclusion and Suggestions:

We have seen that the programme of industrial areas and estates have partially failed in achieving intended objectives in the Marathwada region. The scheme of
industrial estates in Marathwada has failed not only on account of error in method of principle but faults in their applications. The main causes of partial failure of the scheme of industrial estates and areas in the Marathwada region are as follows:

(1) The wrong location of the industrial estates and areas may be mentioned as one of the causes of the failure. The industrial estate at Paithan is established without any techno-economic survey of the town. The estate is established on the basis of historical information that the town was famous as a silk weaving centre in India. But availability of the weaving looms and weavers in the town was not taken into consideration while planning the industrial estate. Generally, when deciding the location of the industrial estate, two things should be taken into consideration, viz. availability of market and availability of the raw materials.\(^{14}\)

These aspects were not taken into consideration while sanctioning the Vaijapur (Aurangabad district), Hingoli (Parbhani), and Kinwat (Nanded) industrial estates.

(2) The adequate utilities, facilities and services within the estate are undoubtedly basic incentives for

attracting entrepreneurs. The facilities like water supply, electricity, roads are basically needed for starting the industrial unit. It needs hardly to be repeated that such basic utilities are inadequate in Hingoli, Paithan and Osmanabad industrial estates.

(3) The social overhead facilities like post offices, bank, financial institutions have not been supplied to any of the industrial estates in the Marathwada region. This is particularly true in the case of industrial areas which area located at Osmanabad, Hingoli, Latur etc.

(4) The method of allotment of the plots did not help to contribute to the success of the industrial estates in the Marathwada region. It has sometimes acted as an obstacle to development. In the case of urban industrial areas like Aurangabad and Jalna the factory plots have been allotted to the politicians.

(5) Most of the industrial estates in Marathwada region are co-operative estates. The Chairman, not more than 15 and less than 9 Board Directors manage the estate. Most of those persons are influenced by the one or the other political party.
RECOMMENDATIONS

(1) The locations of the industrial estate should be carefully determined from the view point of various geographical and economic criteria. An extensive survey of the town where the estate has to be established should be carried out.

(2) For selecting the site of any industrial estate there are some essential factors that have to be kept in view; for example -

i) accessibility and availability of community services,

ii) physical suitability.

This will help to attract the prospective entrepreneurs. The selection of the site should be done in consultation with the local entrepreneurs and experts like engineers.

(3) The infrastructural facilities should provided to the industrial areas and estates such as post and telegraph, banking facilities, etc.

(4) The size of the industrial estate and areas have to be determined by taking into consideration the
existing and the future demand for the plots in the Marathwada region. For example in the case of Aurangabad industrial areas and estate in Marathwada region, it is observed that the size of the industrial estate is smaller as compared to the existing demand for the plots and the future demand for them.

(5) Maximum units belonging to a homogeneous group of industries should be selected. This will help to organise properly the common facility, common marketing and service centres. In addition it will help in solving many common problems of these units.

4.0 Government Plans and Implementation:

4.1 Maharashtra State Financial Corporation (MSFC):

The Corporation was constituted under financial Corporation Act of 1951 for the purpose of medium and long term credit to the industrial units in the State. The Corporation has set up a regional office at Aurangabad. There are 5 branch offices of M.S.F.C. in Marathwada region, which are located at Jalna, Parbhani, Bhir, Nanded and Latur. The main functions of M.S.F.C. are to grant loans and advances for creation of assets like land, building, plant and machinery, jigs and
GRAPH SHOWING DISTRICTWISE NUMBER OF APPLICATIONS SANCTIONED AND AMOUNT DISBURSED IN MARATHWADA REGION BY MSFC (FROM DEC. 1962 TO MARCH 1987)

FIG. NO 6.4
pictures etc. The Corporation provides the loans upto Rs. 60/- lakhs to Pvt. Ltd. Company and registered Co-operative Society and upto Rs. 30/- lakhs to proprietary and partnership firm.

Falling in line with the Government's policy of industrial dispersal, the Corporation has always laid emphasis on the promotion of industries in the backward areas.

The Marathwada region has received nearly 11 percent of the total sanctions made by the Corporation since its inception. The percentage share of Marathwada region in the total sanctions of the Corporation has gone up from 3.17 percent in 1962-63 to nearly 10.74 percent in 1965-66.  

Table No. 6.8 indicates that 3,802 applications are sanctioned by M.S.F.C. in Marathwada region since its inception. The shares held by Aurangabad, Jalna, Parbhani, Bhir, Nanded, Latur and Osmanabad are 1945, 135, 263, 437, 476, 107 and 439 respectively (Figure 6.4).

The Corporation has sanctioned Rs. 6407.52 lakh to the Marathwada region, but actually Rs. 4192.12 lakh amount

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Table No. 6.9: Statement showing districtwise number of applications sanctioned, amount sanctioned and amount disbursed in Marathwada region by M.S.F.C. since inception (from December 1962 to March 1987).

(Rs. in lakh)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>District</th>
<th>Number of Applications sanctioned</th>
<th>Amount sanctioned in Rs. lakh</th>
<th>Amount disbursed in Rs. lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aurangabad</td>
<td>1,945</td>
<td>4,301.94</td>
<td>2,944.22</td>
</tr>
<tr>
<td>2.</td>
<td>Jalna</td>
<td>135</td>
<td>298.34</td>
<td>180.56</td>
</tr>
<tr>
<td>3.</td>
<td>Parbhani</td>
<td>263</td>
<td>263.80</td>
<td>179.96</td>
</tr>
<tr>
<td>4.</td>
<td>Bhir</td>
<td>437</td>
<td>409.55</td>
<td>211.64</td>
</tr>
<tr>
<td>5.</td>
<td>Nanded</td>
<td>476</td>
<td>495.87</td>
<td>262.23</td>
</tr>
<tr>
<td>6.</td>
<td>Latur</td>
<td>107</td>
<td>249.34</td>
<td>180.56</td>
</tr>
<tr>
<td>7.</td>
<td>Osmanabad</td>
<td>439</td>
<td>388.34</td>
<td>232.96</td>
</tr>
<tr>
<td>8.</td>
<td>Marathwada Region</td>
<td>3,802</td>
<td>6,407.52</td>
<td>4,192.12</td>
</tr>
</tbody>
</table>

Source: MSFC's Regional Office, Aurangabad.

is disbursed to the applicants since its inception (Figure 6.4). Aurangabad district has got maximum benefit of the Corporation, whereas Parbhani district has got lowest benefit. MSFC through its several
schemes like normal loan scheme, central subsidy, state capital incentives, equipment finance scheme, etc. helps the small man in big way.

4.2 State Industrial and Investment Corporation of Maharashtra (SICOM):

4.2.1 This Corporation was set up basically to promote dispersal of industries and to encourage potential development in developing and the industrialisation of the under-developed areas of the state. The State Industrial and Investment Corporation of Maharashtra Limited (SICOM) was established in 1966. The objectives were not only to provide financial assistance and fiscal incentives but also to encourage setting up of more and more industries in the economically under-developed areas and as a result to generate employment opportunities for the local people.

4.2.2 Considering the requirement of a large investment to create industrial infra-structure and the financial constraints on the outlay for such expenditure, SICOM adopted a selective approach. Instead of spreading the resources thinly over a vast area, SICOM concentrated its efforts in a few centres where maximum impact could be
achieved. These centres later came to be termed as "Growth Centres". As of today, 19 such centres have been brought up by SICOM in the various parts of the State.

One of the glorious examples of this strategy is Aurangabad in Marathwada. When SICOM took over promotion of Aurangabad in 1970, little did it realise that industrial tempo would reach such towering heights within a decade, that entrepreneurs would have to be persuaded against congesting it. As a result of this accelerated growth, Waluj barely 10 Kilometres away and Paithan 50 Kilometres away have started acquiring a new industrial dimension. Jalna 67 Kilometres away has two developed MIDC industrial areas where industrial growth is on the rise. Moreover, attempts at furthering industrial progress at Bhir, Latur, Nanded and Parbhani are bearing fruitful results.

4.2.3 The State Government has implementing a package scheme of incentives, since 1964. Under this scheme, the areas in the State of Maharashtra are classified in four groups - A, B, C and D on the degree of their development. The scheme provides exemption/deferral of sales tax and a grant to the new units as a percentage
of their fixed capital investment depending upon their locations. SICOM is the implementing agency for this scheme in respect of medium and large scale industries. In Marathwada, only Aurangabad taluka excluding Waluj industrial area is included in group 'B'; Jalna taluka, in Jalna district; Parbhani, Basmatnagar and Pathri talukas in Parbhani district; Nanded taluka in Nanded district have been included in group 'C', while all other areas in the Marathwada region have been classified in group 'D', including Waluj Industrial Area near Aurangabad, where the amount of incentives available, under the scheme is the highest.

In Marathwada SICOM has assisted 4,360 units having project cost of 4,779.62 crores, since its inception. During 1986-87 SICOM has assisted 212 units under its scheme in Marathwada region. Amount of raw material disbursed under SICOM's scheme is Rs. 4,517.27 lakh during 1986-87 in the Marathwada region. SICOM has assisted 235 units under package schemes during 1986-87 in the Marathwada region. It has disbursed Rs. 1,334.85 lakh under package scheme in the Marathwada region in 1986-87.
4.2.4 To ensure that the right type of projects come up in the state, SICOM undertakes joint sector projects along with public as well as private sector companies. In Marathwada there are two such projects on stream, set up in foreign technical collaboration. Lorcom (Projectives) Limited, the first rubber contraceptive manufacturing plant in Maharashtra is set up at Aurangabad. At Nanded, Sipta Coated Steels Limited, in collaboration with Cockerill Mechanical Industries of Belgium, has commenced commercial production of galvanised and plain corrugated sheets.

4.2.5 Maharashtra has excellent base for development of electronics. In order to promote an accelerated growth of this sector in tandem with the policies laid down by the Government of India, the State Government has decided to promote three electronic zones. One of the centres selected is Aurangabad, which is easily accessible to both, national and international markets.

The State Government has even reduced sales tax and has also formulated a special scheme of incentives applicable to electronic industries to attract new entrants to this field. SICOM is once again the implementing agency for this scheme for medium and large scale sector.
Marathwada is thus, all set for a speedy industrialisation and SICOM is ready to provide its varied services to prospective entrepreneurs venturing in this region.

4.3 **Maharashtra Small-Scale Industries Development Corporation (MSSIDC):**

4.3.1 MSSIDC is established for all round development of Small-scale industries with emphasis on raw materials and marketing assistance including export marketing. The items like iron and steel, pig iron, paper, coal and coke have been distributed to S.S.I. units by MSSIDC.

In Marathwada, MSSIDC is running a production centre of Paithani weaving at Paithan, Dist. Aurangabad also started Himroo, Mushroo, Kinkhab training centre at Aurangabad. This Corporation is also dealing with commercial warehousing and entrepreneurship development programme. MSSIDC is having Regional Office at Nanded and Divisional Office at Aurangabad.

4.3.2 MSSIDC is marketed products like, steel furniture, wooden furniture, medicine, fabrications, monorail, medicine, P.V.C. pipes, G.C.C. sheets, M.S. tubes, boiler, etc. MSSIDC Regional Office Nanded has made the marketing turnover of Rs. 2,135/- lakhs as on 1985-86 and
assisted 925 units, whereas Aurangabad Office has made the marketing turnover of Rs. 625.20 lakhs on 1985-86 and assisted 295 units.

4.4 Maharashtra Industrial Development Corporation (MIDC):

The exclusive function of MIDC is to develop large industrial areas at potential growth centres all over the State with provision of facilities like water supply, electricity, internal roads, drainage, telephone, canteen, recreation, security, etc. and to undertake water supply schemes in these areas.

In Marathwada there are 11 MIDC areas having 3,706.09 hectares of land. MIDC has allotted 2,084 plots to the promising entrepreneurs to start their industrial ventures (Table No. 6.4). During seventh Five Year Plan, MIDC has decided to establish mini industrial areas at 16 places in Marathwada region (Map No. 6.1) which will help in rural industrialisation.

4.5 Marathwada Development Corporation (MDC):

4.5.1 With a view to accelerating the process of development of industrial activity in the remote part of the state. The Regional Development Corporation are
working in the state. Marathwada development corporation is looking after industrial development of all the seven districts of Marathwada. Corporation helps small-scale industries units by establishing mini industrial estates at smaller places where are no MDC's or industrial estates.

4.5.2 Marathwada Development Corporation is implementing the scheme of seedmoney assistance to educated unemployed. Package scheme of incentives, stipend during the gestation period etc.

Under the directives of Government Marathwada Development Corporation is implementing the package scheme of incentives (PSI) for small scale industries in Marathwada region. The units registered under PSI - 1976 and 1979 are being nursed by MDC till the Eligibility Certificate period is over.

Table No. 6.9 : Schemewise, amounts disbursed by MDC during 1985-86 in Marathwada region.

<table>
<thead>
<tr>
<th>Item</th>
<th>PSI - 1976</th>
<th>PSI - 1979</th>
<th>PSI - 1983</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of units assisted.</td>
<td>15</td>
<td>91</td>
<td>74</td>
<td>180</td>
</tr>
<tr>
<td>Amount in Rs. lakh</td>
<td>3.45</td>
<td>25.45</td>
<td>27.59</td>
<td>56.49</td>
</tr>
</tbody>
</table>

Source: MDC Regional Office, Aurangabad.
Table No. 6.9 indicates that MDC has assisted 180 units under PSI 1976, PSI 1979 and PSI 1983 in Marathwada region in 1985-86. MDC has disbursed Rs. 56.49 lakh amount to the 180 units in Marathwada region.

4.5.3 MDC is also implementing employment promotion programme (EPP) in Marathwada region. From 1972-73 to 1985-86 MDC has disbursed Rs. 679.13 lakhs to 16,834 units creating employment for 85,000 persons. During 1985-86 MDC has sanctioned and disbursed Rs. 49.85 lakhs. Out of budgeted Rs. 50.50 lakhs to 525 educated unemployed, thereby generating employment to 1,576 persons.

4.5.4 Marathwada Development Corporation has set up the following subsidiaries -

1) Godavari Garments Limited, Aurangabad
2) Kinwat Roofing Tiles Ltd., Kinwat (Nanded district)
3) Marathwada Ceramic Complex Ltd., Aurangabad
4) Ellora Milk Products Ltd., Aurangabad
5) Parbhani Krishi Gosa mandhan Ltd., Parbhani
6) Textile Corporation of Marathwada Ltd., Nanded
7) Leather Industries Corporation of Marathwada Ltd., Aurangabad
8) Dairy Development Corporation of Marathwada Ltd., Aurangabad.
Leather Industrial Corporation has started leather factory at Bhir which have captured international market. Leather goods are exported to the U.K. and various parts of India such as Kanpur, Calcutta etc.

4.6 **District Industries Centre (DIC):**

The DIC is the organisation set up by the State Government for the development of industries in general and small-scale industries in particular. All regulatory functions such as registration of the units, sponsoring of applications for raw materials, clearance of industrial lands, development of industrial estates in co-operative sector are implemented by DIC's.

At present there are 7 DIC Offices which are located at district headquarters. District Industries Centres have accelerated the progress of industrialisation. The promotional activities of district industrial centres are Employment Promotion Programme, Entrepreneurship Development Training Programme, loans to SSI units, Cottage Industries under SAI Rules, Development of Handicrafts, interest subsidy and Government of India's composite loan scheme of loans upto Rs. 35,000/-.
5.0 **Summary**:  

5.1 Individual entrepreneurs efforts made for are very significant for the growth of industries in any region. But Marathwada region has an shortage of individual entrepreneurs. This shortage in the region is mainly because of two reasons. Firstly the absolute poverty of the ordinary people and secondly unwillingness of the rich people to assume the challenging role of entrepreneurs.

5.2 Most of the entrepreneurs are migrated from various districts of Maharashtra such as Bombay, Pune, Nasik, Solapur etc. They have started industries in eleven industrial estates of Marathwada region.

5.3 Infrastructural facilities are also not available in Marathwada region. Most of engineering and chemical factories imports raw material from other regions.

5.4 Land rates are very chief in the MIDC areas of Marathwada region, hence there is great opportunities to local entrepreneurs to start SSI units in this region.

5.5 The programme of industrial areas and estates have partially failed in achieving intended objectives in the Marathwada region.
5.6 Marathwada is one of the industrially backward areas in the Maharashtra State. Until, 1962, the Directorate of Industries was the only Government Organisation to perform both regulatory and promotional functions relating to the industries.

Realising the importance of rapid industrial growth and wide dispersal of industries in the under-developed areas of the state, the Government created in 1962 and thereafter several autonomous corporations at the state and regional levels to give concerted attention to different aspects of industrial development i.e. MIDC, MSSIDC, SICOM.

5.7 MIDC, MSSIDC and SICOM played vital role in the development of industries in Marathwada region. Due to MIDC areas structure of the Aurangabad city is changed. Today it has become a employment opportunity centre in Marathwada region. Various agencies are responsible for the all round development of industries in this city.

5.8 Instead of spreading the resources thinly over a vast area, SICOM concentrated its efforts on a few centres which are termed as growth centre. Aurangabad and nearby areas like Waluj, Paithan, Jalna, Nanded etc., have picked up the tempo and are developing fast to accommodate the incoming industries.
5.9 Marathwada development corporation has played important role in the development of industries in this region. It has started 8 mini industrial estates in the region.

5.10 Due to the efforts of various agencies some cities have wide scope for the development of various industries in Marathwada region.