CHAPTER VIII
Conclusions, Problems and Suggestions

8.1 Introduction.

8.2 Conclusions.

8.3 Problems and Suggestions.
CHAPTER VIII

Conclusions, Problems and Suggestions

8.1 Introduction:

In the previous chapter Gandhian Economic thoughts, Definition and importance of rural and cottage industries, development of village and cottage industries in India, Maharashtra and Western Maharashtra, village and cottage industries in A.nagar district viz. Processing of cereals and pulses, oil Ghani’s, leather industries, carpentry and blacksmith, cane and bamboo’s, pottery and other units are discussed.

The purpose of this chapter is to sum-up main conclusions of the study (presented in the previous second to seventh chapter) to get comprehensive view on the basis of the conclusions. An attempt is also made to discuss the industrial problems of the Ahmednagar district. Suitable suggestions are also made in this chapter, to change the existing situation and there by to achieve development of industries in the study region.

8.2 Conclusions:

The study of availability of infrastructure and geographical factors, Industrial development, population characterties, agricultural development, distribution of large, medium and small-scale village and cottage industries in Ahmednagar district shows that.

1. The Industrial policy Resolution of April 1948 contemplated a mixed economy reserving a sphere for the private sector and another for public sector. The main thrust of the (1948) Industrial policy was to lay the foundation of a mixed economy in which both private and public enterprises would march hand to accelerate the peace of industrial development.
2. The Industrial Policy Resolution of 1956 set out some of the principles of Nehru’s Philosophy through it retained sufficient ambivalence to placate the uncommitted elements. As later development showed loopholes and exceptions where more readily availed of by businessmen and industrialists. License was issued to the private sector in areas, which were reserved for public sector expansion.

This industrial policy, despite some desirable elements had resulted in certain distortions viz. unemployment has increased, rural-urban Disparities have widened and the rate of real investment has stagnated. The growth of industrial output has been no more than three to four percent per annum on the average 1956 to 1977.

3. The Juanita’s industrial Policy (1977) failed to impose a ban on multinationals or Indian big business to produce ordinary attempts like bread, biscuits, coffees, footwear, leather products etc. Which should been legitimately reserved the small sector. The industrial Policy (1980) was guided merely by considerations of growth. It liberalized licensing for large and big business but by blurring the distinction between small scale and large-scale industries, it seeks to promote the latter at the cost of the former.

4. The new Industrial policy (1991) may be able to attract foreign investment and give a boost to domestic investment, but whether it shall lead to more employment along with higher output growth is doubtful. Secondly, excessive freedom to foreign capital will ultimately affect our economic sovereignty as also push the country in to a debt trap further. There are gloomy forebodings but this seems to be the writings on the wall.
The share of manufacturing in India’s gross domestic products increased from 11.4 % in 1950-51 to 19.9 % in 1993-94. India has made considerable progress in industrial sector through Five Year Plans.

5. Most of the investment in the Second Plan was in heavy and basic industries. There was also rapid expansion of machine-building industries for use in agriculture and transport and for such industries as chemicals, textile, Jute, Cement etc. Good progress was also recorded in modernization and re-equipment of important industries such as Jute, Cotton textiles and Sugar. In the sphere of village and small industries substantial progress was recorded in India.

6. Except for the year 1965-66, industrial output increased steadily at the rate of 7.6 % per annum in India in Third Five Year Plan period. The achievement was lower than the average of 14 % per annum visualized in the Third Five Year Plan in India.

The performance in industry was far short of even the modest targets set out in Fourth Five Year Plan in India. On an average, the growth rate in industry was around 5 %, which was much below targeted growth rate of 8 % envisaged in the Fourth Five Year Plan in India

7. There was slow growth of industrial production in Fifth Five Year Plan in India. The main factors responsible for this slow growth in industrial production were; lack of capacity utilization in industries like Cement, Paper and Fertilizer, shortage of power, transport, fuel, unremunerative, administered prices, disturbed industrial relations and in some cases poor management.
A review of the progress of the industrial growth the Sixth Five Year Plan reveals that as against the target of 7% growth in industrial productions, the growth rate achieved, however, was only 5.5%. This was lower than the trend growth rate of 6% witnessed in the earlier three decades. Shortfalls in production were observed in some basic industries such as steel, cement, nonferrous metals, fertilizers, textiles, Jute manufactures, sugar, drugs and pharmaceuticals, commercial vehicles and railway wagons.

8. A review of the progress of the Seventh Plan reveals that, the annual growth rate of the industrial sector including mining, manufacturing and electricity generation during the Seventh Plan period in India was 8.5% which though marginally lower than targeted 8.7% was much higher than the 3.5% achieved during the Sixth plan. In the industrial sector, the manufacturing sector achieved an average annual growth rate of 8.9% in India during the Seventh Plan.

The Eighth Five Year envisages a growth rate 7.46% in manufacturing in India. There was nominal growth rate of 0.6% in 1991-92 in the index of industrial production. There has been a slow but substantial improvement during the First three years of Eighth plan. During 19992-93 index of industrial production indicates a growth rate of 2.3% during 1993-94 a growth rate of 4.1% and during 1994-95 much higher growth rates of 8%.

9. The number of small-scale units has grown from 8.74 lakhs in 1980-81 to 33.70 lakhs in 2000-01 in India. During the same period of 20 years, employment has increased from 7% millions to 18.5
millions and output has increased from 28080 crores to 645496 crores in India.

The rapid growth of the small-scale industries has a great relevance in our national economic policies. The growth of the small sector improves the production of the unendurable consumer goods of mass consumption. It a big push is given to the small sector. It can become a stabilizing factor in a capital-scare economy like India by providing a higher output capital ratio as well as higher employment capital ratio.

10. Substantial increases in export were observed in the case of ready made garments, canned and processed fish, leather sandals and Chappals, food products, hosiery and marine products etc.

Interstate dispersal of industries indicates that seven states viz. Maharashtra. Tamilnadu, West Bengal, A.P., U.P., Punjab, and Gujrat account for 71 % sick units were located in West Bengal, U.P., Maharashtra Tamalnadu, and Karnataka during 1997. Remaining 29 % sick S.S.I. units were located in other states in 1997.

11. Indian small enterprises are presently seriously handicapped in comparison with larger units by inequitable allocation system for scare raw material and improved components, lack of provision of credit and finance, low technical skill and managerial ability, heavy taxation and lack of marketing contracts. It is therefore essential to develop an overall approach to remove these disabilities so as to strengthen their competitive position.

12. The manufacturing sector occupies a prominent position in the economy of Maharashtra. In the year 1994-95 the registered and
unregistered manufacturing sectors together contributed 25.4% to the total state income while agriculture contributed 18.9%. As against this, at the all India level, the corresponding percentage was 16.5% and 30.1% respectively in the same year. According to 1991 population census 13.2% of main workers in the state were engaged in manufacturing, processing, servicing and repair activity while at the all India level, the percentage of such workers was 10%. The state accounted for 21.2% of gross value of output and 22.8% of value added in the organized industrial sector of the country during 1992-93.

The Annual Survey of Industries 1992-93 also reveals that out of the 24 major (Two digit level) industry divisions, in as many as 19 industry divisions. Maharashtra was one amount the first three leading states in the country in respect of value of output. The per capita value added by the registered factories sector in the state was highest among all the states (Rs.1952). The same for the entire country was Rs. 802 only. The thrust of the Maharashtra Government policies in an encouraging the industries in areas other then the industrially advanced Mumbai-Thane-Pune belt.

13. Table 2.3 indicates that out of the total large and medium scale units nearly 41.60% units were located in Mumbai as on 31st March 2001. The shares of Konkan, Pune, Nashik, Aurangabad, Nagpur and Amravati regions were 23.04%, 18.92%, 5.12%, 4.42%, 5.84%, and 1.06% respectively during 2001. Government policy lack of entrepreneurs, raw material, skilled labour, capital, transportation, traditional view, these are the various responsible factors for the uneven distribution of large-scale units in the state.
Out of the total small-scale permanent registered units of Maharashtra State about 42.5 % units were concentrated in Pune division during 2001. The shares of the Mumbai city, Nashik, Nagpur, Aurangabad and Amravati divisions were 10.68%, 11.81 %, 9.56%, 7.27%, 9.83% and 3.79 % respectively during 2001. The government of Maharashtra has continued the policy of promoting industrial growth and dispersal of industries to the under developed areas in the state through creation of necessary infrastructure and providing financial incentives.

14. Large and medium scale units increased by 1.73 times from 1990 to 2001 in Western Maharashtra region. In 2001 Western Maharashtra region had 920 large and medium scale industries in which Pune district had largest numbers of units 271, followed by Nashik (200), Dhule (55), Jalgaon (41), A.nagar (113), Satara (41), Sangli (51), Solapur (74), Kolhapur (94). It means that out of the total large medium scale units nearly 51.19 % units were found in Pune and Nashik district and remaining 48.81 % units were observed in other districts of Western Maharashtra.

There are also uneven distribution small-scale units in the Western Maharashtra region. Out of the total permanently registered units 32.29 % S.S.I. units were concentrated in Pune district. The shares of Nashik (12.5), Dhule (3.21), Jalgaon (5.68), A.nagar (11.41), Satara (3.98), Sangli (7.59), Solapur (8.34), Kolhapur (11.86) respectively. Availability of raw material, capital, interest of entrepreneurs, water facilities, infrastructure facilities, political policy etc. are the factors responsible for the uneven distribution of S.S.I. Units Western Maharashtra region.
15. Nature with its physical characteristics provides a host of possibilities for agriculture and agro-based industries in different areas of Ahmednagar district. The river basin of the Godavari comprises the relatively low-lying areas to the North and South of the Bhima Basin. The river Godavari and its tributaries have formed basin in southern part of Kopargaon, Shrirampur, Rahuri, Shevgaon, Newasa tahsil. River Bhima and its tributaries has formed river basin in Shrigonda and Karjat tahsil while river Sina and its tributaries has formed river basin in A.nagar and Karjat tahsil. These river basins are suitable for the development of agro-based industries.

16. Very few minerals of economic value are found in the Ahmednagar district. Those found are Jaspars, Agata, Carnalian, Chakedary, Beliotraps and rock crystals, both white and amethystine Kankar or Modalar Limestone, basalt utilized for building purpose. But these minerals are not important for the industrial development of the Ahmednagar district.

Godavari, Bhima, Kukadi, Ghod, Sina, Pravara, Mula are the important rivers of A.nagar district. Most of the rivers became dry in summer season as well as some of the rivers became dry in winter season, therefore agriculture of Ahmednagar district is mainly depends on monsoon rainfall. Therefore, it is necessary to increase irrigation facilities in the study region so that region can develop agro-based industries.

17. Industrial crop growth is determined to a considerable extent by the amount of nutrients in the soils. The main factor that has influenced the development of soils in A.nagar district is the undulating and hilly topography. The soils of varying are to be
found through out the district. Deep black soils (more than 36” depth) cover about 10.62% portion of the Ahmednagar district while medium black soils (between 9” to 36” depth) covers 59.72% portion of the Ahmednagar district. This black soils is more suitable for cereals, pulses, oil seeds, sugarcane and cotton crops, hence there is wide scope for agro-based small scale and large scale industries in the study region. There is also vast scope for brick industries in the river valleys.

18. Table 3.4 indicates that out of the total geographical area 8.33% area was under forest during 2000-01 in the study area. It was increased by 2.48% during the period of investigation. It means that there is very little scope for forest-based industries in the study area.

There are nine major eleven medium and minor irrigation schemes in Ahmednagar district. There are 149029 irrigation wells in the Nagar district. Majority of minor irrigations tanks and rivers becomes dry in summer season. Even they are dry in winter season due to erratic nature of monsoon rainfall. Erratic nature of monsoon rainfall affects on the production of industrial crops, therefore agro-based industries suffers from shortage of raw material.

19. According to 2001 census literacy percentage varies from 68.29% to 73.73% in the study region. Literacy and population growth are two factors, which bring about a change in agriculture and industry. Therefore the worth of literacy has to assess by its effectiveness as on instrument of agricultural development on progressive lines. It is necessary to increase literacy percentage in the study area to develop its industrial sector.
found throughout the district. Deep black soils (more than 36” depth) cover about 10.62% portion of the Ahmednagar district while medium black soils (between 9’’ to 36’’ depth) covers 59.72% portion of the Ahmednagar district. This black soils is more suitable for cereals, pulses, oil seeds, sugarcane and cotton crops, hence there is wide scope for agro-based small scale and large scale industries in the study region. There is also vast scope for brick industries in the river valleys.

18. Table 3.4 indicates that out of the total geographical area 8.33% area was under forest during 2000-01 in the study area. It was increased by 2.48% during the period of investigation. It means that there is very little scope for forest-based industries in the study area.

There are nine major eleven medium and minor irrigation schemes in Ahmednagar district. There are 149029 irrigation wells in the Nagar district. Majority of minor irrigations tanks and rivers becomes dry in summer season. Even they are dry in winter season due to erratic nature of monsoon rainfall. Erratic nature of monsoon rainfall affects on the production of industrial crops, therefore agro-based industries suffers from shortage of raw material.

19. According to 2001 census literacy percentage varies from 68.29% to 73.73% in the study region. Literacy and population growth are two factors, which bring about a change in agriculture and industry. Therefore the worth of literacy has to assess by its effectiveness as on instrument of agricultural development on progressive lines. It is necessary to increase literacy percentage in the study area to develop its industrial sector.
Table 3.11 clearly indicates that, nearly 73.94 % population was engaged in agricultural activities in the study region and only 1.38 % population was engaged in manufacturing activities. It is necessary to divert agricultural working population to the industrial for the region’s industrial development in near future.

20. Total cattle population was increased from 77 thousand to 114 thousand from 1980 to 2001 and buffaloes population was increased from 69 thousand to 110 thousand between 1990 and 2001s. It means that there is wide scope for dairy industry in the study region. Out of the total live stock bovines population was about 48.7 % in 2001 in the study region. This figures also indicates that there considerable scope for woolen textiles in the study region. Ahmednagar district has dry climate therefore, there is also wide scope for poultry farms in the study region.

21. Table 3.13 indicates that study region is applying traditional agricultural implements on large scale (wooden plough, iron plough etc) the use of tractor is very less. Total tractors increased from 3731 to 5788 from 1990 to 2001. It means that agriculture of the study region is not developed as compared to Western Maharashtra.

Use of chemical fertilizer, High yielding seeds is also limited in the study region, therefore the yield of industrial crops in less as compared to the Western Maharashtra.

22. Table 3.16 reveals that Shrigonda, Jamkhed, Karjat, Shrirampur, Parner, Sangamner tahsils have 5 to 25 % recovery of loans because most of the farmers are having good agricultural returns. But Kopargaon, Ahmednagar, Rahuri are very poor recovery of
agricultural loans. Credit societies of Newasa & Shrigonda have sanctioned more loans to the farmers. It is essential to provide more loans to the farmers for the improvement of agriculture so that the production of industrial crops will be increased in near future and that production will help to increase the agro-based industries in the study region.

23. Among the infrastructural facilities, the adequate supply of electricity is the most important for the economic progress of any region. Table 3.17 gives the break-up of the consumption of electricity among different items. From the table it is revealed that a bulk of the power is consumed for the agricultural purposes and in all tahsils of the study region.

During 2000-01 out of the total electricity consumption of the study region 46.45 % electricity consumption was recorded in Agricultural sector.

24. Table 3.18 indicates that there is a single National highway passing in the study region. State highway increased from 1778 kilometers to 1797 K.Ms. during the period of investigation. During 1991 the road length per one lakh population was 382 K.Ms, while it was 321.6 K.Ms in 2001. During 2001 there was 2963 K.Ms Black tapped road in the study region. It was not increased 2001. In the case of large number of villages in certain hilly areas, approach roads are altogether lacking. Roads in the study region are also qualitatively poor. Most of the roads are unmetalled and are not fit for all weather traffic. Out of the total length per 1000 sq. K.Ms. of geographical area unsurfaced roads constitutes 42.92 K.Ms. road lengths in the study region. It is essential to increase black tapped roads in the study region by hook or crock. The study region has
nearly 197 K.Ms of railway length 100 Sq. K.Ms of area as against Maharashtra state average of 1.80 K.Ms. Telephone connections were increased from 7302 to 165121 during the period of investigation in the study region.

25. Out of the total geographical area below 5% area was found under forest in Newasa, Shevgaon, Jamkhed, Kopargaon and Rahata tahsils were as above 5% area was observed under forest in Nagar, Rahuri, Pathardi, Karjat, Shrigonda, Parner, Shevgaon 96 (Map4.3 A)

Zero percent change in forest area was noticed in Shrirampur tahsils while below 2% negative change was occurred in Nagar Newasa, Shevgaon Jamkhed, Akole tahsil during the period under study. Below 2% positive change in forest area was recorded in Shrigonda tahsils during the period of investigation. It means that there is very little scope for forest-based industries in study region.

The proportion of area not available for cultivation was below 5% Shrirampur, Jamkhed tahsils where as it was above 5% Nagar, Rahuri, Newasa, Shevgaon, Pathardi, Karjat, Shrigonda, Parner, Akole, Sangamner tahsils during the period 80-81. Below 5% negative change in area not available for cultivation was noticed in Nagar, Shevgaon, Karjat, Shrigonda, Akole, Kopargaon while 0.09 % to 0.39 % positive change was found in other tahsils during the period of investigation.

26. About 0.02 to 2.02 % negative change in area under other uncultivable land was noticed in the study region during the period under study. Below 1 % positive change in other uncultivable land was recorded in A.nagar, Rahuri, Newasa, Shevgaon and
Kopargaon tahsils were as above 1% negative change was found in remaining tahsils from 1980-81 to 2000-01. It is mainly due to the proportion of other uncultivable land, which has gone to either non-agricultural land or agricultural land. Particularly, the permanent pasture and grazing lands brought under cultivation in some tahsils.

The study region has about 5.72% area under fallow land, which is lower than states figure 6.74%. This proportion varies from tahsil to tahsil. It is necessary to bring this land under cultivation so that area under industrial cropping will be increased in near future.

27. There is a significant contract in the regional distribution of net sown area in the study region as shown in Map 4.7 A. It is evident from the table 4.1 that below 70% geographical area was found under net sown area in Nagar, Shrirampur, Newasa, Shevgaon, Pathardi, Jamkhed, Shrigonda, Parner Tahsil in 2000-2001. It means that there is wide scope for agro-based industries in all these tahsils of study region.

28. The area under wheat varies from Tahsil to Tahsil. Some tahsils are recorded negative change in area under wheat Negative change was observed in Nagar, Newasa, Pathardi, Akole and Sangamner tahsils where as positive change observed in Rahuri, Shrirampur, Shrigonda, Kopargaon and Jamkhed tahsils during 2000-2001. It means that all tahsils are not having the favorable background for cultivation of wheat. This shows that positive change of tahsils has better scope for bakery products.
29. Jawar was dominant crop during 1980-81 in most of the study region. But district as a whole area under this crop was decreased during 2000-2001.

About 1.62% negative change was found in study region below 3% negative change in Jawar area was noticed in Kopargaon, Shrirampur, Newasa, Shrigonda and Jamkhed tahsils. During the period of investigation. Above 3% positive change in Jawar area was found Pathardi, Karjat and Parner tahsils between 1980-81 and 2000-2001.

30. About 1% to 2.5% gross cropped area was observed under Gram in Jamkhed, Sangamner, Karjat, Shrigonda, Parner, Akole, Rahuri and Nagar tahsil during 2000-2001. Negative change in Gram was found in Jamkhed, Parner, Akole, Sangamner and Kopargaon tahsils from 1990-91 to 2000-2001.

31. Below 10% gross cropped area was found under Bajara in the most of the tahsils. Except Jamkhed 14.78% tahsils. District as a whole positive change in area under Bajara was noticed.

32. Area under oil seeds decreased during the period of investigation about 6.44% negative change was found during 1990-91 to 2000-2001 in the study region. This crop in all tahsils shows negative change during the time of investigation. So oil Ghani units are decreased considerably in the district. Hence, it is necessity to increase area under oil seeds to promote the oil units in the study region.

33. Area under cotton has decreased during this period of investigation. Only Shrirampur, Rahuri and Sangamner tahsils are
cotton was grown other tahsils are noticed very small area under this crop.

So there is need to increased area under such industrial crop in the study region to promote the spinning and weaving industries.

34. Sugarcane is a major industrial crop in the district. It is a vital raw material for sugar factories in the study region. Area under sugarcane increases from 66972 hector to 81391 hector during 1990 to 2001. Very few tahsils like Jamkhed, Shevgaon, Nagar noticed negative change in area under sugarcane.

35. Table No. 4.7 indicate that out of the selected crops only Rice and Jawar was decreased by 2.33 % and 0.41 % respectively but other crops shows annual percentages increases i.e. Wheat 82.92 %, Bajara 3.26 %, Gram 10.37%, Mug 11.36 %, Sugarcane 2.84 %, Cotton 5.19% and Groundnut 1.85 % during the period of investigation.

Table No. 4.8 indicate that the production of Rice and Wheat have constantly decreased during the entire period of investigation Groundnut shows ups and downs in their production, Cotton has shown 5 times increase and Sugarcane has shown tremendous increase in its production from 1990-91 to 2000-01.

Index number of production of selected crops have shown ups and down during the period under study. Table no.4.9 indicate that the production of Wheat, Bajara, Gram, Groundnut, Sugarcane and Cotton has increased to greater extent of during the period of investigation. The highest positive change in Sugarcane production by 10 times from 1980-81 to 2000-01. All tahsils have shown
considerable increase in industrial crops during the period of investigation.

Table no. 4.10 indicate that the yield of selected industrial crops like Rice, Wheat, Jawar, Bajara, Gram, Groundnut, Cotton, Sugarcane have shown ups and down during the period of investigation. The index number of Sugarcane, Wheat, Groundnut shown tremendous progress during the period of investigation. Table 4.10 also indicate that indices of Wheat, Jawar, Gram, Groundnut, Sugarcane were increased by 149 %, 42%, 191.92%, 131.74%, 270.1%, 876.55% respectively during the period of investigation.

Tahsilwise yield of selected crops have increased to a greater extent in all tahsils between 1980-81 and 2000-01 except gram yield is very low in entire study region.

36. Total number of large and medium scale industries in the study region increased by 1.88 times from 1980-81 to 2000-01 required daily employment were increased by 3.26 times during the period under study.

Table 5.2 reveals that out of the total large and medium scale industries nearly 50 % industries were located in Ahmednagar Tahsils during 2000-01. About 26.5% units were concentrated in Kopargaon, Rahuri and Newasa tahsils. While 23.5 % units were found in remaining tahsil in 2000-01. There was not a single large-scale unit in Jamkhed and Karjat tahsils in 2000-01.

In 2000-01 about 22 % labour force 54 % investment was found in Ahmednagar district in 2000-01.
37. Table No. 5.3 indicates that sugarcane crushing of P. Dr. V.V. Patil S.S.R Ltd Pravaranagar increased by 1.14 times from 1980-81 to 2000-01. During the period of twenty-one years. Sugarcane crushing has shown eleven years negative change. The highest change (6 lakh 39 thousand M.T.) in sugarcane crushing of Pravaranagar S.S.K. was observed in 1996-97 where as the lowest negative change (16801 M.T.) was found in 1984-85. The positive change in sugarcane crushing was observed in nine years from 1980-81 to 2000-01.

Sugar production of Dr. V.V.P. S.S.K. Pravaranagar was increased by 1.30 times from 1980-81 to 2000-01. Sugar recovery percentage of Pravara S.S.K. was below 10 % in 1988-89] 89-90, 90-91 and 1993-94 to 1997-98.

38. Table No. 5.4 indicates that sugarcane crushing of Tanpure S.S.K. Rahuri was increased 1.16 times from 1980-81 to 2000-01.

During the period of twenty-one years. Sugarcane crushing has shown ten years negative change. The highest change (4 Lakh 75 Thousand M.T.) in sugarcane crushing of Tanpure S.S.K.Rahuri was observed in 1996-97. Where as the lowest negative change (4131 M.T.) 1983-84. The positive change on sugarcane crushing was observed in nine year from 1980-2001. Sugar production of Tanpure S.S.K. Rahuri was increased by 1.23 times from 1980-81 to 2000-01. Sugar recovery percentage of Rahuri S.S.K. was below 10 % in 1981-1984, 1987, 1991, 1997-1999.

39. Sugar factories of Ahmednagar district are facing problems of low wage, some factories have shortage of sugarcane, some factories have more sugarcane but poor recovery percentage and erratic
trend in sugar production etc. To solve these problems it is necessary to planning of the plantation of sugar cane on the hand to pay suitable rate of per metric tonnes sugarcane to the farmers. The farmers should be given knowledge of advanced high yielding varieties such as ko 86032, ko8014, k 91010, ku 6671.

40. The number of permanent small-scale units was increased from 8.74 lakh to 33.70 lakh between 1980-81 and 2000-01. It means that permanent S.S.I. Units were increased by 3.85 time during the period of twenty years. The total number of permanent required small-scale units increased by 2.51 times 1980-81 to 1990-91 and 3.85 times between 1980-81 to 2000-01. Investment figures of permanent S.S.I. unit also show constant increased during the period of investigation. It was increased by 23 times from 1980-81 to 2000-01. The labour force was also increased by 2.61 times during the period under study in India.

41. Table 6.1 indicates that provisional of S.S.I. units were increased constantly in the study region. Provisional S.S.I. units were increased by 6.92 times were as the investment of provisional S.S.I. units was increased by 92.94 times on the paper during the period under study. Most of the entrepreneurs are taking advantages of various Government schemes for the registration of provisional S.S.I. units. These people are playing mischievous role in the society. They are cheating to the various financial agencies. But this type of practice will not remove the poverty of the study region. It will not also help to the industrial development of the study region.

42. Out of the total food products S.S.I. units nearly 77.84 % good products units were located in Parner, Shrigonda and Karjat tahsils
and remaining were located in other 11 tahsils in Ahmednagar district in 2000-01.

43. There is not wide scope for forest based S.S.I. units in the study region. Investment of forest based S.S.I. units increased from Rs. 43.29 lakh to 95.29 lakh between 1980-81 and 2000-01. Labour force, investment, Production cost and profit of forest based S.S.I. units shows variation from tahsil to tahsil.

44. Leather units were increased by 9.80 times from 1980-81 to 2000-01 in the study region. It has wide scope in the study region. Building material S.S.I. units increased from 54 units to 222 units in the study region. Day by day population is increasing in the study region hence, demand for building materials are increasing to a greater extent at tahsil head quarter in Ahmednagar district. Chemicals S.S.I. units increased by 2.8 times during the period of investigation.

   Engineering, electrical, plastic and miscellaneous S.S.I. units have also shown tremendous increase during the period of investigation in the study region.

45. Most of the S.S.I. units are facing various problems like working capital, shortage of raw material, lack of training facilities etc. Nearly 30 % units are sick due to shortage of working capital, raw material, irregular supply of electricity, lack of training facilities. It is necessary to conduct proper survey of industrial area of Ahmednagar district.

46. The Khadi and village industries commission set up in April 1957 is responsible for the development of these industries. It provides financial and other assistance to registered institution and co-
operative societies, state Khadi and Village Industries Boards and 23 other village industries, which come within its purview. During the first and second plans of Rs. 42 crores and Rs. 187 crores were allowed to village and small-scale industries in India.

Government of India recognise the need of enhance the spread of rural and cottage industries towards a stepping up non farm employment opportunities. Government of India has given full support to village and cottage industries through five-year plan.

47. The state Government constituted the Board in accordance with the Mumbai Khadi and village Industries Act 1960. As per this Act main functions of the Board are to organise, development and regulate the Khadi and village industries in the state.

There was uneven distribution of village and cottage industries in Ahmednagar district in 1990-91 at present 1597 village and cottage units are unevenly distributed in Ahmednagar district. Table 7.2 reveals that total number of Khadi and village industries increased from 1053 to 1597 during the period of 10 years in Ahmednagar district. It means that Khadi and village units are increased by only 0.15 times from 1990-91 to 2000-01.

Out of the total village and cottage units about 23.67 % units were carpentry and blacksmithy during 2000-01 in the study region. The share of leather, cane and bamboos, pottery, other industries, oil Ghanis processing and cereals and pulses were 14.97 %, 3.26 %, 1.08 %, 6.22%, 0.31 % and 0.44 % respectively during 2000-01.

48. Processing of cereals and pulses units increased from 120 units to 195 units in the study region between 1990-91 to 2000-01. Out of
the total investment of processing units 10.25 % investment was found in Ahmednagar tahsil in 2001. Positive change in the investment of processing units was found in Ahmednagar district between 1990-91 and 2000-01.

Sale value of processing of cereal increased from Rs. 12.94 lakh to Rs. 47.82 lakhs from 1990-91 to 2000-01. Table 7.5 reveals that profit of processing of cereals and pulses units increased from Rs. 3.18 lakhs to 10.25 lakhs between 1990-91 and 2000-01. Out of the total profit of the processing of cereals and pulses units the share of the Ahmednagar district was about 77.47 % in 2000-01.

49. Oil Ghani’s decreased from 78 units to 32 units in the study region out of the total oil Ghanis 62.5 % units were found in Nagar, Shevgaon, Parner and Sangamner tahsils in 2000-01. Very light change was occurred in investment of oil Ghanies from 1990-91 to 2000-01.

Profit of oil Ghanis decreased from Rs. 111.1 lakh to Rs. 49.83 lakhs between 1990-91 and 2000-01 because shortage of working capital raw material, fluctuation in light, proper market price, lack of proper transport facilities these are the main obstacles for decreasing of profit.

50. There were 208 leather units in Ahmednagar district in 1990-91. Leather units increased by 1.13 times during the period of ten years. Out of the total leather units nearly 38.14% unit were concentrated in Nagar, Newasa, Rahuri and Parner tahsils and remaining 61.86 % units were found in other tahsils in 1990-91. In 2000-01 investment of leather units increased by 3 times between 1990-91 and 2000-01.
51. Carpentry and blacksmithy village and cottage industries increased in every tahsil. Positive change in carpentry and blacksmithy units between 1990-91 and 2000-01. Table no. 6.7 indicates that Rs. 38.56 increased sale value of carpentry and blacksmith units to 69.85 lacks during the period of investigation.

52. Cane and Bamboo units were increased from 42 units to 57 units from 1990-91 to 2000-01. Investment of cane and bamboo increased by 1.43 times between 1990-91 and 2000-01. Workers of cane and bamboo units increased in every tahsil but their percentage in district total percentage decreased by 85 % to 65 % unit in Ahmednagar district from 1990-91 to 2000-01.

About 10 % cane and bamboo units were selected for the case study. The highest investment in selected units was found in Akole (36.72) where as the lowest investment was noticed in Shevgaon (7.33 %) tahsil in 2000-01. Production cost of selected cane and bamboo units varies from tahsil to tahsil. Out of the total production cost nearly 63 % production cost was found in Akole, Nagar, Pathardi and Shrirampur tahsils where as 37 % production cost was observed in other tahsils in 2000-01. The average profit of the cane and bamboo selected units was Rs. 76.47 in 2000-01. It means that all the units are suffering from various problems they are sick units.

53. Table 7.8 reveals that pottery units increased by 1.68 times during the period of ten years. Out of the total pottery units nearly 50 % units were found in Nagar, Newasa, Shevgaon and Jamkhed tahsils in 2000-01. The share of Newasa, Nagar, Shevgaon and Jamkhed were 10.86 %, 9.05 %, 10.5 % and 9.55% respectively in 2000-01.
Table 7.8 indicates that 40 pottery units were selected for the case study about Rs. 11.87 lakh amount was invested in selected pottery units in 2000-01. Out of the total investment about 20.62 % amount was invested in selected units Nagar, Parner, Sangamner tahsil and 8.5 % amount was increased in other tahsil selected units in 2000-01. Production cost of pottery units varies from tahsil to tahsil availability of working capital, cost of raw material; water facilities etc. are the responsible factors in the variation of production cost. Nearly 75 % entrepreneurs told that the facing various problems like raw material, working capital, marketing, low prices etc.

54. Other village and cottage units were increased from 276 to 518 units between 1990-91 and 2000-01. Investment amount of other village and cottage units decreased in all tahsil of Ahmednagar district from 1990-91 to 2000-01.

8.3 Problems and Suggestions:

1. Problems of Proper Industrial Survey:

In the absence of a comprehensive survey of large, medium scale, small-scale industries and Khadi and village industries on a tahsilwise basis it is difficult to say with any degree of certainly why these industries are not flourishing quickly. But during fieldwork tour in the district author noted sum of the difficulties confronting industrial growth in Ahmednagar district they were as follows:

a. Lack of working capital and ability to build necessary stock of finished goods.

b. Lack of facilities of securing adequate and regular supplies of raw material.
c. Inability of entrepreneurs to adopt themselves to changes of time due to partly to their conservation and want of financial and other resources.

d. Total absence of business like methods in the maintenance of accounts, publicity and advertisements.

e. Absence of co-operative effort in each industry and unwillingness to organise themselves into voluntary organisation groups of guides for their mutual benefits.

f. Absence of marketing facilities.

g. Lack of training facilities.

• To solve these difficulties the following remedies or measures should be adopted.

a) Various banks should provide lot of working capital to the entrepreneurs at low rate of interest.

b) It is necessary to establish raw material depot at every tahsil by the Government.

c) It is necessary to organise proper survey before starting the unit in any area.

d) It is essential to appoint functional experts to specific industries.

e) Co-operative movement should be started in the study region on large scale.

f) Government should give training at least during each year 60 candidates for a period of six months, payment of scholarships with a view to absorb them gradually as instructors for various centres.

g) It is necessary to prepare type designs in respect of each industries, furnishing details of facilities required to start it and those that exist in different areas, the manufacturing processes involved raw
material resources of the state, marketing facilities and financial applications and to publish pamphlets or bulletins.

h) Government should have fixed marketing prices of finished products. That price should be sufficient to the entrepreneurs.

2. **Transports and Communication:**

   It is accepted belief that the well being of a region depends on the transport and communication. It is also a fact that a well-developed region with a prospective future provided a strong incentive to the growth of upto-date transport facilities. Broadly speaking growth of transport and well being of a region are interdependent.

   The transportation with the markets and raw material sources contains considerable advantages and disadvantages. The main reason for emphasising the role of transport in industrial development is that all the industrial units of the modern age have vast potentialities of production and to feed there manufacturing operations. They have also to distribute the huge quantities of finished goods to district centers of consumption. So in both these fields transport plays a vital role. Therefore, transport is one of the factors, which always plays a dominant role in the determination of the site of industrial location.

   Ahmednagar district is good served by road and rails. The total length in Ahmednagar district was 13149 K.Ms in 2001. Out of the total roads only 13.66 roads are tar roads. The road length per 100 Sq. K.M. was 76.83 kilometers in 2001. It was 73 K.M. per 100 Sq. KM in Maharashtra State. Tar roads link the tahsil headquarters in the region. Roads in the study region are qualitatively good. Most of the roads are unmetalled and not fit for all weather traffic. Out of the total village only 55% the roads permanently connect villages and 45 % villages have no permanent roads. In A.nagar their 1579 villages of which 25 %
villages are located on the main roads. In all about 33.41% of the
villages had pacca approach road (non seasonal) and 40 % had Kaccha
(seasonal) road and the rest did not have a proper approach road as per
2001 census. Most of the roads in the region either tahsil roads or
village roads are altogether lacking. Pacca approach roads do not yet
connect many of market places. Among the different man made assets
A.nagar district is good served by railway as compared to other regions
of Maharashtra. There is only one rail route in the study region that is
Manmad Daund. The total railway length is 197 K.M. The railway
length per 100 Sq K.M. is only 1.15 K.M.

The railway has failed to provide the essential transport links with
the region so as to integrate the regional economy. Again, because of
the delay a loses involved in trans-shipment, the movement of
commodities by railway remains cumbersome. Even today, one of the
important causes of the under-utilization of the existing industrial
capacity in the region is reported to be the problem of bringing in the
raw material or essential components involving transportation by
railway. On account of the inadequacy of road transport and lack of
railway transport the study region remained backward in industrial
development as compared with the districts of Western Maharashtra.

There was developed communication system in the study under
the Nizam rule. Even present position is also satisfactory. There were
634 post offices in A.nagar district during 2000-01. Telephone number
per lakh population was 4039 in 2000-01. It is clear from above
discussion that communication facilities are most developed in the
region.

- In all respect the study region is developing and there is great need
  for making available those services are increasing development of
industries in the region. Government should have increased the road facilities in the study region. It is necessary to provide transport and communication facilities on large scale to the all tahsils of A.nagar district.

3] **Less Technical Development and Lack of Skilled Labour:**

Industrial development of any region is also dependent upon the technical development of any region and skilled labour. A.nagar district has been increasing in education for a number of decades. Till 1951, the proportion literate was satisfied among males and females. Although there has been rapid expansion in educational facilities in the region after 1951, the facilities for technical and professional education are still quite limited. At present there are 32 Technical and Industrial Training centers Polytechnic College. Apart from the 48 Sr. colleges, 3092 primary school, 539 secondary school, 134 Jr. College total 3813 educational institution in the A.nagar district. Limited extent of the formal technical educational facilities, the scope for on the job training or apprenticeship is almost due to lack of development of large industry in the region.

Due to the lack of proper training facilities there is acute shortage of local skilled workers to handle not only the sophisticated units but also units of general nature. Therefore, the local units have to depend to a great extent on out side resources particularly workers, which are working in chemical, engineering, steel re-rolling etc. units. They are not local. Most of the workers are coming from out side regions.

- To solve this problem technical and industrial training institute should be increased in the study region. Industrial training facilities should be started at every tahsil place. Govt. of Maharashtra should have given training to the workers for Three months or Six months
without charging any amount. These training programmes should be organised under the guidance of District Industrial Centre Ahmednagar.

4] **The Problem of Finance :-**

Financial weakness of most of the industrial concerns is the major drawback, which retards the growth of industrialisation in the study region. Most of the entrepreneurs (50%) told that they are facing financial problem. Lack of finance is responsible for the most of the problems from which the entrepreneurs all over the study region suffer. It is due to this factor that they cannot undertake any new experiment, cannot hold their products in order to take advantage of a better market and what is of most serious consequences to the industry as a whole, they have to solicit the assistance of the Mahajans or middleman and get entangled in the grip.

- To solve this problem Government of Maharashtra should have given sufficient loans to the entrepreneurs through different banks and agencies so that entrepreneurs will get sufficient loans to run their unit properly.

5] **Dearth of Entrepreneurs: -**

The dearth of entrepreneurial talent is an inhibition factor to accelerate the process of industrialisation in the region. In all discussion on industrial development in this region inadequate supply of entrepreneurship is pointed out as a major factor hindering the development of industries. However, during recent years a number of organisations held a number of comprehensive programmes for developing entrepreneurship in the region.
Ahmednagar district has no tradition of entrepreneurship as for example Gujrat, Mumbai, Thane, and Pune Zone. The region being that for a long time a study region had been under the princely rule of Nizam (From 1924 to 1948) which was hardly interested in promoting industries in the Ahmednagar district. Another reason for lack of entrepreneurs in the Ahmednagar district is economic condition of the people, disinterestness of rich people and less credit facilities.

- To solve this problem Government should have given free technical education to youngster so that they can ahead to start their own industry. It is also necessary to give more subsidy (about 30 %) on industrial loans so that persons from various communities can be motivated to start the various types of industries.

6] **Lack of Co-ordinations:**

Entrepreneur of this region come across a number of problems in the initial stages because of lack of co-ordination among various Government agencies/Departments/Financial organisations etc. The author came across a recent incident in the Newasa tahsil where an entrepreneurs Soyabin mill unit after installing all machines had to wait Two and half year for power connection and another one year for sanction of working capital from a nationalised banks. So that was not started.

Therefore, it is essential to avoid this type of delay Government of Maharashtra should have take initiative to solve this type of problems of entrepreneurs. Co-operative movement should become strong in the study area. Rich and educated people should have start co-operative movement in every corner of the study region.
7] **Resource Constraint:**

All the manufacturing industries perform some operations or a series of operations on raw materials. All establishments are, therefore concerned although in widely varying degrees, with their location relative to their materials and to the cost of procuring them.

Ahmednagar district is devoid of forest and mineral resources. Important minerals are not found in this region i.e. coal, iron, ore, limestone etc. Therefore there is no scope for mineral based industries in this region.

Study region has an area of 1890 sq.km. under forest which makes 12% of the total geographical area of the region. Forest of Ahmednagar district are not economically valuable. There is not a scope for forest-based industries in the region. As far as water resources are concerned they are sufficient for the all round development of industries in the region. M.I.D.C. has its own water supply schemes to provide the water to the M.I.D.C.’s area.

Ahmednagar district has good agricultural potential. There is wide scope for agro-based industries in the study region; such as oil mills, dal mills, ginning and pressing etc. But agriculture is largely depending on monsoon rainfall. Due to uncertainty of monsoon rainfall production of industrial crops is affected to a large extent.

The study region is also rich in livestock (Chapter-III). However, the scientific management of cattle and dairy are almost absent in the study region. Most of the engineering chemical, electrical and re-rolling industries import raw materials from Mumbai, Pune and other parts of India. If we observe resource conditions in the study region except agricultural resources, we can come to the conclusion that resources are causing constraint for the industrial development of the region.
• To solve above water problem it is necessary to increase water resources by increasing minor schemes, such as Kolhapur type Bandhare in the study region. It is also necessary to raise the percentage of irrigated area to increase the agricultural productivity of industrial crops.

8] **Lack of Planned Working System:**

After the establishment of District Industrial Centre at Ahmednagar a new generation of entrepreneur has been entering in the small-scale industries. These new entrepreneurs are quite new in this sector was found during the survey that they had neither industrial education nor practical experience. Large, medium, small-scale units requires all type of skills which every industry does, technical knowledge, business tact’s, management skills etc. From all these aspects it can be said that entrepreneurial skill is very low in the existing entrepreneurs of selected units. Because of this there is a lack of planned working system and this is one of the main reason for the failure of industrial development.

Effective financial management has to provide the analysis of past performance and feature planning and control of current activity. Control is achieved by implementing decisions in accordance with agreed plans. Accordingly financial planning is of crucial importance in industrial development. For the implementation of effective financial management system in large, medium and small-scale industry the entrepreneurs is not in a position to maintain professional financial managers. Then the alternative is to train the entrepreneurs in the field concerned through training programme.

• The Government should undertake training programme by providing the required facilities to entrepreneurs. The training must
be simple enough so as to enable the laymen to understand what is what? If it could not reach the entrepreneur, in a right direction there can be no use with the training. The expert may try to give simple example from the practical point of view and also explain how to solve the problems even when they occur.

9] **Problem of Monopoly: -**

The owners of selected large and medium scale and small-scale units have individualistic and traditional attitudes to solve the management problems at all levels. In most of the cases, it is one man show. Since the number of workers very less the relations are direct and at personal levels. The owner, centrally takes the decisions, by institution and experience.

The employees do not take decisions. They rely on the owners for every action in all units.

- To solve this problem it is necessary to involve to the worker in policy matter decision at least some opinion from the workers should be taken regarding the policy decision and problems of the unit.

10] **Problems of Sugar Industry: -**

Eighteen sugar factories are functioning on the Ahmednagar district factories are in functioning.

The following are the problems of the Sugar industries in Ahmednagar district.

i) **Problems of low wage:** Nearly 50 % workers told that their job is seasonal and they are getting very low wage in which they can't fulfill their all needs. Some workers are getting only Rs. 2000 per month salary. During the period of rainy-season or off-season they have to search another job. Therefore, it is necessary to give full salary to the
worker in the period of crushing season and half salary in off-season period.

**ii) Poor recovery percentage:** Some sugar factories are having low percentage recovery of sugarcane in Ahmednagar district. It is below 10%, hence sugar factories are unable to pay more amount per metric tonne’s to the farmers. Most of the farmers send their sugarcane within ten months to the sugar factories, therefore recovery percentage is low.

To solve this problem it is necessary to increase irrigation facilities so that farmer can keep their sugarcane upto the full growth in their farm.

**iii) Shortage of sugarcane:** There are very few irrigation facilities in sugarcane belt area. Mula project provide water for Rahuri, Newasa, Shevgaon and Pathardi tahsil. Bhandardara projects provide water for Akole, Sangamner and Shrirampur tahsils and Jaikwadi project back water provides water for Shevgaon and Newasa tahsil. But irrigation completely depends on availability of water in the Mula, Bhandara, Kukadi and Jayakwadi projects. Some time there is shortage of storage water in the dam in that year water is not provided to the agriculture. Therefore area under sugarcane goes on decreasing in that year. So sugar factory did not get sufficient supply of sugarcane during that year.

- To solve this problem it is necessary to increase irrigational facilities in the study region. Farmers should be given sufficient or suitable amount per metric tonnes.

**iv) Erratic Trend in Sugar Productions:** The earatic trend in the production of sugar is attributed to the fact that it is an agro-based industry and its output fluctuates with irregular of monsoons. Secondly, the output of cane is influenced to a great extent by the prices of sugarcane-industry’s main raw material - which is turn depends upon
the process of competitive food crops on the one hand and the cane prices fixed by the Government on the other hand. The output of sugar is also greatly influenced by the relationship between cane prices and gur prices. From the production side sugarcane can be used for the manufacture of sugar or gur. From the consumption side, the substitution of sugar in place of gur arises when the prices fall in relation to gur prices.

- To solve this problem it is necessary increase area under sugarcane on one hand and to pay suitable rate of per metric tonnes to the farmers.

11] **Problem of capacity utilization** :- Most of the large, medium and small-scale units are facing the problem of under utilization. The following are the causes of under utilization.

i) Shortage of raw material in rainy season.

ii) Problem of working capital.

iii) Irregular supply of light.

iv) Old machinery.

v) Lack of trained and skilled labour.

vi) Mismanagement.

- To solve the problem of capacity utilization the following measure should be implemented.

i Small-scale units should be provided sufficient raw material throughout the year. It is necessary to start raw material depot at tahsil level by the Govt. of Maharashtra.

ii M.S.E.B. should supply regular supply to the industrial area so that S.S.I. and large-scale units can be run through out the year.
iii Government should give sufficient loans to the entrepreneurs through various banks or financial institutes for the smooth working of the units.

iv Machinery should be cleaned and repaired every after Three months so that full capacity can be utilized.

v Workers should be given chance of training by the entrepreneurs.

vi Management should be strict and prompt in its administration.

12] **Seasonal Service Problem:** Nearly 80% labours of agro-based industries are facing this type of problem. Most of the labours are working for the period of six months or eight months in their industries. These workers also receiving less salary, which is not sufficient to feed their family members. Due to the seasonal nature of job many workers are facing various family problems.

- To solve this problem the workers should have given half salary during the off-season period. The rate of their salaries should be increased so that they can maintain their standard of living very well.

13] **Problem of uneven distribution of industries:** There is uneven distribution of small-scale industries in the study region. Most of the units are concentrated in Amhednagar, Shrirampur, Kopargaon and Rahuri cities. Other towns and cities are backward in the study region.

For the proper and balanced industrial development of each tahsil some justified and fruitful suggestions are put forward.

a. There is need to generate almost equal industrial employment opportunity in each tahsil through local resources and demand because each and every tahsil cannot have sufficiency of all resources.
b. The new industrial establishment of those tahsilks, which have less rural employment, must be transferred to the rural areas. This will widen the employment opportunity and help in eradicating rural poverty. Today all planners and educationalists are concentrated on this problem to search some means for diverting the urban crowd towards rural areas. The author feels that this very means will solve the above problem upto considerable level.

c. To check the exploitation of one tahsil for the development of another, it is necessary to consider area and population as criteria in new industrial programmers or have integrated programmes to help both.

d. The state should launch an active programme of organising artisans or labours to form themselves into association for their mutual benefit. There should be recognised associations for each industry.

e. The scheme of industrial loans should be liberalised with a view to further reduce the rate of interest and increase the number of installment for repayments. In deserving cases the requiring offer of adequate security for loan should be relaxed.

14] **Problems of Khadi and Village Industries: Nearly** 68 % Khadi and village industrial entrepreneurs told the following problems to the author at the time of fieldwork.

i) Problem of working capital

ii) Problem of debt of loans.

iii) Lack of training facilities.

iv) Lack of proper management.

v) Shortage of water.

vi) Shortage of area.
vii) Lack of co-ordination.

viii) Social problems.

ix) Shortage of raw material.

x) Less market price.

- To solve the above problems the following remedies should be implemented.

i Rural banks, Bank of Maharashtra and other banks should have provided required loans to the entrepreneurs at the lowest rate of interest.

ii Most of the businessmen or entrepreneurs take the loans from the rural moneylenders. They born in debt and dies in debt. Therefore, this practice should stop by the Govt.

iii The Government should give Khadi and village industrialist proper training.

iv Management should be improved.

v Government of Maharashtra should have provided water to the every village so that water problem will be minimized.

vi Grampanchayat should have given required area to the businessmen.

vii There is need to develop co-ordination between the Khadi and village units owner.

viii Government should arrange raw material depot at tahsil place.

ix It is the duty of Govt. to fix the price of every finished goods so that entrepreneurs will be benefited.

15) **Problem of Industrial Sickness**: - About 50 % selected large and medium scale as well as small-scale units were found sick during the period of field work.
a. Due to liberal policies of the state some units obtain easy approvals. They required the process of screening of project proposals by hook or crook.

b. Lack of demand, non-availability of raw material and under utilization of capacity leads to the sickness of the industry.

c. Continuous irregularity in cash credit accounts and poor repayment of banks loans.

d. Profit fluctuations, downward trend in sales and stagnation or fall in profits followed by contraction in the share of the market.

e. Failure to pay statutory liabilities.

f. Decrease in working capital

g. Lack of management talent and disregard of basic principals of business management is another major factor that contributes to sickness.

- To solve the above mentioned problems the following remedies should be adopted.

i. The Government should be given industrial permission to the proper entrepreneurs. Govt. should have avoided liberal policy. The process of screening of project should be done strictly.

ii. Entrepreneurs should try to avoid the cash credit. He should have also pay the banking loan instalments regularly.

iii. Govt. should have fixed the prices of finished products. Then entrepreneurs will get sufficient price to their goods.

iv. The small entrepreneurs may be given training in the industries they propose to start by the District Industrial centre at the district head quarter and rural growth centres. The central and state government in equal proportions may give the entire
expenditure of the training. The training period may be limited to six months.

v The financial agencies may convert the over dues of sick units into medium or long term loans and fix a schedule of repayments. They may again provide working.

vi The rural growth centers in the villages and District Industrial Centre in the district should provide consultancy services, arrange financial assistance from the banking institutions and other financial agencies, start raw material banks and supply raw material to the entrepreneurs at low cost.

vii The rural growth centres may assume responsibility of purchasing the goods produced by the small industrialists in the village and arrange to dispose them of through a district level or state level marketing corporation.

viii Speedy action should be taken to grant selective relief excise duties to industries facing demand recession and other difficulties, which render their operations unprofitable. Such reliefs will enable them to market their products at more competitive prices bringing them within the reach of a much larger number of potential consumers.

16] **Problem of Marketing:** - One of the most important problems faced the Khadi and village industries and small-scale industrial units are the marketing of their products. There are fifteen regulated marketing centres at Ahmednagar district. In addition there are 23 sub-marketing centres in Ahmednagar district. Nearly 65 % Khadi and Village industries and 60 % small industries are facing proper marketing problem. The marketing network is totally unorganised for
which the units have to incur additional expenditure moreover the existing marketing practices are mostly promotive and unscientific.

The small-scale sector has been experiencing handicaps myriad in nature some of them are as follows: -

a. In Ahmednagar marketing has always been a major problem for the small industrial industries.

b. Small units suffer from lack of up-to-date market information and ability to make frequent visits abroad to contact potential customers.

c. In most of small-scale industries ownership and management are not divorced.

d. Economics of scale in marketing and distribution (i.e. use of national media in advertising for product promotion) can not be achieved because of the relatively size of market share (some small industry products may not, of course, need such national market)

e. The Government and public sector enterprises are also not encouraging the local units on grounds of quality reliability price etc.

- To solve the above mentioned problems the following remedies should be adopted.

i. Selection of specific product groups where our small scale sector is in a dominant position providing a large export- potential is necessary.

ii. A real requirement is to get market survey carried and identify areas of market centers.
iii All infrastructure facilities should be improved in marketing places.

iv Small-scale industries should be assisted by modernization of their input needs and marketing supports.

v There must be devised strategy to be framed out through joint efforts of the association of small-scale industries and Government agencies.

vi Government should have fixed the prices of industrial products.

vii The Government must accord the preferential treatment to the small sector in practice by making a definite commitment in respect of real growth of small but potential and resourceful sector.