CHAPTER - 5

M.I.D.C. AND ITS ADMINISTRATION
CHAPTER 5
M.I.D.C. AND ITS ADMINISTRATION

5.1 INTRODUCTION
5.1.1 Need for Infrastructural Facilities to Industries
5.1.2 Creation of Board of Industrial Development

5.2 PROFILE OF M.I.D.C.
5.2.1 Birth of M.I.D.C.
5.2.2 Objectives of M.I.D.C.
5.2.3 Main Features of M.I.D.C.
5.2.4 Land Acquisition Procedure of M.I.D.C.

5.3 M.I.D.C. ADMINISTRATION
5.3.1 Constitution of M.I.D.C.
5.3.2 Office of the Chief Executive Officer
5.3.3 Regional Offices of M.I.D.C.
5.3.4 Circle Offices of M.I.D.C.
5.3.5 Divisional Offices of M.I.D.C.

5.4 ASPECTS OF MANAGEMENT IN M.I.D.C.
5.4.1 Span of Control in M.I.D.C.
5.4.2 Policy Decisions of M.I.D.C.
5.4.3 Authority in M.I.D.C. Administration
5.4.4 Powers in M.I.D.C. Administration

5.5 M.I.D.C. ADMINISTRATION AND ASSISTANCE TO ENTREPRENEURS
5.1 INTRODUCTION

In this chapter, an emphasis is laid on the birth and historical development of M.I.D.C. along with its administration and management. Some important managerial aspects like span of control, authority, responsibility etc. in M.I.D.C. administration have been discussed to understand the management performance.

The very essence of M.I.D.C. is to encourage, promote and protect through creating and maintaining a sound infrastructure for starting the industrial activities for actual and potential entrepreneurs in the State. So far, M.I.D.C. has spread its activities to every district in the State by developing industrial areas. It has proposed to reach every Taluka in the near future by way of developing large and mini industrial areas.

5.1.1 Need for Infrastructural Facilities to Industries

Infrastructure is the basic need of an industry. Unless proper infrastructure is created and provided, the industrialization of any region is not possible and without industrialization the economic growth of the region is difficult.

In certain parts of the State, natural resources are abundant, but the required infrastructure for
industries is not available. These infrastructural facilities include developed plots with accessible roads, transport, communication, regular supply of water, electricity etc. In addition to the above, modern industries require built up sheds, effluent disposal, Post office, telephone exchange, Telex, Police Station, canteens, banks, fire station and so on.

In underdeveloped or backward areas of the State, the above facilities are not available and industrial entrepreneurs are not attracted to those areas. Ultimately it creates regional imbalance in the State. Therefore, infrastructural facilities are essential for the industrial development. All these basic facilities are being provided by M.I.D.C. to the entrepreneurs in developing, backward and rural areas of the State. This has encouraged the entrepreneurs to set up their units in the backward areas.

5.1.2 Creation of Board of Industrial Development

During the post-Independence period some steps were taken for economic development by the then State Government. The Political and Service Department of Mumbai State Government appointed a Study Group by its Resolution No. MIS/1157/76643-B, dated 14 March 1958 to consider certain problems in metropolitan

and suburban areas of Mumbai city. In this connection some specific measures were recommended by the Study Group. In the meeting of this Study Group held on 21 May 1958, five Panels were appointed to study the problems of industries and recommend specific measures to solve these problems.

One of these Panels was 'Industrial Location Panel' addressed to assess the extent of growth of the existing industrial units and location of new industrial units in the city over the last many years. The Panel was also to consider the problems with reference to the location of new industries and growth of the existing industrial units in the future having regard to availability of land, water, power, communication facilities etc.. The Panel also considered assessment of possibilities of decentralization of industries in the countryside by way of establishment of industrial estates.

Some of the measures of Second Five Year Plan period, such as development of small-scale industries, promotion of basic industries etc. were examined alongwith their problems. The Panel analysed various aspects leading to the development of industries and recommended definite measures such as dispersal of industries away from the city of Mumbai. The Report of the Study Group
was submitted to the government recommending the need for an independent body for promoting industrial development. With those recommendations Maharashtra Government passed Resolution No. IDC / 2360 / 40755 ID-I dated the 1st of October 1960 constituting Board of Industrial Development (BID) under the chairmanship of Shri S.G. Barve.

After the establishment of BID, as stated above, Government in the Industries and Labour Department by its orders dated 9 November 1960, transferred about 310 acres of land popularly known as 'Wagale Estate' near Thane.

As per the survey undertaken by Borkar Committee, it was recommended to undertake a few areas in Bombay Metropolitan Region and Poona Metropolitan Region such as Belapur, Pimpri-Chinchwad, Ambernath, Badlapur etc. These were initial figments of works undertaken by the BID at that time.

The BID later on developed some areas viz., Bhosari near Pune, government land near Aurangabad Railway Station, Dombivali and in particular within the village limits of Marol, Parjapur, Kondi Vitha, Mulgaon and Vyravli within Mumbai suburban area.

The first batch of a few developed plots was
disposed by the public auction with a view to assessing the response from general public intending to establish industrial units. Response from the industrial magnates (both old and new) was very much encouraging. In the mean time, Government of Maharashtra had already geared up its machinery to achieve the ultimate aim of constituting an independent Corporation with the twin objectives of co-ordinating various industrial undertakings and exploring the possibility of encouraging small-scale industries in mofussil areas.

This kind of foundation work was performed by BID to promote industrialization in its real sense. This has further strengthened the urgent need towards establishing a statutory Corporation with specific functions, powers and systematic plan of actions for industrial development in the State.

5.2 PROFILE OF M.I.D.C.

5.2.1 Birth of M.I.D.C.

Maharashtra State emerged with re-organization of erstwhile Bombay State on 1st May, 1960. While the work of industrialization was initiated by BID much before, the need to have an independent Corporation to develop industrial areas and provide infrastructural facilities to industries in those areas was strengthened.

In this direction a draft bill was prepared
and published in the Maharashtra Government Gazette Part V dated 18 July 1962. This draft bill was placed before the Legislative Assembly for discussion on 27 November 1961. After having discussed at length, a number of suggestions were given by members in both the houses of State. It was then passed in the name of 'Maharashtra Industrial Development Act 1961'. The President of India gave his assent to the enactment on 1st of March 1962, and the legislation became an Act on the List of State Statutes.

An Act to make a special provision for securing the orderly establishment in industrial areas and industrial estates in the State of Maharashtra came into existence. The purpose was to establish Industrial Development Corporation to organize industrial estates and areas in the State.

Pursuant to the provisions contained in Sections 3 and 4 of the Act the Government of Maharashtra, in the Industries and Labour Department by a Notification No. IDC 1062 / 41380 IND-1 dated 31 July 1962 constituted M.I.D.C. from 1st of August 1962, and the BID created by the Government Resolution dated 1st of October 1960

ceased to exist.

M.I.D.C. was again headed by Shri S.G. Barve, ICS with Shri P.C. Nayak, IAS as its first Member-Secretary and Ex-officio Chief Executive Officer. Thereafter by a separate resolution issued under Section 13(3), the government formally entrusted all the schemes which were hitherto looked after by BID for further development and also directed the staff working in BID to be absorbed in the service of M.I.D.C.

M.I.D.C. initially started its activities by taking up a few industrial areas within BMR and PMR and thereafter gradually spread its activities all over the State. Today M.I.D.C. has been popular with its industrial development activities throughout the State with its symbolic yellow board and black letters in special style.

Along with the changing environment in industrial field, M.I.D.C. has developed a network through the establishment of large industrial areas and growth centres at various places in the State.

5.2.2 Objectives of M.I.D.C.

M.I.D.C. is fully owned by the Government of Maharashtra and managed by all appointed Board of Directors. The main idea of establishing M.I.D.C. was to promote
and assist in the rapid and orderly establishment, growth and development of industries all over the State.\(^4\)

The two most important objectives of M.I.D.C. are:

(i) to establish Industrial Areas and to provide necessary infrastructure in such areas in the form of roads, street-lights, water-supply, drainage and common facilities to the industrial units;

(ii) to facilitate dispersal of industries away from Mumbai and Pune metropolitan regions and take the industria units into developing parts of the State by providing necessary physical infrastructure.\(^5\)

The two main objectives of M.I.D.C. are achieved by classifying into smaller parts as under —

(1) To provide developed plots with clear title to the entrepreneurs for setting up their industrie-s and also to provide plots for industrial housing alongwith other common facilities.

(2) To set up industrial areas at suitable locations in the State and provide common facilities like water, drainage etc.


(3) To provide amenities and common facilities, along with built up accommodation for banks, Post Offices, Telephone/Telex Exchange, Police Station, Fire Station, Employee State Insurance Scheme, Hospitals, Dispensaries, Canteen, Shops etc.

(4) To construct buildings for industrial housing of employees working in these industrial areas.

(5) To provide water supply in industrial areas and other localities by way of establishing water supply schemes.

(6) To look after the maintenance of roads in M.I.D.C. areas and other services like street-lights etc.

5.2.3 Main Features of M.I.D.C.

M.I.D.C. being a Statutory Corporation, its main function is to promote and assist in the rapid and orderly establishment, growth and development of industries in the State of Maharashtra. For this purpose, the Corporation carries out numerous activities continuously which, in turn, contribute to the industrial development of the State.

The broad characteristics of M.I.D.C. are as under:
M.I.D.C. is a nodal agency of Government of Maharashtra developing industrial areas;

M.I.D.C. is fully owned, managed and controlled by the State Government;

M.I.D.C. has government appointed Board of Directors including Minister of Industries as the chairman;

Funds are raised through loans from financial institutions and public;

Funds are utilised for developing industrial areas;

M.I.D.C. has participative and democratic way of management;

Industrial, commercial, amenity and residential plots are allotted by M.I.D.C.

M.I.D.C. also undertakes social responsibility by providing water and other services to the public other than industrial areas;

M.I.D.C. has Head Office at Mumbai and other offices throughout the State;

M.I.D.C. is popularly known with typical yellow board with black letters on it.

5.2.4 Land Acquisition Procedure of M.I.D.C.

The land acquisition procedure is designed by the Land Acquisition Act, 1894 (I of 1894) and the
Maharashtra Industrial Development Act 1961 (III of 1962). In the first step, the Government of Maharashtra acquires the land with notification and payment of compensation etc. in the case of private land and in the second step such land is entrusted to M.I.D.C. for developing as industrial areas.

Considering the need for planned industrial development, the State Government notifies certain areas as M.I.D.C. areas for the purpose of industrial development. This notification restricts the sale of land or any other event for transfer of land.

The collector of the district has been given powers to acquire the land in that district. Any grievances of the land-holders are settled by the concerned collectors for which he may take help from Tahsildars and other staff of revenue department. The compensation for the land so acquired is also paid by the State Government. Once the land is acquired in all respects then it is transferred to M.I.D.C. for industrial development.

It is worth appreciating on the part of M.I.D.C. that the land acquisition task is left with the government. It would have been a difficult work for M.I.D.C. to acquire land. Since this job is performed by the State Government, the M.I.D.C. is able to concentrate on

Industrial development activities.

5.3 M.I.D.C. ADMINISTRATION

M.I.D.C. is a state level organization with many of its branch offices consisting of an efficient network of industrial activities. It has Regional Offices, Circle Offices and Divisional Offices spread throughout the state which are shown in Map No. 5.1.

5.3.1 Constitution of M.I.D.C.

As per Section 4 of M.I.D. Act 1961, the corporation is managed by a Board consisting of the following fifteen members:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>No. of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Minister of Industries, Government of Maharashtra Ex-officio, who shall also be the Chairman of the Corporation.</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Minister of State for Industries, Ex-officio, who shall also be the Vice-Chairman of the Corporation.</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Two official members nominated by the State Government of whom, one shall be the Financial Adviser to the Corporation.</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>The Chairman of Maharashtra State Electricity Board constituted under the Electricity (Supply) Act, 1948.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>The Managing Director of State Industrial and Investment Corporation of Maharashtra Limited</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The Managing Director of Maharashtra State Financial Corporation</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>One member nominated by the Maharashtra Housing and Area Development Authority established under the MHADA Act, 1976.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Six members nominated by the State Government, from amongst persons appearing to it to be qualified as having had experience of and having shown capacity in industry, trade or finance, or who are, in the opinion of the State Government, capable of representing the interest of persons engaged or employed therein.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>The Chief Executive Officer of the Corporation, Ex-officio, who shall also be the Secretary of the Corporation.</td>
<td></td>
</tr>
</tbody>
</table>

Total: 15

The hierarchy of Board of Directors of M.I.D.C. is shown in Chart No. 5.1. (The following page)

The policy-making decisions are carried out by this Board in their meetings which are held from

CHART 5.1
BOARD OF DIRECTORS OF M.I.D.C.

Chairman
(Minister of Industries)

Vice-Chairman
(Minister of State for Industries)

Chief Executive Officer
(Member-Secretary)

Two

Six

Ex-officio members

Official members
out of which
one Financial Adviser

Government Nominees
1) Chairman, M.S.E.B.
2) M.D., SICOM
3) M.D., MSFC
4) Nominee of MHADA
time to time. The infrastructural facilities are provided in co-ordination with other organizations like M.S.E.B., SICOM, F.S.F.C. etc. and hence their heads are absorbed as members of the Board. In fact, it has always been a profitable operation and is one of the few corporations, which requires no budgetary support from the government. The working of the Corporation is handled by a capable Chief Executive Officer, usually from I.A.S. cadre, under the guidance of a State-appointed Board of Directors. It was observed in respect of Board of Directors that the six government nominees are often political appointees without any managerial contribution and becoming financial burden to the Corporation.

5.3.2 Office of the Chief Executive Officer (CEO)

M.I.D.C. Board of Directors is a policy-making body and the Chief Executive Officer (CEO) is one of the active members in this top management. His function is to act as connecting link between policy-making and implementation. The office of the CEO functions like an efficient brain with an executive assistant at Morol office and personal assistant at Orient House, Fort Office. For efficient functioning of all the departments and their offices spread all over the State, there is a Council of Heads of Departments working under full control of CEO. This council works as per
the guidance of CEO. The heads of seven departments (Chart 5.2) are directly accountable to CEO who is in turn accountable to Board of Directors, Chairman or Vice-Chairman.

CHART 5.2

OFFICE OF C.E.O.

Chief Executive Officer

\[ \downarrow \]

Joint Chief Executive Officer

\[ \downarrow \downarrow \downarrow \downarrow \downarrow \downarrow \downarrow \downarrow \downarrow \downarrow \]

GALD TAC AFD EMD ATPD LCD PRD

**Note:** GALD = General Administration and Land Department

TAC = Technical Advisory Committee

AFD = Accounts and Finance Department

EMD = Engineering and Maintenance Department

ATPD = Architecture and Town Planning Department

LCD = Legal and Co-ordination Department

PRD = Public Relations Department

The office of the Chief Executive Officer has functional specialization with functional experts who are in charge of the departments. However, it was found that the span of control for CEO is high, causing
undue pressure of work and delay in disposal of procedural matters. Further, CEO is an ex-officio member-secretary of Board of Directors of M.I.D.C. and he is responsible for policy-implementation as well as providing information. Though the functional experts discharge their duties most efficiently, the route of paper-work is through the CEO which is found time-consuming.

(1) General Administration and Land Department (GALD)

Amongst the seven departments the GALD is one of the important departments which has two parts, namely, General Administration and Land. The first part looks after personnel functions while the other is concerned with land acquisition and rehabilitation functions. The proposal of land acquisition is prepared in consultation with the Sub-division officer of the concerned district and once the proposal is passed, then it is submitted to the government. The internal structure of land acquisition and rehabilitation department is depicted in Chart 5.3. (The following page)

The GALD maintains proper scalar chain of authority for day-to-day functions in the organization and it is fully controlled by the C.E.O. The span of control in GALD was found appropriate due to its scalar chain of operations.
The GALD maintains proper scalar chain of authority for day-to-day functions in the organization and it is fully controlled by the C.E.O. The span of control in GALD was found appropriate due to its scalar chain of operations.

(2) Technical Advisory Committee (TAC)

The main function of this office is to sanction the project in relation to the area acquired and provide advice in respect of all technical factors. There is one Land Allotment Committee (L.A.C.) functioning under this office and this committee meets every week at the Thane Regional Office to make allotment of plots.
between 2,000 sq. mtrs. and 9,999 sq. mtrs.

This office is a unique department functioning like an advisory committee with technical experts from different areas providing infrastructure to the industrial units. This committee has powers to issue 'No Objection Certificate' to the plot holders. Each 'No Objection Certificate' is related with specific environmental and infrastructural facility. The composition of this committee is shown in Chart No. 5.4.

**CHART 5.4**

**TECHNICAL ADVISORY COMMITTEE (TAC)**

- Deputy Chief Executive Officer
- General Manager
- Superintending Engineer
- Chief Planner
- M.S.E.B. Executive Engineer
- Pollution Control Board

The TAC office is co-ordinated by Deputy Chief Executive Officer who is from the I.A.S. cadre and is deputed by the State Government for a specific period. He takes help from the functional experts to give clearance to a project or plot. In the case of existing plot-holder, if there is major change in the constitution of project, then the plot-holder has to take a 'No Objection Certificate' from this office. The functions
of TAC are technical in nature and it controls all the staff working in the field at circle and divisional offices. Hence, this department has jurisdiction of entire State; while its span of control was found inappropriate due to geographical constraints.

(3) **Accounts and Finance Department (AFD)**

This department is purely concerned with accounts and financial matters of the Corporation. This department collects reports from time to time about financial matters from subordinate offices located throughout the State. Hence, Chief Accounts Officer is a government person sent on deputation for certain period, who is in charge of this department and other subordinates in the line are regular employees of M.I.D.C. (Refer Chart 5.5)

**CHART 5.5**

**COMPOSITION OF ACCOUNTS & FINANCE DEPARTMENT (AFD)**

1. **Chief Accounts Officer**
   - (Govt. person on deputation)

2. **Dy. Chief Accounts Officer**
   - (One post at each R/O)

3. **Assistant Accounts Officer**
   - (One post each at R/O & Divisional Office)

4. **Senior Assistant**
   - (One post each at R/O & Divisional Office)

5. **Clerk**
All transactions relating to income and expenditure are recorded by AFD. The Chief Accounts Officer is directly accountable to C.E.O. and routine transactions are recorded under his guidance. While under Chief Accounts Officer the Deputy Chief Accounts Officer works at Regional Office and Assistant Accounts Officer works at Divisional Office, which is the example of military organization. Hence, it is found to be a good and systematic organizational set up for effective management information system.

(4) Engineering and Maintenance Department (EMD)

E.M.D. functions under the authority of C.E.O. for controlling all field offices such as circle offices and Divisional offices located throughout the State. The Chief Engineer at Head Office is in charge of E.M.D. and all other subordinates are scattered at adjoining offices and engaged in land development, providing electricity, water-supply, drainage facilities etc. The composition of E.M.D. is shown in Chart 5.6.

CHART 5.6

COMPOSITION OF ENGINEERING & MAINTENANCE DEPTT. (EMD)

↓

Chief Engineer

↓

Circle Office

↓

Divisional Office

↓

Sub-Office
All the three offices, that is, Circle Office, Divisional Office and Sub-offices, are engaged in field work of M.I.D.C. and development of industrial areas is carried out by these offices. The Chief Engineer controls the functions of these offices. EMD is assigned vast duties of controlling the staff of Circle Office and Divisional Office. Hence, the span of control in EMD was found limited to have proper control over the functioning of activities. When the concerned officials were asked about the span of control, they reported that a larger number of persons are required in this department for effective control.

(5) Architecture and Town Planning Department (ATPD)

ATPD has two sections functioning parallel and hence there are two heads for department. Architecture and Town Planning are the two main functions performed in this department. Once the area is undertaken for development, the proposal comes to this department for planning the development as per the norms laid down by the Board of Directors. Initially land survey is carried out to understand the physical position of industrial area and situations of roads, plots and reservations etc. The planning provides for 10 per cent of the total area as open space, 5 per cent reserved for amenities and 5 per cent is a special reservation which can be used afterwards for any purpose. The remaining
80 per cent is utilised for plots and roads strictly.
The composition of ATPD is shown in Chart 5.7.

The Chart 5.7 shows that the Chief Planner looks after planning about the new industrial area and the Chief Architect prepares an appropriate design of the area. The industrial and other plots are earmarked accordingly, so that the final picture of that area is presented on paper. ATPD has two independent branches with scalar chain. Hence, the span of control was found most appropriate.

(6) Legal and Co-ordination Department (L & CD)

L and CD has two sections performing two different
functions, viz., (i) legal matters, (ii) matters relating to lease agreements. These two branches operate side by side in one department rendering services. The composition of L and CD is shown in Chart 5.8.

CHART 5.8

COMPOSITION OF LEGAL AND COORDINATION DEPARTMENT (L & CD)

General Manager

Manager (Legal)  Manager (Co-ordination)

Divisional Officer  Area Manager

Asstt. Area Manager  Assistant Area Manager

Subordinate Staff  Other Subordinate Staff

Chart 5.8 shows that the Manager (Legal) deals with all the Court cases, recording minutes of Board of Directors' meetings and the meetings of other Boards and composition of Annual Report of M.I.D.C.. The Manager (Co-ordination) looks after lease agreements, deciding the lease conditions, deciding the final lease for mortgage etc.. The lease agreements are proposed under the guidance of this Section which helps the plot holders to procure loans and other facilities. The functional specialization in L and CD was found appropriate.
(7) **Public Relations Department (PRD)**

PRD is a prestigious department of M.I.D.C. as it is related to projecting M.I.D.C. to outside public. This department looks after press, attending seminars, conferences, etc. It has a small publication (periodical) titled 'Vikas Darpan' indicating overall development activities of the Corporation. It has also a well equipped library at Head Office with good collection of books and journals on industrial development. The composition of PRD is shown in Chart 5.9.

**CHART 5.9**

**COMPOSITION OF PUBLIC RELATIONS DEPARTMENT (PRD)**

```
Public Relations Officer
     ↓
Area Manager
     ↓
Assistant Area Manager
     ↓
Senior Assistant
     ↓
Clerks
```

The incharge of PRD is Public Relations Officer who is always on deputation from the State Government. He is directly accountable to C.E.O. and works for maintaining good image of M.I.D.C. in the State. Though the composition of PRD is most appropriate, the officials
in this department were found accountable to government duties instead of the M.I.D.C. work.

5.3.3 Regional Offices of M.I.D.C.

M.I.D.C. has developed an efficient network for industrial development in the State. For administrative purposes M.I.D.C. has been divided geographically into eight regions in the State. These regions are: Thane, Nasik, Pune, Kolhapur, Aurangabad, Latur, Amravati and Nagpur. (Refer Map 5.1) Each region is under the purview of a Regional Officer who has power to make allotment of plots upto 10,000 sq. mtrs, in those regions.

In each district, except the district which has a regional office, there is District Industries Centre (D.I.C.) and the Manager of the D.I.C. is authorised to allot plots measuring upto 2,500 sq. mtrs. This way, M.I.D.C. has divided its activities to provide the services at close distance to the entrepreneurs. They are not required to go over to the Head Office at Bombay for a small piece of land or any other minor work.

The sole purpose of the Regional Offices in M.I.D.C. administration is decentralization of activities with delegation of powers to make easy allotment of plots to the entrepreneurs.
In the case of small entrepreneurs, to get a plot in any industrial area belonging to M.I.D.C. they need not go beyond their district place. This minimises their efforts and cost on establishment of the industrial units. The Regional Offices also help the entrepreneurs co-ordinating with other organizations like M.S.E.B. for electricity, M.S.F.C. and M.S.S.I.D.C. for finance etc.. The composition of Regional Office is shown in Chart 5.10.

CHART 5.10

COMPOSITION OF REGIONAL OFFICE OF M.I.D.C.

Regional Officer

\[ \text{Area Managers} \]

\[ \text{Assistant Area Manager} \]

\[ \text{Land Survey Officer (Only at Nagpur Office)} \]

\[ \text{Assistant Land Survey Officer} \]

\[ \text{Head Surveyor} \]

\[ \text{Surveyors} \]

The Chart 5.10 indicates the activities of Regional Office which is headed by Regional Officer.

There are, three main functions of regional office. These are:
(1) To prepare the land acquisition proposal in the region and submit it to the Head Office for further action.

(2) The allotment of land to the entrepreneurs with area of land measuring between 2,000 sq. mtrs. and 9,999 sq. mtrs.

(3) To sanction extension of period to the plot-holders who could not start construction of factory shed and other establishment work. At the time of allotment of plot the entrepreneur is given 3 years time to construct factory shed and start production. If the plot-holder could not start the work within the stipulated period, one year extension is given on payment of 10 per cent of the premium amount. If required, next one year extension is given on payment of 20 per cent premium amount. If need, third one year extension is given by this office on payment of 30 per cent of premium amount and if required fourth one year extension is given on payment of 40 per cent of the premium amount by way of penalty.

This procedure compels the plot-holder to construct the factory building and start production as early as possible. In case any
plot-holder fails to start construction within a period of seven years, he is issued with a show cause notice along with primary site inspection report and site Panchnama. After the expiry of the stipulated period of the first show cause notice, the second show cause notice is given with Panchnama and the plot-holder is asked to surrender the plot back to M.I.D.C.. In this case the plot-holder is given refund of original price deducting 10 per cent as survey charges. Such pot is ready for re-allotment after six months.

5.3.4 Circle Offices of M.I.D.C.

M.I.D.C. has established four Circle Offices, one each at Mumbai, Pune, Aurangabad and Nagpur for efficient field work of development of industrial areas in the State. Mainly technical and field staff is employed in the Circle Offices to develop and maintain the quality of infrastructural facilities. The composition of Circle Office is shown in Chart 5.11.(On the next page)

Each Circle Office works as per the guidance and instructions of Engineering and Maintenance Department at Head Office. While this office was found fully engaged in controlling divisional offices for planning and development of new industrial areas.
5.3.5 Divisional Offices of M.I.D.C.

Considering the need of manpower and development of industrial areas, M.I.D.C. has set up 17 Divisional Offices all over the State to provide infrastructural facilities to the industrial units. These divisional offices work under Circle Offices and Engineering and Maintenance Department at the Head Office. Basically the Circle Offices keep control on Divisional Offices. These Divisional Offices are located at the following places:

1. Thane
2. Ambernath
3. Mahad
4. Nashik
5. Pune
6. Kolhapur
7. Parbhani
8. Nagpur
9. Chiplun
10. Dombivli
11. Alibaug
12. Ratnagiri
13. Jalgaon
14. Baramati
15. Aurangabad
16. Amravati
17. Chandrapur
Actual development of a new industrial area is carried out by the Divisional Office having jurisdiction over the particular area. There are Sub-divisional Offices for each industrial area, working for industrial development in the State. The composition of Divisional Office is shown in Chart 5.12.

CHART 5.12
COMPOSITION OF DIVISIONAL OFFICE OF M.I.D.C.

Executive Engineer

Deputy Engineer (Land Development)  
Assistant Engineer  
Junior Engineer  
Senior Assistant  
Clerk

Deputy Engineer (Electricity and Water Supply)  
Assistant Engineer  
Junior Engineer  
Senior Assistant  
Clerk

Deputy Engineer (Drainage)  
Assistant Engineer  
Junior Engineer  
Senior Assistant  
Clerk

Since the Divisional Office is engaged in maintenance of industrial areas, there are two senior assistants and one tracer employed for each industrial area coming under the jurisdiction of the respective Divisional Office. The functional specialization and division of labour in Divisional Office was found quite appropriate.
5.4 ASPECTS OF MANAGEMENT IN M.I.D.C.

M.I.D.C. is a State level organization with its number of divisional offices scattered throughout the State. It has different levels of management and its organizational structure is most systematic to develop infrastructural facilities for industrial units. Top level management of M.I.D.C. is its Board of Directors (Chart 5.1) consisting of Industry Minister as Chairman and Minister of State for Industries as Vice-Chairman. The middle level management of M.I.D.C. consists of all departmental heads located at Head Office and Regional Officers at all Regional Offices in the State. However, the lower level management is at all Circle Offices and Divisional Offices in which different officers and technical persons are employed. Hence it is pertinent to study the aspects of management in M.I.D.C. administration. The aspects selected are span of control, policy decisions and authority at different levels of management.

5.4.1 Span of Control in M.I.D.C.

The span of control means the number of subordinates who report directly to a superior.\(^8\) There are ununiform views of management experts on this concept. In this case contingency approach, which is based on different factors like ability of the superior, ability of

subordinates, type of work, definiteness of authority and responsibility, information and control systems available and other environmental factors useful to check the correctness of the span of control are to be considered. The span of control is an important limiting factor in an organization and its arrangement in an organizational structure. Therefore, it becomes necessary to study the span of control of M.I.D.C. while studying its management practices.

M.I.D.C. is divided into different types of offices in the order of authority. Head Office remains on the top followed by Regional Offices. The Circle Offices and Divisional Offices are controlled by Head Office in day-to-day functioning.

Span of Control at Head Office

Chief Executive Officer (CEO) is the top administrative authority at the Head Office. There are seven departments at this office and for each department there is one head except one department, namely, Architecture and Town Planning Department where two heads as Chief Planner and Chief Architect are working. The Joint CEO and CEO together control all seven departments efficiently with effective communication system established at Head Office. There is periodical reporting system by the department heads. This indicates inappropriate
span of control.

In each department at Head Office there is scalar chain of subordinates to maintain an appropriate span of control and to discharge the duties at each level of authority.

**Span of Control at Regional Office**

All the regional offices are under the direct control of Joint Chief Executive Officer. Regional office is divided into two sections, that is, area managing and land survey. The Area Managers look after transfer of plots, allotment of plots, giving extension to plot-holders etc., whereas Land Survey section looks after scrutinizing of land records, reservation in area of land etc.

The span of control in both the departments of regional office is simple and with scalar chain. The Regional Officers also prepare land acquisition proposals with the help of Land Survey section. Hence, the span of control was found most appropriate in Regional Office.

**Span of Control in Circle Office**

All the circle offices are controlled by Chief Engineer from Engineering and Maintenance Department at Head Office. Circle office has scalar chain of
subordinates to keep efficient control. Superintending Engineer is head of circle office and his subordinates are Deputy Engineer and Assistant Engineers etc. with appropriate span of control.

**Span of Control at Divisional Office**

M.I.D.C. has seventeen divisional offices controlled by four circle offices. Each divisional office has Executive Engineer as incharge and the divisional office is divided into three parts, viz., Land Development, Electricity and Water and Drainage. Each department has Deputy Engineer as the head and line of subordinates which maintains proper span of control.

In short, under CEO, there are seven heads of the departments. Under such heads there has been one department each consisting of at least about 8 to 10 persons working. Some of these departments like Accounts and Finance Department etc. are directly controlling their staff working at Regional Office and Divisional Office.

The span of control at the office of CEO is not appropriate due to a large number of departments and excessive pressure of work. However, in each department, the span of control is found quite appropriate due to the limited number of subordinates under each head of the respective department.
5.4.2 **Policy Decisions of M.I.D.C.**

Policy constitutes the guide to the actions or decisions for the various persons in organization reflecting the organizational attitude towards the future behaviour of employees within it. According to George Terry, policy decision is a verbal, written, implied or overall guide setting boundaries that supply the general limits and direction in which managerial action will take place. Policy decisions generally consist of statements informing the members (staff) how to act in specific and frequently occurring situations. All the levels of management can develop the policies and take decisions accordingly.

In the case of M.I.D.C., the Board of Directors is the main policy-making body in respect of main issues and CEO has to implement the policy decisions. The analysis of discussions with several M.I.D.C. officials reveals that, at regional level, the Regional Officer takes policy decisions and in these decisions the subordinates like Area Managers or Assistant Land Survey Officers participate in the process. The policy decisions are communicated through circulars and letters within the jurisdiction of the region.

At divisional office level, the Executive Engineer

---

takes policy decisions and while taking such decisions, his subordinates like Sub-Divisional Officer or Deputy Engineer participate in the process. The decisions are communicated through circulars in the divisional areas.

Thus, the head of respective level takes the policy decisions at that level. The decision-making process is democratic and participative, because the subordinates take part in the process. The communication of such decisions is made through written media such as circulars, letters etc.

5.4.3 Authority in M.I.D.C. Administration

Authority is the genesis of an organizational framework. It is an essential component of the job of management. Authority is the power to command others to act or not to act in a manner deemed by the assessor of the authority to further enterprise or departmental purpose.\(^{10}\) In this sense, without authority a manager ceases to be a manager, because he cannot get his work carried out. Thus, 'authority is right to give orders and the power to extract obedience'.\(^{11}\) It flows downward

---

from the superior to the subordinates.

Along with the concept of authority, other two relevant co-aspects, that is, responsibility and accountability are necessary to be considered. Responsibility means the duties and activities assigned to a position of an executive.\textsuperscript{12} In other words, 'it is the obligation of a subordinate' to perform the duty as required by his superior.\textsuperscript{13} Accountability is the liability created for the use of authority. It is the answerability for performance of the assigned duties. Accountability is always upward and non-transferrable in nature.

Thus, these three concepts are related to each other and useful for clarification of the situation whether there is a unity of command, that is, single authority of control and principle of correspondence, that is, balance between authority and responsibility. Also the superior is absolutely responsible for the acts of his subordinates.

The Management of M.I.D.C. is bureaucratic in nature where authority implies the right to give orders and the manpower to extract obedience. The lines


authorities, responsibilities and accountabilities are definite and clear which provide a specific framework in day-to-day routine functioning. An interview programme was undertaken to collect information from M.I.D.C. officials at different levels of management. The responses were tabulated in statements with a view to analysing the nature of authority, the principle of correspondence etc. (Refer Statement 5.1) at the three levels, that is, Head Office, Regional Office and Divisional Office where C.E.O., Regional Officers and Executive Engineers are the heads to function with authority, responsibility and accountability.

The Board of Directors headed by Chairman and Vice-Chairman is a policy-making body with top level authority. But it has nothing to do with day-to-day functioning except policy formulation. In fact C.E.O. is a full-time representative of Board acting on their behalf.

Nature of Authority of C.E.O.

C.E.O. is an important person in M.I.D.C. administration usually an I.A.S. Officer and he is accountable to the Board of Directors including Chairman and Vice-Chairman. He is responsible for the day-to-day functioning of M.I.D.C.
STATEMENT 5.1

NATURE OF AUTHORITY OF C.E.O.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Nature of Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Incur Revenue Expenses</td>
<td>✔</td>
</tr>
<tr>
<td>2</td>
<td>Incur Capital Expenditure</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Appoint Subordinates</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Transfer the Subordinates</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Promote the Subordinates</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Demote the Subordinates</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Depute the Subordinates for Training</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Formulate the Work Policy Within Head Office</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Prepare the Work Procedure Within Head Office</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Terminate the Subordinate from Employment</td>
<td></td>
</tr>
</tbody>
</table>

Note:  
A = Full Authority  
B = Authority only with prior consent of superior  
C = Authority when delegated by Superior  
D = Authority in emergency period  
E = No authority
Statement 5.1 reveals that the CEO has full authority to incur revenue expenses subject to the budgetary provisions applied to the Project but he has to take prior consent from the Government or Board of Directors. He has also full authority to transfer, promote, demote or depute the subordinates for training and development. However, he has no authority to appoint the subordinates without the prior permission from State Government.

In formulating the work policies of the Corporation, he has to take prior permission from higher authorities.

Thus, even though he is the top-most administrative authority at organizational level, he has no basic personnel authorities which incorporates the full control over the staff.

**Nature of Authority of Regional Officer**

Regional Offices of M.I.D.C. function independently for land acquisition, land allotment and extension of period to the plot-holders. Hence, Regional Officers are not concerned with incurring revenue and capital expenditure or appointment, transfer, promotion, demotion or deputation etc. of subordinates. They have only an authority to recommend about everything to head office.
5.4.4 Powers in M.I.D.C. Administration

Powers in administrative sense refers to an ability to do or act as influence of authority. In fact powers and authority are two sides of the same coin. Many a time power is in the form of authorization and mainly it is concerned with the position in the office etc.. In M.I.D.C. administration powers refer to an authorization to spend money or sanction money on development projects of M.I.D.C.. To develop the industrial areas with a view to provision of industrial infrastructure all over the State for planned and systematic industrial development, necessary powers have been delegated to Heads of Departments and Officers working in various departments. These powers are in respect of giving approval to the expenditure on development project of M.I.D.C.


(A) Powers to Sanction Development Expenditure

(i) The Corporation has delegated the powers to CEO of M.I.D.C. for giving approvals to developmental expenditure upto Rs. 1.00 crore.
(ii) The Committee consisting of Joint CEO, Dy. CEO, Chief Engineers and Chief Accounts Officer has been delegated powers to sanction upto Rs. 50 lakhs for each region.

(iii) Chief Engineer at Mumbai, Pune and Nagpur zones have been delegated powers to sanction upto Rs. 10 lakhs for their respective zones.

(iv) All Superintending Engineers at Circle Office have been empowered to sanction upto Rs. 5 lakhs for the respective circles.

(v) All Executive Engineers at Divisional Office have been empowered to sanction upto Rs. 1.00 lakh.

These administrative approvals are accorded subject to budgetary provisions already approved by the Corporation. Also the sanctions are to be accorded on the receipt of administrative approval wherever involved but before the work is started.

(B) Powers to Accord Technical Sanction

(I) Original Work

In the case of new construction of civil work, that is, roads, buildings etc., the powers are delegated as under:
(i) Chief Engineer is given full powers to sanction the original civil work construction.

(ii) Superintending Engineer is given powers upto Rs. 50 lakhs for such work.

(iii) Executive Engineer is given powers to sanction upto Rs. 10 lakhs for original Civil work in his division.

II) Ordinary Repairs

Expenditure on repairs of roads, buildings etc. is common and the amount sanctioned is as under:

(i) Superintending Engineer of the Circle office has full powers to sanction within the budget allotment for the circle.

(ii) Executive Engineer of the Division office has been given full powers within the budget allotment for the Division.

Excess over the estimates for original work as well as repairs are upto 5 per cent of sanctioned estimates of respective office.

(C) Powers for Inviting Tenders

M.I.D.C. has a practice to carry out the construction and development work by inviting tenders from private contractors. For such invitation of tenders at divisional level, circle level or Head Office level
the powers are vested as under:

(i) Chief Engineer has been delegated powers to invite and accept tenders upto Rs. 50 lakhs.

(ii) Superintending Engineer is empowered to invite tenders upto Rs. 20 lakhs, and

(iii) Executive Engineer is empowered to invite tenders upto Rs. 10 lakhs for his divisional office work.

(D) Powers for Granting Water Connection

Water connections are sanctioned at divisional office only. However, for outside consumers other than industrial areas, the full powers are vested with C.E.O. Water connections in M.I.D.C. Industrial areas are sanctioned by Executive Engineer with full powers and even Deputy Engineer is empowered to sanction 25 mm water connection in M.I.D.C. Industrial area.

5.5 M.I.D.C. ADMINISTRATION AND ASSISTANCE TO ENTREPRENEURS

The main goal of M.I.D.C. has been to develop and promote industrial activities by way of providing assistance to the entrepreneurs who start their industrial units in M.I.D.C. developed areas. It was felt necessary to understand the opinions of entrepreneurs in relation to the assistance received from M.I.D.C. In this
connection the necessary information has been collected from representative entrepreneurs from different parts of the State.

M.I.D.C. provides only infrastructural facilities along with the plot of land which also helps the entrepreneurs to make economical use of available plot area by way of industrial planning and designing. It also collects the information periodically for monitoring production performance. It coordinates the activities with other agencies for providing industrial infrastructure. However, it was observed that many of the entrepreneurs expect M.I.D.C. to provide advice about production methods, marketing, finance etc., which has not been done. The participation of entrepreneurs in maintenance of industrial areas has not been invited and also they are not given chance to express their views relating to the infrastructural facilities provided to them.

There is more scope to provide guidance or consultancy services to the entrepreneurs and industrialists by which the possibility of success in setting up an industrial unit would increase. It would attract and encourage more entrepreneurs to M.I.D.C. areas if the above services are offered to them.
Out of fifteen representative sample units which were beneficiary entrepreneurs, three responded with dissatisfaction on account of poor maintenance of roads in M.I.D.C. areas especially in rainy season. Four of them reported about inclusion of the industrial areas in municipal limits causing excessive financial burden without any additional benefit to them. While two of them expressed dissatisfaction for delay in securing electricity connection for the industrial units. On the whole, the performance of M.I.D.C. in respect of providing infrastructural facilities to the entrepreneurs is found successful.