3 Government Initiatives, Policies for Entrepreneurship Development and Profile of Latur

3.1 Entrepreneurship Development and Government
The function of entrepreneurship in economy is not hidden to anybody. Most of the business activities are executed by entrepreneur. These persons with reference to their characteristics can enter business market. Entrepreneur’s role is not only in the boost of production but also in the recruitment of mass labour force. With due to awareness to role of entrepreneurship in economy, government is interested to direct and guide entrepreneurs’ need to capital, technology and other amenities for performing their activities. For that reason government can play imperative role for providing these facilities. With support of laws and regulations, Governments can give needed information and capital, and make available to better technology can help entrepreneurs. Government can also carry out planning, draw policy, and establish strategy for helping entrepreneurs.

In early stages of sustained growth, government is regularly provides incentives, subsidies, promotional schemes, concession on Excise duty for entrepreneurship development to take grip. Another vital role government have played in near the beginning stages are to develop transportation, power and water facilities and to help launch the sort of capital and money markets in which lenders could have assurance. Economists have disputed that, at very least; governments can commence to prevent serious and long-lasting recessions. Only in this way can a general business psychology be developed.

1) Training:
Fundamental training changes according to product but will require involving improving of entrepreneurial skills. As per requirement of entrepreneur, training is offered by government. Many government institutions and NGOs carry out EDPs (Entrepreneurship Development Programme) and MDPs (Management Development Programme). These programmes are conducted by MSME’s, NIESBUD, NSIC, EDI, etc.

2) Marketing Assistance:
The governmental and non-governmental expert institutions offer marketing support. Generally MSME products are promoted during trade fairs but NSIC directly market the MSME product at national level and in a foreign country.
Figure 16: Role of Central and State Government Promoting Entrepreneurship

3) **Promotional Schemes:**
Central government has been implementing incentive scheme for offering refund of payment upto 75% of cost for obtaining ISO 9000 certification.

4) **Concession on Excise Duty:**
MSME units with an income-expenditure of Rs.1 crore or less per year has been excused from excise duty charges. In addition, for production of branded products through MSME in rural areas excise duty is excused.

5) **Credit Facility to MSME:**
Credit offered by banks to micro-small-medium segment is bounded under priority sector. Small Industries Development Bank of India (SIDBI) is apex institution for financing MSME. Some institutions viz. SIDBI, SFCs, and scheduled banks, SIDCs, NSICs are envisioned for funding.

6) **Policies and Schemes for Promotion of MSME Implemented by State Governments:**
All the state governments facilitate (particularly in Maharashtra) technical and other support services to entrepreneurs through their Directorates of Industries, and District Industries Centers. Even if schemes differ state wise but common areas of support are: Expansion and administration of industrial estates, suspension/deferment of sales tax, priority in distribution of power and water connection, etc.
3.2 Government Incentives, Subsidies and Grants

Incentives, Subsidies and Grants are the financial assist provided by various institutions either governmental or non-governmental. It is an efficient tool to the entrepreneurship promotion. They execute functions of supporter for a developing entrepreneur.

1) Incentives:
The term incentive means encouraging productivity. It is a motivational force which makes an entrepreneur takes a correct decision and proceeds upon it. Broadly, incentives include concessions, subsidies and bounties. Economic incentives both financial and non-financial move forwards an entrepreneur towards important decision and action.

2) Subsidy:
Subsidy indicates a single lump-sum which is given by a government to an entrepreneur to cover up the cost. The term ‘bounty’ signifies a bonus or financial aid given to an industry to help it to compete with other units in country or in a foreign market. The purpose of subsidies is to motivate an entrepreneur to set up a new venture in well-built interest of nation and society.

3) Grants:
Grants are a financial help by the government to prospective entrepreneurs without expecting that money will be refunded. In cost-effectively challenged periods, the government is main sources of grants.

3.3 Role of Agencies Supporting Entrepreneurial Development

The progress of entrepreneurship development in recent times is wonderful. State and Central governments and different organizations encouraging entrepreneurship are taking substantial struggles to simplify the method of coming out of entrepreneurs for establishing enterprises. It is expected that these efforts will make influence on development of enterprises at Latur MIDC.

1) Financial Assistance:
Finance is a blood of any organization. Any Entrepreneurs requires relative amount of finance to commence enterprise. Government solves this problem through providing financial assistance to entrepreneurs. It is a long-term credit supplied by specialised financial institutions to industry and business.

2) Technical Assistance:
Technical training improves productivity and it is imparted by the central as well as state government technical foundations viz. NIESBUD, NSIC, NISIET.
Figure 17: Role of Agencies Supporting Entrepreneurial Development

<table>
<thead>
<tr>
<th>Role of Agencies Supporting Entrepreneurial Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assistance</td>
</tr>
<tr>
<td>Promotional Activities</td>
</tr>
<tr>
<td>Technical Assistance</td>
</tr>
<tr>
<td>Marketing Assistance</td>
</tr>
</tbody>
</table>

Source: Entrepreneurship Development and Project Management, Book by Supriya Singh, Pg.362

3) Promotional Activities:
Government is utmost careful for MSME by formulating and put into practice appropriate policies and schemes. In addition to offering plots to entrepreneurs, distinct schemes have been planned for purposes like quality up-gradation, shared amenities at minimal rates.

4) Marketing Assistance:
It is provided by governmental and other institutions. For promoting Indian goods to abroad, the government has generated a marketing development fund which gives grants; export promotion schemes with 60% of funding, etc.

3.4 Central and State Level Institutions Supporting Entrepreneurial Development
The term entrepreneurship development is mainly based on belief that people can accept entrepreneurship as a career. In order to increase speed of self-employment and entrepreneurship development, diverse agencies were established by government. These agencies cater to the business needs and requirements of entrepreneurs. It can be categorised in the central level and state level institutes. Major central level institutes contain the following.

1) Small Industries Service Institute (SISI):
Small Industries Service Institute is a national level organisation founded by Central government. At the state level, SISI functions under the Director assisted by Deputy Directors. Total 28 SISIs and 30 divisions in State capitals and other towns in India. The small industries service institutes (SISI’s) are established in every State to provide consultation and training to potential entrepreneurs. SISI conducts EDP aiming educated jobless youth, ex-service staffs etc. for period of weeks.
2) **Entrepreneurship Development Institute of India (EDII):**  
It is all India institute initiated by public financial institutions, Government of Gujarat and Government of India. It is been started at Ahmadabad and was founded in the year 1983. It is a main agency with a special responsibility for entrepreneurship development in the country. It has been centre attention of developing programs for entrepreneurship development and innovative training techniques. The basic EDPs caring out by EDI comprise of the following step:

i) Selecting potential entrepreneurs,

ii) Achievement Motivation Training (AMT),

iii) Product selection and project report preparation,

iv) Business management training,

v) It undertakes model training program and sets an example to follow.

3) **National Institute for Entrepreneurship and Small Business Development (NIESUBD):**  
It was started in 1983 by the Ministry of Industry (now Ministry of Small Scale Industries). Central Government is co-ordinating, supervising the programmes of different organizations. It is apex institute for offering resources countrywide.
4) **National Entrepreneurship Development Board (NEDB):**

It is apex body for entrepreneurship development in the country. National Entrepreneurship Development Board is an organization which provides its precious contribution in the entrepreneurship development. It is national level agency which presents various helps to developing entrepreneurs. The chief objective of NEDB scheme to uphold of entrepreneurship for promising self-occupation as a business. It plans and acclaims to the Government for promoting entrepreneurship. The board also suggests appropriate amenities and subsidies for entrepreneurial training. This board assist for skill development and re-orientation of entrepreneurs in all aspects. Board gives strength to State level organizations to perform at grass level.

Many institutions have been established at the State level which offers help in addition to national level institutions. They are encouraging for entrepreneurship development. Major state level institutions include:

![Diagram of State Level Institutions Supporting Entrepreneurial Development](source)

Source: Entrepreneurship Development and Project Management, Book by Supriya Singh, Pg.375

The term institutional support system usually refers to economic environment of enterprise and business encompasses authorities and institutions whose decisions and working framework influence level of business. These institutions consist of government owned agencies, legal operations and semi-autonomous and autonomous organizations. In India, these authorities and agencies are government supported organizations and delegated with sufficient powers to regulate and encourage SSIIs in specific areas of activities.
1) **District Industrial Centers (DIC):**

Governments- both Central and State, attempted for entrepreneurship development in past, but actual success have been far below the expectations. Also centre of attention of industrial development was primarily on large cities and state capitals consequently ignored the district areas. In addition, variety of institutions involved in small industries development and complex systems and procedures made job of encouraging industrial units an uphill task for small entrepreneurs. Hence, it was felt essential to establish a development agency, which could cater all services and facilities to village and small industries under one roof. Accordingly, the DICs were established in May 1978 in order to satisfy the needs of small units. Each district has a DIC at its headquarters. The main function of DIC is to act as a chief co-ordinator or multifunctional agency in respect of different government departments and other agencies. The potential entrepreneur would get all help from DIC for setting up and running a business unit in rural areas. DIC was not established in metropolitan cities like Delhi, Mumbai, Calcutta and Chennai.

2) **Technical Consultancy Organisation (TCO):**

It plays a decisive role in process of entrepreneurship. The TCOs are organizations established by the State governments. Most important aim of TCO is to deliver industrial and technical consultancy to entrepreneurs. The TCO is funded by national and state level financial institutions and banks like ICICI, IDBI, IFCI, SFC, SIDC, SSIDC, commercial banks, etc. Admittance to high quality consultancy services gets better operational efficiency of entrepreneurs. All India financial institutions have set-up 17 TCOs to make available industrial consultancy and training to entrepreneurs.

3) **Khadi and Village Industries Commission (KVIC):**

It is a constitutional organisation started by Central government. It tries to ‘formulate strategies, encourage, facilitate and helps in the formation and expansion of khadi and village businesses in countryside zones. Its headquarters is located in Mumbai with six regional offices. Its functions consist of procuring raw materials for entrepreneurs.

3.5 **Government’s various Policies and Schemes for Entrepreneurs**

In India, government have understood importance of entrepreneurship in economic and social prosperity of country. Policy level support for new enterprise is necessity so nowadays government have launched policies inspiring entrepreneurship. Entrepreneurship policies have a variety of objectives. And according to various objectives, different entrepreneurship policies initiated. i.e. for Entrepreneurship
education, Entrepreneurial skills, access to debt, inspiring innovation, access to equity, reducing administrative burden, access to markets and support to weaker sections, etc. Here government’s various schemes launched for entrepreneurs are discussed below.

3.5.1 Prime Minister's Employment Generation Programme (PMEGP):

1) Ministry of Micro, Small and Medium Enterprises (MoMSME) has initiated a new credit related subsidy scheme called Prime Minister’s Employment Generation Programme (PMEGP) by combination of two schemes namely Prime Minister’s Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for creation of employment by launching of micro enterprises in countryside as well as city areas.

2) PMEGP formulated in such a way that attractiveness of PMRY and REGP is not strengthened while consolidating supervising and implementation.

3) The subsidy levels under PMEGP are as under:

<table>
<thead>
<tr>
<th>Categories of recipients under PMEGP</th>
<th>Owner's contribution (of cost of Project)</th>
<th>Rate of Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>General</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Special (including SC/STs/OBCs/Women)</td>
<td>5%</td>
<td>25%</td>
</tr>
</tbody>
</table>

4) The higher limit of the project cost for manufacturing sector is Rs.25 lakh and for service sector is Rs.10 lakh. There are no restrictions of annual income of beneficiaries but he/she must pass minimum VIII standard. The beneficiaries would be identified from Panchayat, Special Awareness Camps and will be provided with a compulsory Entrepreneurship Development Programme (EDP). The scheme is executed by Khadi and Village Industries Commission (KVIC) in rural area and in urban areas it is executed through the State Governments {District Industries Centres (DICs)}.

6) The assessed total spending for subsidy under PMEGP is Rs.4485 crore plus Rs.250 crore apportioned for offering Backward and Forward linkages for EDP training,
advertising, marketing, e-tracking of applications, physical verification of projects for enterprises. The scheme is getting independently re-evaluated after every two years. The guidelines of scheme available on website: www.pmegp.in

3.5.2 Entrepreneurship Development Programme:

The aim of EDP is to give direction and awareness to several managerial and operational functions of enterprise like finance, production, marketing, banking formalities, bookkeeping, etc. It takes account of interface with successful rural entrepreneur, banks as well as orientation through field visits. The EDP is conducted through KVIC, KVIB training centers as well as NSIC, the three national level entrepreneurship development institutes (EDI) i.e. NIESBUD, NIMSME and IIE, EDII, MITCON, MCED and state governments, Banks, rural development and self-employment training institutes (RUDSETI) reputed NGOs. But EDP is compulsory for all the PMEGP beneficiaries.

3.5.3 Awareness Camps:

KVIC and State DICs are organising awareness camps with help of KVIBs across nation to promote PMEGP for prospective beneficiaries in rural and urban areas. The awareness camps comprises participation from unemployed youths with especially reserved categories i.e., SC, ST, Physically challenged, Ex-servicemen, Minorities, Women, etc.

3.6 Schemes of Ministry of Micro, Small and Medium Enterprises (MSME)

MSE-Cluster Development Programme (MSE-CDP):

The government has implemented cluster development method for improving efficiency and effectiveness of MSEs. The programme is being executed for all-inclusive growth of micro and small enterprises in clusters through soft intervention (such as diagnostic study, capacity building, marketing development, export promotion, skill development, technology upgradation, organizing workshops, seminars, training, study visits, exposure visits, etc.), infrastructure development in industrial areas. The guiding principles have been cautiously improved in February 2010 to deliver advanced support to MSEs. Central government is granting financial help for various activities as stated above. More than 460 clusters have been identified and 126 proposals have been selected for infrastructure development.
Characteristics of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

1. Classification of Enterprises

Previous conception of ‘Industries’ have been reformed to ‘Enterprises’. Enterprises have been categorised into:

(i) Enterprises involved in the manufacture/production of products.

(ii) Enterprises involved in service sector.

1) Manufacturing enterprises have been explored in terms of investment in plant and machinery (without plot and buildings) and further categorised into:

- Micro Enterprises – investment up to Rs. 25 lakh.
- Small Enterprises – investment above Rs. 25 lakh and up to Rs. 5 crore
- Medium Enterprises – investment above Rs. 5 crore and up to Rs. 10 crore.

2) Service enterprises have been explored in terms of investment in equipment (without plot and buildings) and further categorised into:

- Micro Enterprises – investment up to Rs. 10 lakh.
- Small Enterprises – investment above Rs. 10 lakh and up to Rs. 2 crore.

Medium Enterprises – investment above Rs. 2 crore and up to Rs. 5 crore

In March 2010, the government declared a complete package for advancement of Micro and Small Enterprises. It incorporates many schemes having scope for improvement of the micro and small enterprises. These comprise credit and fiscal support, cluster-based expansion, infrastructure, technical and marketing assistance.

Credit Guarantee Scheme:

The Government has started a Credit Guarantee Fund for micro and small entrepreneurs who are incompetent to assure deposit security so as to get loans for enterprises.

Objective:

Credit facility by Bank deprived of botheration of securities is most important support to entrepreneurs of Micro and Small Enterprise (MSE). Taking this in account, Central
government launched this scheme to available credit to MSE zone. For execution of this scheme, Central government and SIDBI started Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). The aim is entrepreneur should get credit facility only on primary security of the properties financed. Important aspect of Credit Guarantee scheme (CGS) is if lender fails to release his/her liabilities, Guarantee Trust is incurring loss up to 75 / 80/ 85 per cent of total credit. For Service Enterprises, maximum credit capacity Rs.100 lakh can be covered.

3.7 Department of Policy and Promotion, Ministry of Commerce and Industry, Government of India

Department of Industrial Policy and Promotion is accountable for design and execution of promotional actions for growth of industrial expansion, considering countrywide primacies and socio-economic intentions. This department is responsible for industrial policy and it supervises the industrial expansion. The department identifies measures and predicts the requirement for technical growth, on this basis; it plans for technical transformation of the Indian industry so as to keep upgrade with worldwide advancements. The department is also responsible for increasing FDI arrival in the nation. It solves the difficulties tackled by overseas financiers in carrying out of their projects by means of Foreign Investment. The information about policy is obtainable at internet website (http://dipp.nic.in). This department synchronises with apex Business Associations such as FICCI, CII, ASSOCHAM in their activities concerning to industrial support and to promote foreign direct investment in the nation. It is also taking initiative for augmenting effectiveness of Indian business through its modernisation of industrial clusters.

3.8 Various schemes under District Industrial Corporation (DIC), Latur

The DIC is projected to render all amenities to entrepreneurs under a single roof for establishing business units. The DICs founded in 1978. The recognition of the need to create the district as a focus of industrial planning crystallized in the establishment of DICs. The DICs are considered as an institutional innovation to help small scale industrial units at three important stages viz., pre-investment, investment and post-investment stages. DICs are government institution that deals with all necessities of entrepreneurs. It gives economic analysis of the district, helps in procuring raw materials, machinery and equipment, credit facilities, marketing and a cell for quality control and research. The DICs should provide all necessary information required by entrepreneurs for establishing business. DICs perform its major role for interlinkages with various departments such as
electricity, water, municipality/ panchayat, town planning, commercial banks, etc. The DICs should work in synchronisation with all departments linked to entrepreneurship development.

3.8.1 Schemes for Entrepreneurship Development

I) Industrial Promotion Subsidy Scheme:

Government of Maharashtra launched Incentives Schemes for decentralization of industries. Scheme is recognised as efficient for development of entrepreneurship. Government has categorised total Maharashtra in six classes like A, B, C, D, D+ and no industry district according to industrial development until now attained.

Latur district is categorized as D+ zone and entitled up to 50% and 30% subsidy for fixed capital investment, done through Micro/Small and Medium/Large scale businesses respectively. In addition, other incentives like Stamp duty/Electricity duty discharge. Special incentives for quality enhancement are also permissible.

II) Revised Seed Money Scheme:

To promote self-employment among jobless youths, Government of Maharashtra has launched this scheme. For project cost ranges from Rs.10 lakhs to 25 lakhs, a cheaper rate of interest on seed capital from 10% to 6% is applied.

Eligibility:

1. Age limit - 18 to 50 years.
2. Minimum 7th Std. pass.
3. Domicile of Maharashtra State.

III) D.I.C Loan Scheme:

1. Any rural service and cottage industry is eligible to get benefit under this scheme.
2. Loan from D.I.C for general categories 20% upto Rs.40, 000/- and 30% for the SC/ST category upto Rs.60,000/- against the project cost sanctioned by the Bank.

IV) NABARD Margin Money Scheme:

1. Any rural small scale industry.

3. 20% Interest free loan from NABARD with service charges.

Eligibility:

1. Special high-tech projects are eligible only.

2. All nationalized and schedule commercial banks are eligible for finance.

V) Zilla Udyog Mitra:

This group of members is directed by the District Collector to resolve different complications of business units. Team comprises of officers concerning to improvement of entrepreneurship and Businesses Associations.

VI) “Latur District Award” to Small Scale Entrepreneurs:

Directorate of Industries has announced in 1985 a system of District Awards for stimulating entrepreneurship and identifying the attainments of entrepreneurs. So by adapting this scheme at Latur MIDC, First Prize is of Rs. 15,000/- and silver coated trophy, Second Prize is of Rs. 10,000/- and silver coated trophy rewarded every year.

VII) Entrepreneurship Development Training Program (EDTP):

It is conducted to deliver elementary input for entrepreneurship development and skills upgradation.

3.9 Various Schemes of Central Government for Entrepreneurship Development

3.9.1 Ministry of Food Processing, Government of India:

Scheme - Funding to Food Processing Industry

Entitled Industry - Fruit processing, Vegetable processing, Milk processing, Meat processing, Dal industry, Edible Oil industry, Spices, and manufacturing all other food items. This scheme identifies local needs of entrepreneurs and renders financial help, technical know-how, and skill enhancement to start as well as to operate business. Various norms like food safety criterions are framed by this scheme.

Grant Limit - 25% of the fixed capital investment.

Maximum Limit - Rs.50 lakhs.

Website: www.mofpi.nic.in
3.9.2 Ministry of Commerce and Industries, Government of India:

Scheme - To make upgradation of industrial infrastructure (IIUS)

Eligibility - Upgradation of amenities in industrial zone viz. Roads, water, electricity, etc.

Grant limit: 75% of fixed investment.

Maximum Limit - Rs. 50 Crores

3.9.3 Maharashtra Energy Development Agency (MEDA):

Grants: 20% of expenses for plant and machinery of the project. This scheme is valid for projects established during year 2010-2014.

Website: www.mahaurja.com

3.9.4 Rajiv Gandhi Udyami Mitra Yojana:

This scheme encourages to those entrepreneurs who have attained Entrepreneurship Development Programme (EDP) of minimum two weeks or gone through vocational training from ITIs. Objective of scheme is to facilitate legal procedural formalities and compliances required for enterprise. Effect of scheme is resulted into succession of new enterprise. Under this scheme, the ministry has launched a MSME Call Centre (known as ‘Udyami Helpline’) with a toll-free number 1800-180-6763. The Udyami Helpline offers fundamental information on how to establish business unit, accessing loans from banks.

3.9.5 National Small Industries Corporation Limited:

For skill enhancement of nascent entrepreneurs NSIC established 47 Training cum-Incubator Centres (TICs). In addition, NSIC started Info call centre which act as a databank to entrepreneurs.

Schemes of NSIC Ltd

To improve effectiveness of micro, small and medium enterprises, NSIC provides assists in the areas of Marketing, Technology, Finance, etc.
(i) Marketing Help to MSMEs

Marketing is recognised as a significant factor for business expansion. It is essential for existence of MSMEs in rivalry marketplace. NSIC introduced several schemes to assist entrepreneur.

3.9.6 National Award Scheme for MSMEs:

The Ministry of Micro, Small and Medium Enterprises started National Award yearly to carefully chosen entrepreneurs. The prizes are rewarded under different categories viz. Research and Development, effective management. The First, Second and Third National Prize carry a cash of Rs.1,00,000/-, Rs.75,000/- and Rs.50,000/- correspondingly, a certificate and a trophy. Prizes are distributed in a national ceremony organized by office of the DC (MSME).

3.9.7 Promotion of Information and Communication Technology (ICT) in MSME Sector:

Industrial sector is unstable, vibrant and created difficult situation nowadays. This leads to acceptance of Information and Communication Technology (ICT) worldwide. The scheme frames a strategic model of IT implementation in budding MSME. Objective behind this scheme is to implement ICT tools in enterprise to compete in universal market.

3.9.8 Lean Manufacturing Competitiveness Scheme (LMCS):

By applying this Scheme, MSMEs are aided in minimising production expenses through appropriate human resource management, correct space consumption and systematic inventory management, etc. Quality enhancement and cost cutting is crucial for competing in global markets. The bigger enterprises in India have been implementing Lean Manufacturing Programme (LMP) for effectiveness, but MSMEs have ignored from such Programmes because they are not conscious of the benefits. Moreover, knowledgeable Lean Manufacturing experts are not readily available and are expensive therefore most MSMEs are not capable to adapt LMCS.

3.9.9 Marketing Support and Technology Upgradation Scheme for MSMEs:

Marketing is tactical instrument for business improvement. It is fragile zone in which MSMEs face foremost complications. Due to inadequate information and insufficient resources, MSME zone finds obstacles in developing new markets. Under this scheme,
programme is envisioned for refining marketing strategies of MSME segment by technological upgradation and export promotion.

3.9.10 Maharashtra Small Scale Industries Development Corporation (MSSIDC):
The Maharashtra Small Scale Industries Development Corporation Ltd., generally known as MSSIDC, was founded on October 19, 1962 with a vision to give strength to progress of Small Scale Industries in Maharashtra State. The objective of MSSIDC is to help, guidance, and support, funding, encourage the interests of Small Industries. The Corporation renders help to near about 30000 SSI units in the Maharashtra. MSSIDC is top most Corporation in India concerning to small scale industries. MSSIDC offers comprehensive backing right from how to establish a SSI unit to selling goods at marketplace.

3.10 Financial Institutions
In under-developed areas like Latur MIDC, the need for financial institutions is much more due to a large number of organizational and financial problems inbuilt in the process of entrepreneurship development. After independence, several financial organisations have been set up at national and regional levels for speed up entrepreneurship by providing financial and other help required. These focused financial institutions are also called Development Banks because they provide not only finances to business also helps in promotion of new enterprises.

These institutions have major role in entrepreneurship development of Latur MIDC for following reasons.

i) Deficiency of organised capital markets

ii) Lack of entrepreneurial Talents

iii) Low capital formation

iv) Shyness of capital i.e., people have a preference to invest only in traditional areas and are unwilling to take risk in new ventures

v) Inadequacy of financial facilities to meet huge requirements of fund for industrial development, and

vi) Planned economic development to attain the socio-economic objectives.

These are some major financial institutions offering financial schemes. At national level there are four such institutions i.e. Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Industrial Reconstruction
Corporation of India (IRCI), and Industrial Finance Corporation of India (IFCI). Additionally, there are 19 State

Financial Corporations (SFCs) separately from these specialised financial institutions, commercial banks, industrial co-operatives, small industrial development corporations, Unit trust of India, Life Insurance Corporation, National Industrial Development Corporation, etc. also endow with finance for the development of entrepreneurship in the country. There are some international financing institutions like World Bank and its affiliates. All these institutions also supply business finance to the enterprises. The aid provided by all such institutions has accelerated the speed of entrepreneurship development.

3.11 Types of Funding

3.11.1 Venture Capital Funding:

The term venture comprises of two words, that is ‘venture’ and ‘capital’. The term venture exactly means result of which is unclear but it is fixated by risk of danger of ‘losses’. On contrary, the word capital mentions assets to start enterprise. It is assumed that entrepreneur and venture capital works in association. In this, capital is provided for Innovation through technical transformation for establishing a new business. Venture capital does not provide only funds to enterprises but it considers skill enhancement, marketing plan, organising and managing firm. The venture capital invests upto 49% of equity capital. Main sources of venture capital are entrepreneur’s assets, family and friends, business angels, banks, etc.
3.11.2 Angel Capitalist:
An individual who supplies capital to one or more start-ups companies is called angel capitalist. It is a rich person who renders finance for establishing business. Angel capitalist may be entrepreneur himself/herself.

Profile of Latur

3.12 History of Entrepreneurship Development in Latur
Since ancient times, agriculture has been principal support for the district’s economy. Daily essentials and agricultural instruments manufacturing has been mainstay profession in villages of the district. Based on these agricultural productions, small scale business like hand-crafting and oil mills flourished in the district. But Latur district has mainly left behind in industrial growth due to desolation of then Hyderabad’s Nizam region towards Marathwada region. Latur was also a leading cotton market in Hyderabad state. In 1891, Lokmanya Tilak had established a ginning and pressing factory at Latur, which also introduced the district to the wave of independence struggles. Latur by 1899, as it got connected with Barshi, an important Trade center by cement road, imports and exports from Latur took a leap. After Tilak’s initiative, another ginning and pressing mill started in 1901 at Latur. In coming decade Latur-Kurduwadi rail route set off which further lead to Hyderabad state establishing on industrial zone at Latur. In 1948, Latur district along with rest of Marathwada region, got independence from Hyderabad state and it was joined to then Mumbai state. This worked well for the district and obstacles in industrial development started to set aside. The district saw its growth as two soap factories started in 1958, a sweet unit in 1959 at Latur, a hand-made paper factory in1960 at Ausa. A co-operative oil mills also got started at Latur in 1963 whereas in the same year, a Latur industrial co-operative colony was also established. In 1964, Jawahar co-operative spinning mill started in Latur followed by first ever co-operative sugar mill in Marathwada at Dhoki in 1965. The same year also had a cement poles manufacturing unit established at murud. In 1967, a paint factory named Mayur paints started at Latur. The next coming years then saw various other industries being established in the district such as hardware, oil, sugar mills, and milk powder project.

In the post 32 years since Latur district got separated from Osmanabad, some important industries have been established in Latur district. It has 5 MIDC areas and 3 other co-operative industrial zones. Murud has a rural co-operative industrial zone. The
district has 1386 SSI in (2006), in which the investments Upto Rs. 86 crore has been done. Another 2353 SSI industries worth Rs.186 Crores are proposed too. District also has 17 large industries worth of Rs.389 Crores. Most of these units are agricultural dependant. A consistent visionary and persuasive leadership has also contributed greatly to district’s progress. Latur has an airport, where the work is ongoing for the night landings. Currently district has 148 km long railways, 845 km state high ways, 1524 km long important district highways. In coming years a new Videocon company project of worth Rs.350 crore will be set-up and promises 2000 employment opportunities at Latur MIDC. Along with this Rs.250 crore worth Bombay Rayon project at Latur also has been expected to avail large employment especially for women. Other big upcoming projects in the districts includes a Ramki company (investment 70cr.), an agricultural plastic making company ‘Supreme Industries’ (100 cr.), Ayer properties (100cr.). This will entitle Latur city as an advanced industrial hub.

3.12.1 Electricity: Production and Distribution

Electricity use is seen as indicator of industrial growth. In the Osmanabad district, by 1956, only Latur and Tuljapur cities used to get electricity from private companies. Latur’s importance as a business and economic center and Tuljapur’s religious importance lead to these cities receiving first of electricity supply in the Osmanabad district. Latur since Maharashtra states re-organization in 1956, Mumbai state electricity board was established in Feb. 1957. All the small electricity production centres were merged in it. The state electricity board started another electricity production unit. These units used to be diesel fuelled. Total of five such units were operable at new unit by 1963-64. Currently electricity supply is from Parali thermal electricity sub-center and Chandrapur- Koyna electricity grid. Since, this supply started, old diesel operated electricity sets in the district were shut down. Government has many schemes to decentralize industries and to improve rural industrialization. There are many district level boards established to encourage new businesses, improve old ones and avail finances for low scale businesses. Some of them are in ancient times; Barter system was well in place in the society. Even local merchandise was available to facilitate trades from various regions to fulfil local needs. So, the main way trading goods was directly between producer and customer without any brokers or commission agents. However later on a class of local Banias introduced. These local Banias used to offer money to needy farmers and earn indecent profits on the loans with self-made interest rates. The local farmers however had no other choice than going to
these local Banias and ask them for money to fulfil all other needs in farming. Along with these daily family needs and adversaries had to be faced at the cost of increasing debts. Whereas Banias or local money lenders did not miss any chance to earn profits with these yearly lendings, cash loans and interests on them.

3.12.2 Co-operative Movement:

Nowadays, a farmer loan has become economical as well as social problem/issue. The government used to offer various economic packages to farmers but used to be very minimal and often mistimed. Commercial banks also did not give any loans to farmers readily. In turn, farmers were again forced to borrow money from local Banias or money lenders with very high interest rates. In such desperate situation, the co-operative movement arose to help out farmers deeply buried under huge amounts of debts and loans. By the end of 19th century, this problem of rural loans systems had already reached critical intensity. In year 1889, Nizam rule of Hyderabad state introduced co-operative act. Based on this, a multi-unit co-operative society’s act was also introduced in other states of the country. According to this act, new co-operative institutions were registered on one for all states basis. There were many difficulties in implementing, supervising, checking, inquiries etc. As a result, then Nizam rural of Hyderabad state decided to create its own co-operative act in 1914 based on Hindustan government 1912 co-operative Act. Sir Akbar Hydari of then Hyderabad state started co-operative office in 1914 and began giving loans to farmers, aimed to free them taxing by local Banias. Sir Hydari also established a Trust fund in 1929 to help and encourage small-scale businesses. Meanwhile, Indian farming sector was badly affected by 1930’s great global recession. This caused massive losses for farmers in India along with other sectors. However, with the efforts of Sir Akbar Hydari, a government bank was started in 1937. Hyderabad state bank act was thus passed in 1941 and local tahsil and district level transactions started taking place through these bank branches. In post-independence era, as Marathi speaking districts in Hyderabad state joined with Maharashtra state, the co-operative movements got really imputed. Various co-operative institutions were established in Osmanabad district along with others and funds were made available easily for needy according to unified credit schemes.

In 1959, the Osmanabad district central co-operative bank Ltd. was established by merger of central banks at Osmanabad and Latur. This co-operative bank aimed to
provide financial help to all other co-operative institutions in the district. This bank worked as united central financial institution to fulfil needs of all primary credit banks. After separation of Latur district from in 1982, a separate Latur district central co-operative bank was established in 1984.

3.13 Financial Help at Latur MIDC
3.13.1 Urban Co-operative Banks:

In initial years of 1984-85 of Latur district, there were two urban co-operative banks with 9163 members together. These urban co-operative banks were aimed mainly to avail funds to its members for business. Other interests of these banks were to provide loans for education, property purchases and other necessities.

3.13.2 Marathwada Development Corporation (MDC):

This organization avails electricity finances to encourage educated but unemployed to start industry. This also offers financial help based on sales tax exemption schemes, special financial capital scheme, etc. In 2009-10, this organization has subsidised 37.97 Lacs.

3.13.3 Maharashtra state small-scale industrial development co-operation:

This co-operation has provided 49,950 Metric tons of raw material for seven small scale businesses in Latur district during 2010-2014 and 2, 56,000 lacs worth material was sold in 2013-14.

3.13.4 Maharashtra Goat and Sheep development co-operation:

This co-operation was established in 1978 to improve financial state of shepherds and for development of Livestock.

3.13.5 Women Financial Empowerment Corporation:

This organization was established in 1975 to avail self-employment opportunities and to assure appropriate returns. This organization started rehabilitates of women in earthquake affected Latur and Osmanabad districts in 1995, with the help of one crore rupees offered by state government. Also to motivate and encourage the lives of earthquake affected women, self-help group (SHG) were started to unify them. Women in the area started savings the funds in them, some women also took loans from these savings funds and started own small business.
3.13.6 Women Self Help Funds:
This was established in 1998 aimed to avail financial help for women with very low interest rates and no morgages. This circulating fund is based on National women fund. This scheme is only for earthquake affected women in Latur and Osmanabad district and has received 2.4 Crores. Total of Rs.31, 49,915 has been distributed from this fund in two stages.

3.13.7 Central Financial Institution:
Latur district central co-operative bank acts as central financial institution in districts. By 2013-14 this bank has distributed 7350 lacs rupees as a loan.

3.13.8 National Board of Agricultural and Rural Development (NABARD):
This bank was started in 1982 and acts as supreme institution in rural financial helps. In district, this bank has distributed 8655.99 lacs in 2013-14 for projects like Bio-gas plants, seedlings distribution, and fishery, milk dairies, etc.

3.13.9 Bank Fund Scheme:
First bank fund scheme for Latur district was implemented by state bank of India in 1989-90. This scheme included SBI, Bank of Maharashtra, SBH, Central bank of India, UBI, Bank of Baroda, Andhra bank, Allahabad bank, BOI, Sangli, Canara, United Western, Marathwada Rural, DCC, Land development Bank and MSFC. This scheme provided funds of Rs. 2,05,012 thousand for small scale industries and Rs.10, 59,140 thousand for business and services in 2013-14.

3.13.10 Life Corporation of India:
It was established in 1958 and its Latur branch was started in 1962.

3.13.11 National Savings Schemes: (NSS)
In 1982-83, total of 83.48 lacs rupees micro savings investments was achieved in Latur district on basis of this scheme. In this year 2001 to 2004 Latur district earned first place in Aurangabad sector in terms of investments index. In 2014, gross investment was 817.14 crore with chief women agents 8446.
3.13.12 Introduction Study of Marathwada:

Aurangabad division of Maharashtra State known as Marathwada basically consisted of five District viz. Aurangabad, Parbhani, Beed, Nanded and Osmanabad. Due to reorganization in year 1982, more districts like Latur and Jalana have been formed and in year 1999 one more district viz. Hingoli formed. Hyderabad state was merged into the Indian union in 1948. In 1956, with reorganization of state the Marathawada region was clubbed with bilingual Bombay state, which consisted of the present Maharashtra and Gujarat states.

3.13.13 Geography and climate of Latur:

Latur is located 636 metres above mean sea level. The district is partially under upper Godavari Basin and partially in Bhima Basin. The district is situated at the plateau of Balaghat and lies in the Manjra River valley. Annual temperatures in Latur range from 13 to 41 °C (55 to 106 °F). Rainfall takes place in the monsoon period from June to September. It fluctuates from 9.0 to 693 mm/month. Average annual rainfall is 725 mm.

3.14 Growth of Latur MIDC

Nowadays Latur has some well-known brands. There are Tina Oils, Kirti Gold, Videocon, and Kalantri Group's Agro Processing and dal manufacturing units to name a few. Many businesses have their production centres in Latur, in agro processing and Edible Oils sector.

The Latur, Additional Latur and Khandapur MIDC industrial zones are outside of the city, with different business units. Many entrepreneurs are willing to start their new firms in MIDC but plot is not available. Approximately 800 entrepreneurs in waiting list for allotting plot. In addition, agro processing one Special Economic Zone (SEZ) have been sanctioned by central government.

3.14.1 Cropping Pattern:

It is dominated by grains. In the district the main food grains crops are Jawar, Bajara, Wheat, Sorghum, Pearl Milletate, and Red Gram. Jawar is cultivated as major crop over complete region. Bajara is the next main food grains in the region. Rice and wheat are also grown to limited extent. Latur is major oil seed growing districts in the region. Groundnut, sunflower and safflower and imperative oil seed grows in the region. Sugar cane is vital perennial cash crop grown in the region to some extent.
Table 2: Cropping Pattern in Latur District

<table>
<thead>
<tr>
<th>Type of Land</th>
<th>Reported area of Land utilization</th>
<th>Forest</th>
<th>Barren &amp; Uncultivable Land</th>
<th>Land of non agri. uses</th>
<th>Cultivable waste Land</th>
<th>Per pasture &amp; another grazing Land</th>
<th>Crops &amp; Grass Land Utilization</th>
<th>Net own Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latur Hect</td>
<td>7160</td>
<td>49</td>
<td>191</td>
<td>197</td>
<td>255</td>
<td>210</td>
<td>102</td>
<td>5291</td>
</tr>
</tbody>
</table>

[Source: Divisional Soil Survey Office, Aurangabad]

Latur district is having less area of land utilization for this reason only people are searching for related business like milk projects. In Latur non-agricultural land is 197 ha.

3.14.2 Principal crops:

In Latur district, mainly Kharip crops grows but Rabbi Crops are also cultivated. The main Kharip crops are Jawar, Pulses, Mug, Udid, Rice, Bajara, Cotton and Oil seeds. Rabbi crops consist of Rabbi Jawar, wheat, Sugarcane, Grams is the only persistent crop in the district. Table shows different Crops Production in Latur District:

Table 3: Crop Production of Latur District

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Main Agricultural Crops</th>
<th>Annual Area In Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jawar</td>
<td>199600</td>
</tr>
<tr>
<td>2</td>
<td>Tur</td>
<td>66700</td>
</tr>
<tr>
<td>3</td>
<td>Mug</td>
<td>24200</td>
</tr>
<tr>
<td>4</td>
<td>Udid</td>
<td>76700</td>
</tr>
<tr>
<td>5</td>
<td>Rice</td>
<td>20200</td>
</tr>
<tr>
<td>6</td>
<td>Wheat</td>
<td>27700</td>
</tr>
<tr>
<td>7</td>
<td>Bajara</td>
<td>10100</td>
</tr>
<tr>
<td>8</td>
<td>Gram</td>
<td>28900</td>
</tr>
<tr>
<td>9</td>
<td>Sugarcane</td>
<td>24500</td>
</tr>
<tr>
<td>10</td>
<td>Cotton</td>
<td>40300</td>
</tr>
<tr>
<td>11</td>
<td>Soyabeans</td>
<td>99000</td>
</tr>
<tr>
<td>12</td>
<td>Others</td>
<td>10000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>627900</td>
</tr>
</tbody>
</table>
The largest portion of the area comes under Jawar (1, 99,600 hectares) and Soyabean (99000 hectares). Less portion of the area comes under Bajara (10,100 hectares) and Rice (20,200 hectares). Middle portion area comes under Sugarcane, Cotton and Pulses. On the basis of above table it can be said that the main crop produced is Jawar in the district and followed by pulses i.e. Tur, Mug and Udid. Area under Sugarcane and Wheat should be increased. It will provide more employment opportunities.

### 3.14.3 Total Milk Production of Latur region:

Table 4: Milk Production of Latur region

<table>
<thead>
<tr>
<th>District</th>
<th>Indigenous Cow</th>
<th>Crossbreed Cow</th>
<th>Buffalo</th>
<th>Total (Lakh Liters.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latur</td>
<td>336.18</td>
<td>1302.55</td>
<td>1890.96</td>
<td>3529.69</td>
</tr>
</tbody>
</table>


In Latur the milk production per annum is 3529.69 lakh lts.

### 3.14.4 Edible oils:

Latur is well-known for processing of Edible Oils. Government established oil seed processing division at Latur. Kirti Group has three and Tina group has one edible oil production unit in Latur.

### 3.14.5 Trade and Industries:

Latur is among top trade centre for soyabin at national level. In district more than eleven sugar factories established which are running on co-operative basis. Latur is well known for quality grapes and cold storage services. A grape wine park proposed in 1.42 sq.km. (350 acres) near Ausa, 18 km from Latur city. Food Park is being planned on a 50 acre at Harangul near Latur city. Ramky (India) is the consultant for the project. The place is suitable for various agro and fruit processing units. In Latur MIDC, Info Tech Park is built up in 24,866 Sq.fts. with 32 units. It is waiting to start still it is not in operation. For betterment of MIDC many industrial associations are founded viz. Latur Chamber of Commerce, Latur Manufacturers Association, Engineers and Architects Association, Latur
Builders Association, Computers and Media Dealers Association (CMDA), Latur. These associations have substantial contribution in entrepreneurship development at Latur MIDC.

3.14.6 Rural Economic Scenario:

In underdeveloped country like India, development is mainly concerns to rural part of country. And rural development is possible only with improvement in agricultural and related activities. So for advancement of rural life their socio-economic conditions need to enhance. Latur district is lagging behind in industrial development as compared to other parts of the state. Latur district is less developed and it’s surrounding in Marathwada. The reasons are as below.

1. Lack of entrepreneurship development.


3.14.7 Industries at Latur MIDC

Industrially, Maharashtra state is progressive state in India. However, Latur district is not yet developed though it is part of Maharashtra state. There are practically few major manufacturing industries at Latur MIDC. Most of the existing industrial establishments are of very small size. The industrial policy of the state is trying to promote less developed area for reducing excessive burden of metro cities like Mumbai, Pune, Thane, etc. So at Latur, MIDC has started developing site for setting up of industries. Many government agencies, financial institutions, and commercial banks have been playing an active part in industrial development by providing direct and indirect help to entrepreneurs. These organizations are MIDC, DIC, MSFC, MSSIDC, SICOM, RDC, KVIC, nationalized banks and co-operative banks, etc.

3.14.8 Industrial Development

MIDC: This co-operation works mainly to develop industrial zones and avail lands for entrepreneurs. This was established at Latur in 1973 with 263 Hectares of land, which later on was expanded with another 1073 hectares land. There are 943 plots allotted and only 300 industrial units are started. Out of total plots allotted in the district, 783 plots are allotted in Latur industrial estate and highest number i.e. 297 units were started operation.
Keeping in view, the rapid advancement of information technology on global level, the
government of Maharashtra has declared new industrial development policy.

Table 5: Plot Allotment at Latur MIDC

<table>
<thead>
<tr>
<th></th>
<th>Area (Hect.)</th>
<th>Developed Plots</th>
<th>Distributed Plots</th>
<th>Number of Units Started</th>
<th>Plots available for distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latur</td>
<td>263.26</td>
<td>791</td>
<td>783</td>
<td>297</td>
<td>8</td>
</tr>
<tr>
<td>Latur Extension</td>
<td>1073.83</td>
<td>254</td>
<td>160</td>
<td>03</td>
<td>94</td>
</tr>
</tbody>
</table>

Source: MIDC, Regional Office, Latur.

To develop area with above policy of information technology in the state at various places like Mumbai, Pune, Nagpur, Aurangabad, Kolhapur, Nasik, Solapur, Amravati, Sangli and Latur IT complexes are set up. For this IT Park, a plot of land of 5960 sq. ft. size is selected in the proposed site area at Latur. In this IT Park, basic essential infrastructural facilities like internal roads, streetlight, fencing wall, garden, drinking water, and furnished toilets are provided. In the IT Park complexes, 31 galas are for IT companies. Responses of IT entrepreneurs are not satisfactory so far. But for food processing industries entrepreneurs are showing good response due to availability of raw material and market. Additional Latur MIDC is followed by Latur MIDC. There is limited scope for industrial activities in Additional MIDC due to absence of infrastructural facilities. Here table showing detailed information about enterprises at Latur MIDC. However, enterprises are increasing with increasing capacity except in year 2013-14 because of sudden death of Late Mr. Vilasrao Deshmukh (Ex-Chief Minister, Maharashtra), economic development dropped down.

Table 6: Entrepreneurship Development at a glance

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Enterprises</th>
<th>Employment (No. of Persons)</th>
<th>Investment (Rs. in Lacs)</th>
<th>No. of EDPs (Training)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>23</td>
<td>1584</td>
<td>244</td>
<td>14</td>
</tr>
<tr>
<td>2010-11</td>
<td>31</td>
<td>1740</td>
<td>307</td>
<td>27</td>
</tr>
<tr>
<td>2011-12</td>
<td>38</td>
<td>1914</td>
<td>362</td>
<td>34</td>
</tr>
</tbody>
</table>
Source: DIC Action Plan, DIC office, Latur. 2009-10 to 2013-14

Table 7: Population Analysis of Latur District

<table>
<thead>
<tr>
<th>Description</th>
<th>2001</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Population</td>
<td>20,80,285</td>
<td>24,54,196</td>
</tr>
<tr>
<td>Population Growth</td>
<td>24.07%</td>
<td>17.97%</td>
</tr>
<tr>
<td>Density/Km²</td>
<td>291</td>
<td>343</td>
</tr>
<tr>
<td>Sex Ratio (Per 1000)</td>
<td>935</td>
<td>928</td>
</tr>
<tr>
<td>Average Literacy</td>
<td>71.54</td>
<td>77.26</td>
</tr>
</tbody>
</table>

Source: District Statistical Officer, Latur, Annual Reports (2013-14).

Latur (Municipal Council) Population: 3, 82, 754
Geographical Area - 7157 Sq. Km.
Cultivable area- 6523 Sq. Km.
Major River - Manjara, Terna, and Tawarja is a catchment of Godavari river basin.
Human Development Index- 0.47
Developed Irrigation Potential 1, 53,000ha (22%)
Inexpensive labour force and plots with adequate water and power facility created it more eye-catching place. It is attached by roadways, railways and airways. There are fewer industrial clashes. Latur comes in D + zone. VAT repayment for 9 yrs. Stamp duty exemption for buying plot. MCED and MITCON are conducting Entrepreneurial development Programmes for budding entrepreneurs. So training is available for prospective entrepreneurs.

3.14.9 Opportunities:

For Agro-processing activities, agricultural production can offer stout backward linkage to agro-processing businesses. Existing sugar, oil, pulses and other processing industries can
provide skilled labor and technological knowhow. MIDC has acquired such a huge area 840 ha area. So this land must be utilised for large manufacturing unit, automobile, electronics and other consumable durable unit, IT Units for IT Park with 2560 Sq.fts. area and 31 offices is ready.

Living cost occurred in Latur is minimum as compared to metropolitans. Latur is nearby or central at some well used business routes. Latur is equidistance from Aurangabad, Pune, and Hyderabad. It is also well connected to Solapur and Jalgaon for trades. At local level ‘Renapur-Latur- Ausa corridor’ of 40 km. four lane road facilitated to entrepreneurs for getting raw materials. Expansion in Ring road-I of 11 km. six lane and Ring road-II of 57 km. four lane always helps for transportation. Railways connectivity available which connects Latur directly to business hubs like Mumbai, Pune, and Hyderabad for supply of finished products as well for bringing raw material. Enlargement of air strip from 1980m x 30m to 2300m x 45m is accomplished. It is possible to handle Boeing and Airbus jet aeroplane and cargo service. Kingfisher Latur-Mumbai Air service will provide air connectivity to Latur for all main cities in India. Because of engineering, medical and other courses colleges more number of intellectual youths can be easily available there resulted in much scope for entrepreneurship. Sub-centre of SRTMU Nanded University is located at Latur so it is beneficial for research activities. District Central Bank, Trade banks and urban co-operative banks are providing necessary capital for business units. Regulated market has become centre of wholesale trades and farmers are getting suitable returns for providing raw material to entrepreneurs. Latur MIDC export contains only agricultural products (food grains) and not manufactured finished products so improvement can be done. In food grains Latur is forward market for Ground Nuts. Along with this; other food grains exported from district were Millets, Black Gram, Green Gram, Wheat, etc. These exports were mainly made to markets of Navi Mumbai, Solapur, Pune, Hyderabad, Miraj, Kolhapur, etc. Also, raw cotton used to be processed in local spinning mills and send to cloth industries at various markets. Cotton seeds were being exported to Mumbai and other places with oil mills. Instead of exporting raw agricultural material, finished products can be exported. But it needed entrepreneurship development at Latur MIDC. Communication technologies available to entrepreneurs can expand their business, as many companies providing their 3G network, broadband connections. For adequate Power facility to entrepreneur’s unit, central government sanctioned 1600 MW BHEL-MAHAGENCO power plant. Due to increased population of
Latur, CIDCO is planning to construct homes. As we know entrepreneurship development principally relates with facilities offered by government. In Latur city more than 20 regional head offices of government have been established viz. Education, health, MSEDCL, agriculture, transport, cooperation, Social welfare, MIDC, Pollution. Along with that, different government schemes are available to entrepreneurs for starting business. It provides business guidance and employment opportunities. Maharashtra government has decided to establish a planning board in every district. Government decided that district should be the fundamental unit of development and each district should have own long term guided development scheme. Concept of HDI includes per capita income and economic and educational situations. It is true indicator of district’s economic progress. Based on parameters HDI of Latur is 0.47 which is far below than Maharashtra State average HDI of 0.752 Latur ranks 19th in the State in terms of HDI. Per capita income of the district in 2013-14 was Rs. 45,511 whereas during same time state’s per capita income was Rs.1,17,091. Latur ranked 13th position in the State in per capita income in 2011 census population.

3.14.10 Poor Irrigation for Agriculture:

The entire agricultural field in district is totally dependent on Monsoon Rains. The irrigation policies in the district before independence were based on the fact that this monsoon rain is often insufficient and unreliable. Because of this, Irrigation policy was developed as building up small to medium scale dams and using network of canals. This has since lead to stability of sugarcane farming and co-operative sugar factories in the area. However, this irrigation system has only benefited 2- 3% of agricultural lands as remaining areas are left dependant on monsoon. This has lead in turn to local rural as well as regional disequilibrium, which at times also affects State unity and stability. So leaving the limited irrigated land, managing the question of other area farming is still at large. The economy of Latur district is agricultural one with sector and other inequality. Inequality may be due to natural calamities and man-made inequalities.