

## **FOREWORD**

The State Profile of Maharashtra has been updated by S.I.S.I., Mumbai as a part of the Action Plan 2000-01 of the Institute.

The State Profile provides up-to-date information on various aspects of the State's Economy, such as population, Material Resources like agriculture, livestock, forest and mineral resources, infrastructure, industrial development, incentives offered for industrial development as also the policies and procedures. This report provides useful information and directions for setting up of new industries in the State and strengthening the existing ones.

The salient features of New Industry, Trade and Commerce Policy launched by the Government of Maharashtra and brief information on various Central and State Government Institutions, involved in the development of the State are also incorporated in this report.

It is hoped that this report will be useful to the existing as well as prospective entrepreneurs, promotional agencies and all Government/Semi-Government/Non-Government bodies involved in the development and promotion of industries in Maharashtra.

I would like to express my appreciation to the work done by Shri O.M. Prabhakaran, Dy. Director (EI) and Smt. J.G. Khedekar, SIPO (EI) in the preparation of this report.

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# **INDUSTRIAL STATE PROFILE OF MAHARASHTRA**

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## **MAHARASHTRA AT A GLANCE**

Sl.No	Items/Particulars	Unit	(1998-99)
1.	North Latitude	Degree	16.4 to 22.1
	East Longitude	"	72.6 to 80.2
2.	No. of Revenue Division	Nos.	6
3.	No. of Districts	Nos.	35
4.	No. of Tehsils	Nos.	326
5.	No. of City & Towns	Nos.	336
6.	Inhabited	Nos.	41,251
	Unhabited	Nos.	2,613
7.	Area	000 Sq.Km.	308
8.	Length on the Coastal Line	Kms.	720
9.	<b>Population (1.3.99)</b>	<b>000 Nos.</b>	<b>90,122</b>
	Male	"	46,528
	Female	"	43,594
	<b>Rural Population</b>	<b>"</b>	<b>52,520</b>
	Percentage of rural population		61.31
	<b>Urban Population</b>	<b>000 Nos.</b>	<b>37,602</b>
	Percentage of urban population		38.69
	Density of population	Per Sq.Km.	289
	<b>Literacy percentage</b>	<b>Percent</b>	<b>64.87</b>
	a) Male	"	76.56
	b) Female	"	52.32
	Sex ratio female per 1000 male	Nos.	934
	Growth of population during(1981-91)	Percent	25.73
10	<b>Agriculture (1998-99)</b>		

	<b>provisional)</b>		
	Net area sown	000 Hect.	17,744
	Gross cropped area	"	21,818
	<b>Percentage of gross irrigated</b>		
	Areas to gross cropped area	Percent	15.4
<b>11</b>	<b>Area under Principal Crops (1998-99)</b>		
	Rice	000 Hect.	1483
	Wheat	"	1016
	Jowar	"	4775
	Bajri	"	1760
	All Cereals	"	9604
	All foodgrains (Cereals and Pulses)	"	13,111
	Sugarcane	"	609
	Cotton (Lint)	"	3199
	Ground Nut	"	543

Sl.No	Items/Particulars	Unit	(1998-99)
<b>12.</b>	<b>Production under Principal Crops</b>		
	Rice	000 Tons	2468
	Wheat	"	1309
	Jowar	"	4484
	Bajri	"	1493
	All Cereals	"	10,514
	All Foodgrains (Cereals & Pulses)	"	12,771
	Sugarcane (in cane)	"	47,151
	Cotton (lint)	"	442
	Ground Nut	"	667
<b>13.</b>	<b>Agricultural Census (1990-91)</b>		
	No. of Operational Holdings	000 Nos.	9470
	Area of Operational Holdings	000 Hect.	20,925
	Average size of Operational Holdings	Hect.	2.21
<b>14.</b>	<b>Livestock as on 1997</b>		
	Total live stock	000s	39,793
	Total poultry	000s	34,984
<b>15.</b>	<b>Forest area</b>	<b>Kms.</b>	<b>63072</b>
<b>16.</b>	<b>Industries</b>		
	Large & Medium Scale Industries		
	Upto 31.3.99	Nos.	3088
<b>17.</b>	<b>Small Scale units with permanent Registration upto March 2000</b>	<b>Nos.</b>	<b>1,55,350</b>
	Factories as per Factories Act	Nos.	
	Working Factories (1998)	Nos.	28,874
	Average daily number of workers	000 Nos.	1252

	Employment per lakh of population	Nos.	1397
	Electricity generated	Million KWH	57,973
	Total electricity consumed	"	51,695
	Industrial consumption	"	18,099
	Percentage of industrial consumption	Percent	35.01
	Number of agricultural pumps		
	Enmergised	0	1,921
	<b>Banking (as on 30.3.99)</b>		
<b>20</b>	<b>Banking offices</b>	<b>Nos.</b>	<b>6182</b>
<b>21</b>	<b>Places having banking offices</b>	<b>Nos.</b>	<b>2750</b>
<b>22</b>	<b>State Income (1998-99) Estimate</b>		
<b>23</b>	<b>Income at current price</b>	<b>Crore Rs.</b>	<b>2,13,860</b>
	Per capita income at current price	Rs.	23,849

<b>25</b>	<b>Employment Exchange</b>		
	Persons on live register at the end of December 1999 (Estimated)	Lakhs Nos.	41.84
	<b>Education (98-99 Estimated)</b>		
	Primary School	Nos.	64,918
	Enrolment	000s	12,291
	Secondary school	Nos.	14,441
	Enrolment	000s	8,607
<b>26</b>	<b>Health (1998)</b>		
	Hospitals	Nos.	843
	Dispensaries	Nos.	1396
	Beds per lakh of population	Nos.	96

## **CHAPTER – 1**

### **INTRODUCTION**

#### **Topography & Area:**

Maharashtra is the third largest State in India occupied 9.4% geographical area of the country. It is bounded by Arabian Sea in the West Gujarat in the North West, Madhya Pradesh in the North, Andhra Pradesh in the South-East and Karnataka and Goa in the South. The Konkan Coastal stretches about 720 Kms long in the West and the Sahyadri ranges parallel to the sea coast at about 80 Kms wide in the East. To the coast of the Sahyadries stretches a vast plateau. This plateau is drained by the three great rivers Godavari, Bhima and Krishna, which rises in the Sahyadri and flow eastward across Indian Peninsula into the Bay of Bengal. There are total 6 regions namely Konkan, Pune, Nashik, Aurangabad and Nagpur and 35 districts in the State. Out of the 35 districts, five are new districts viz., Washim, Nandurbar, Hingoli and Gondia created by the State Government during 1999-2000.

#### **Rain Fall/Climate:**

The rainfall in the State varies considerably, the areas west of Sahyadries like districts of Thane, Raigad, Ratnagiri and Sindhudurg receive heavy rain with an average of 200 cms. The areas which lie in the rain shadow of Sahyadries, however, get an average rain fall of around 60 to 75 cms annually and in some areas even less than 50 cms. These areas include the districts of Nashik, Pune, Ahmednagar, Dhule, Jalgaon, Satara, Sangli, Solapur and Kolhapur. In Marathwada also rain fall is generally low around 50 – 75 cms per year.

#### **Population:**

Maharashtra is the second largest State in India in respect of population. According to the Population Census 1991, Maharashtra's population was 7.89 Crores which was 9.3 per cent of the total population of India. The estimated population of the State as on 1<sup>st</sup> March, 2000 was 9.11 Crores. The degree of urbanisation in the State has been higher than that in the country all along and 38.69% of the State's population was urban in 1991 as against 25.71% at the national level. On account of continuous industrialisation of the State the percentage of Urban population to total population of the State has increased from 28.22% in 1961 to 31.2% in 1971 and further to 38.69% in 1991. Besides, Greater Bombay the Whole urban district, other districts with high percentage of urban population were Nagpur (61.84%), Pune (60.76%) and Thane (64.74%). Greater Bombay alone accounted for 32% of the urban population of Maharashtra.

#### **Density of Population:**

The Maharashtra State is second largest State in India both in terms of area, (after Rajasthan) and in population after Uttar Pradesh and Bihar as per 1991 census. The density of population is 257 persons per sq. km. For the State against 274 for India. During the last decade (1981-91), the decade growth rate of State was 25.7 and was marginally lower than that of India 23.9%.

### **Literacy:**

The percentage of literacy in Maharashtra according to 1991 census was 64.9. It was significantly higher than that in India (52.1%), excluding Jammu and Kashmir. In 1981 literacy percentage was 55.8% in the State. Maharashtra State ranks sixth in respect of literacy amongst all the States in India in 1991. Literacy percentage in males was 76.56 and in female it was 52.32 in 1991. (The ratio for the year 1991 and 1981 relate to population aged 7 and above, earlier population aged 7 and above, earlier population aged 5 and above).

### **Working Population:**

According to the 1990-91 census the proportion of working population in the total population of the State was 43.8% which was almost equal to the figure in 1981 census. The proportion of workers was higher in rural areas 49.7% as compared to their proportion in urban areas 32.4%. The proportion of workers in the total population of the State (43%) is higher than that the country as a whole (37.7%). The proportion of cultivators amongst all main workers in the State declined from 35.12% in 1991. However, the proportion of agricultural labour in the State increased from 26.62% to 26.81%. The proportion of workers in the agriculture sector (cultivation, agricultutal, labours, livestock, forestry, fishing etc.) declined from 63.76% in 1981 to 61.14% in 1991).

## **AGRICULTURE**

### **CHAPTER 2**

#### **Land Utilisation Pattern:**

In Maharashtra, agriculture is the most common economic activity, but it is the least productive. It is the primary occupation of nearly 62 percent of the working population. The lower proportion of agriculture income is due to low productivity of land, Adverse Soil, topography and climate have led to a crop pattern of prominently inferior (i.e. low valued crops with relatively low yields for most of the important crops. Nearly a third of the State falls in the rain shadow area where the rains are scanty and erratic. In irrigation Maharashtra State is far below the national average. The percentage of press irrigated area to gross cropped areas in the State being only 15.4% as compared with 37.5% for the country as a whole in 1998-99. The gross irrigated area in the year 1998-99 was 33.62 lakh hectares. Agriculture in the State is thus largely rained with about 85 percent of the gross crop area in the State totally dependent on rains. Even of the 33.62 lakhs (in 1998-99) hectares of gross irrigated area, about 41.70% is irrigated by wells and is indirectly dependent on rain-fall. Consequently the crop pattern of the State is dominated by jawar, bajra and other low valued crops. The technological improvements adopted by farmers in the State over the period have led to considerably narrowing down to year fluctuations, particularly in respect of food grains production. The food grains production of the State was about 67 lakhs tonnes in 60s. It started picking up and increased to about 100 lakh tonnes in later part of 70s and further to 88 lakhs tonnes in 1985-86, 1986-87 and 1987-88 were drought years. During 1987-88, season food grains production of the State was around 80 lakhs tonnes. Rice, Wheat, Bajra and Gram are important food grains crops of Maharashtra. Sugarcane, cotton and ground-nut are the principal cash crops of Maharashtra State. In 1991-92 the food grain production is estimated at 84.00 lakh tonnes which was due to the drought conditions that prevailed in most parts of the State. As per the preliminary estimates, the total food production in the State is expected to be 120.5 lakh tonnes in 1999-2000, by 5.7% compared with that in the earlier years.

#### **Animal Husbandry:**

The livestock population in the State as per 1997 Live-stock census was 3.98 crores which shows an increase of 9.3% over 1992 Census figure. While the total poultry in the State as per 1997 census was 3.50 crores, 8.7% higher than their number in 1992. The dairy development activity is fairly well distributed throughout the State. In 1999-2000 there were 106 milk chilling centres with a capacity of 18.37 lakh litres per day. In addition, there were 60 milk processing plants with an aggregate capacity of 62.8 lakh litres per day. The State's main livestock products are milk, eggs, meat and wool. The estimated total milk production in the State in 1999-2000 was 38.0 lakh litres. This was 5.5% more than the estimated production of 36.0 lakh litres in the year 1998-99. The eggs production in number in 1998-99 was estimated at 244 crores. The meat production in 1998-99 was estimated at 203 thousand tonnes and the wool production was estimated at 15.96 lakh kgs. (1.60 lakh tonnes).

The details of Livestock and poultry population in Maharashtra as per Census held in 1987, 1992 and 1997 is given in Table – 1.

TABLE-1						
Livestock and Poultry in Maharashtra State as per 1987,1992,1997						
Year	No. of					
	Cattle	Buffaloes	Sheep/Goat	Others	Total	Poultry
1987	16,984	4,756	12,068	447	34,255	24,840
1992	17,441	5,447	13,015	489	36,3936	32,187
1997	17,949	6,484	14,716	645	39,793	34,984

### Area under Principal Crops:

The area under total kharif crops in Maharashtra is given in the Table – 2. During 1999-2000 the area under Kharif jowar decreased by 1.9% as compared to that in the last year. Area under rice increased by 2.3%. Under the pulses group, area decreased by 3.8%. Overall, there was a decrease of 1.8% in the area under kharif food-grains in 1999-2000. In regard to other important crops like cotton and sugar cane, area of former is more by 28.3% and in the case of latter it increased substantially by 4.3% during 1999-2000. In case of kharif groundnut the area decreased by 0.2%. As regards other oil seeds area increased by 5.5%. The area under total rabi food-grains increased by 9% in 1999-2000 as compared to previous year. Area under rabi jawar is increased by 21.7% and that of wheat is decreased by 9.3%. In the case of rabi pulses area is expected to decrease by 5.8%. The area and production of Principal Crops in Maharashtra State is given in Table – 3.

TABLE-2				
Area and Production of Principal Kharif Crops in Maharashtra				
Crops	1998-99		1999-2000	
	Area	Production	Area	Production
	(000 Hect)	(000 Tons)	(000 Hect)	(000 Tons)
Rice	1446	2395	1479	2484
Bajri	1760	1493	1736	1047
Jowar	1955	2785	1918	2558
Other Cereals	481	633	460	544
Tur	1007	809	1041	721
Other Pulses	1457	831	1329	502
Total				
Foodgrains	8105	8946	7963	7856
Cotton(Lint)	3199	445	3254	488
Groundnut	408	475	407	370
Other oil seeds	1432	1591	1511	1554
Sugarcane	530 (H)	47151	590 (H)	55798
Total	21780	67554	21688	73922
(H) = Harvested area				



TABLE – 3			
Area under Principal Crops & their Production in Maharashtra			
Sl.No.	Crops	As on 98-99	As on 98-99
		Area	Production
		(In thousands hectares)	(In thousands tons)
1	Rice	1483	2468
2	Wheat	1016	1309
3	Jowar	4775	4484
4	Bajri	1760	1493
5	All Cereals	9604	10514
6	All Pulses	3507	2257
7	Sugarcane	609	47151
8	Cotton (Lints)	3199	442
9	Groundnut	543	667
10	All Foodgrains	13,111	12,771
	Total	39,607	83,556
Source: Directorate of Agriculture, Government of Maharashtra,			

### **Forestry:**

The area under forest managed by the Department of Forests has remained stable at 64 thousand sq. kms in 1961-62, 56.3 thousand sq.kms. in 1981-82 which is about 20.8% of the total geographical area of the State. The main forest areas are in the districts of Gadchiroli and Chandrapur in the east region, Satpura range in the north, the western ghat and in the rest of the State there is very little forest.

The area under forest at the end of 1988-99 was 63.02 thousand sq.kms. (inclusive of 0.5 thousand sq.km. of private forest area), which accounted for 20.5% of the geographical area of the State. Afforestation programmes have been taken up within forest lands as well as village community lands. During the year 1998-99, nearly 87 thousand hectares of land was covered under various afforestation programmes. With a view to maintain ecological balance, the Government has restricted the clear felling of trees in the forest areas. Consequently, there has been a reduction in the major forest product (i.e. timber, firewood) in the State.

The details of major forest products in the district is given Table – 4.

TABLE – 4					
MAJOR FOREST PRODUCTION IN MAHARASHTRA					
Item	1994-95	1995-96	1997-98	1998-99	1999-2000
Timber:					
Quantity (000'cu.m)	115	108	103	136	179
Value (Rs. Lakhs)	4529	6300	7400	10600	12170
Firewood:					
Quantity (000'cu.m)	277	153	352	219	318
Value (Rs. Lakhs)	419	550	1150	1200	1920

Minor Forest					
Produce					
Value (Rs. Lakhs)	6718	5680	6300	N.A.	6700
Bamboo	2291	1440	2400	1800	3780
Tendu Leaves	4235	4111	3800	N.A.	2660

### **Minerals:**

The mineral production in the State has been steadily increasing. The potential mineral bearing area in the State is about 58 thousand sq.kms. which is 19% of total area of the State and is concentrated in the districts of Bhandara, Chandrapur, Gadchiroli, Satara, Ratnagiri, Kolhapur, Nagpur, Raigad, Sindhudurg, Yeotmal and Thane. The important mineral occurring in the State are iron, coal, manganese, ore, Silica Sand, Dolomite and Bauxite. During 1998-99, the production of Coal, Silica Sand, Bauxite and Laterite was 252.02 lakh tonnes, 1.41 lakh tonnes, 8.58 lakh tonnes and 2.24 lakh tonnes respectively. However, the production of iron ore, dolomite, limestone and manganese ore during 1998-99 were 27 thousand tonnes, 41 thousand tonnes, 5987 thousand tonnes and 314 thousand tonnes respectively.

The value of minerals extracted in 1998-99 in the State was Rs. 2180 Crores as against Rs. 2301 Crores in 1997-98. Coal alone accounted for 95 per cent (Rs. 2067 Crores) of the total value of minerals extracted in 1998-99.

The detail about mineral production and its value during 1996-97 and 1997-98 is given in Table No. 5.

TABLE – 5						
MAJOR MINERAL PRODUCTION IN MAHARASHTRA						
Minerals	1996-97		1997-98		1998-99	
	Quantity	Value	Quantity	Value	Quantity	Value
	(in 000 tons)	(in 000 Rs.)	(in 000 tons)	(in 000 tons)	(in 000 tons)	(in 000 Rs.)
Coal	24857	18089929	26508	19291460	25202	20668245
Iron Ore	91	10,959	50	3,516	27	4195
Lime stone	6578	431086	6064	427040	5987	4,69,360
Manganese	305	413036	297	384605	314	4,68,557
Kuolin(Natural)	8	657	2	183	1	42
Bauxite	722	137012	823	136395	858	132581
Salt	225	-	209	-	226	-
Dolomite	49	9018	41	6282	41	5607
Silica Sand	116	12390	131	12527	141	17817
Fluorite	4	6162	5	7871	2	3483
Laterite	242	26607	296	32782	224	24990
Kyanite	1	290	N.A.	N.A.	N.A.	N.A.
Chromite	2	1681	3	3402	1	1184
Other	310	9017	919	22842	334	5572
<b>Total Value</b>	-	<b>1,91,47,844</b>	-	<b>2,03,28,905</b>	-	<b>2,18,01,633</b>
<b>Source: Economic Survey of Maharashtra (1999-2000)</b>						

## **Other Economic Activities:**

### **Fisheries:**

Maharashtra has a coastal line of about 720 km and rivers of about 3.2 thousand km and canals of about 12.8 thousand km length. The number of marine fishing villages/hamlets in Maharashtra is 386. The area suitable for marine fisheries is 1.12 lakh sq.km, for inland fisheries 3 lakh hectares and for brakish water fisheries 18,600 hectares. Out of the 1.12 sq.km area for marine fisheries, 55.5 thousand sq.km. isd upto 72 meters in depth and is being harvested at present. The potential of fish catch from this area has been estimated at 6.3 lakh tonnes per year. Compared with marine fish production, that of inland fishing is quite small. It was 11,000 tonnes in 1961-62 and has increased to about 84,000 tonnes in 1993-94. However, in 1998-99, the estimated inland fish catch was 1.25 tonnes, 1.6% less than that on 1997-98. The estimated marine fish catch in 1998-99 was 3.95 tonnes, 13 per less than in 1997-98, Maharashtra had a fishing fleet of 18834 boats in 1998-99, out of which 8928 (47%) were mechanised boats. In 1989-90, 24,689 tonnes of processed fish valued at Rs. 12,432 lakhs were exported. In 1990-91, 22,088 tonnes of fish valued at Rs. 10,528 lakhs were exported.

### **Co-operation:**

The co-operation movement in Maharashtra has played a significant role in the Social and economic development of the State, particularly in the rural areas. Initially this movement was confined to agricultural credit. Later on it spread to other fields like agro processing, agro-marketing, rural industries, consumer stores, social services etc. In the year 1961 there were about 31,565 Co-operative Societies out of which 21,438 (68%) were agricultural credit societies. By 31<sup>st</sup> March 1999, the total number of societies increased to 146641. Out of this 67,464 (46%) was in the category of Social Service and other Co-operative Societies and 37872 (26%) was in the category "Productive Enterprises" (Sugar factories, rice mills etc.) while the non-agricultural credit societies was 19862 (13%).

### **Productive Enterprises:**

There were 37872 co-operative societies engaged in productive enterprises as on 31.3.1999. Out of this 756 were independent processing societies of which 633 were in production during the year 1998-99. During the period 1998-99, there were 24 cotton ginning and pressing factories, 116 Co-operative Sugar factories and 88 rice mills in the co-operative sector. During 1998-99 there were 728 handloom and 798 power-loom societies, and 226 co-operative spinning mills in the State. Upto December 1999 Maharashtra has about 132 registered Co-operative Industrial Estates accommodating 7430 industries. Maharashtra is the only State in India operating Monopoly cotton procuring scheme and it is beneficial to more than 10lakhs cotton growers. The scheme is implemented with effect from 72-73 season in the co-operative sector. Maharashtra State Co-operative Cotton Growers Marketing Federation has been appointed as the Chief Agent by the Government for this purpose and is assisted by sale and purchase societies as its sub-agents. The total quantity of cotton procured by them during 1999-2000 was 164.39 lakh quintal valued at Rs. 3498.26 Crores.

### **Co-operative Marketing:**

The number of Cooperative Marketing Societies at the end of March, 1999 was 1055 with membership of 8.32 lakhs, and working capital of Rs. 439 Crores and the turn over was Rs. 4558 Crores.

### **CHAPTER – 3**

#### **SMALL SCALE INDUSTRIES**

##### **Definition:**

As per Government of India's Notification No. S.O. 1288(E) dt. 24<sup>th</sup> December 1999, the investment limit on plant and machinery in respect of Small Scale Ancillary Industrial Undertakings was reduced from Rs. 3 Crores to Rs. 1 Crore. In the above notification, the clarification is given for those industrial undertakings which had either established afresh or enhanced their investment upto Rs. 3 Crores before the notification dt. 24<sup>th</sup> December, 1999, is as under:

(i) The units that have obtained Permanent Registration on the Order dt. 10<sup>th</sup> December 1997 would continue to remain as SSI unit inspite of the Order dt. 24<sup>th</sup> December 1999 reducing the investment limit to Rs. 1 Crore.

(ii) The unit which had switched over to the SSI Status based on the Order dt. 10<sup>th</sup> December 1977 would continue to remain as SSI unit inspite of the Order dt. 24<sup>th</sup> December 1999 and

(iii) The unit which have got Provisional Registration with the State Authorities for their SSI, Status would continue to remain as SSI Units, inspite of the Order dt. 24<sup>th</sup> December 1999 provided the Provisional Registration had taken place within the period of limitation of 180 days specified in the Order dt. 10<sup>th</sup> December 1997.

Any unit which has received provisional/permanent registration prior to 24<sup>th</sup> December 1999 and has taken concrete steps for implementing the project would continue to enjoy the SSI Status so long as investment in plant and machinery does not exceed Rs. 300.00 lakhs. No time limit is prescribed for such units to reach the ceiling of Rs. 300.00 lakhs.

##### **Industrial Scenario in Maharashtra:**

Out of the total 24 industry divisions covered under Annual Survey of Industries (ASI), ten industry divisions contributed substantially to the industrial production in the State. These industry divisions are (1) Chemicals & Chemical Products, (2) Machinery and Equipment, (3) Transport Equipment, (4) Rubber, Plastic, Petroleum and Coal Products, (5) Food Products, (6) Basic Metals, (7) Metal Products, (8) Cotton Textiles, (9) Synthetic Fibre Textiles, (10) Other manufacturing industries. These ten industry divisions together accounted for 74 percent and 68 percent of the net value added in the manufacturing sector in the State and at the All India level respectively in 1997-98. Maharashtra continued to be in the leading position on the industrial scene in India. The State accounted for 22 percent of net value added in the organised industrial sector of the country during 1997-98 which was the highest among all the States in the country.

The Annual Survey of Industries results of 1997-98 reveal that out of the total 24 industry divisions, in 19 industry divisions, the State occupied the first position in 12 industry divisions. The State had more than one-fourth Share in the value of output and value added in the country in respect of each of the nine industry divisions and several industry divisions respectively.

The State had more than 25% shares in the value of output for the country in respect of the ten industry divisions viz.

Sl.No.	Industry Division	Share of value of output of Maharashtra
1	Chemicals	27.6%
2	Rubber, Petroleum	24.7%
3	Metal Products	36.6%
4	Machinery & Equipment	27.7%
5	Transport Equipment	27.6%
6	Other Manufacturing Industries	45.5%
7	Repair of Capital Goods	28.3%
8	Water Works	32.3%
9.	Cold Storages	29.1%
10.	Repair Services	28.2%

The advent liberalisation has already given an impetus to the rapid industrial development of the State. Since liberalisation (August 1991), upto 31st August 1999, 8,283 projects involving an investment of Rs. 1,74,119 Crores to be set up in Maharashtra have been registered with the Government of India. These projects will generate approximately 14,84,520 employment (estimated). Major part of this proposed investment will be in Konkan (47%), followed by Pune region (24%) and Nashik region (11%). Out of 8,283 projects, 3443 projects with an investment of Rs. 52,747 Crores have started their production and 3,01,491 employment is generated.

To develop Information Technology in the State, MIDC has decided to set up 'Infotech Park' at Pune, Navi Mumbai, Mumbai, Aurangabad and Nagpur.

### **SMALL SCALE INDUSTRIES:**

The SSI Sector plays a vital role in economic development of the country and is a valuable channel for creating low cost employment opportunities. For speedy growth of SSI, the State Government has already brought about Simplification in the SSI registration procedures and accordingly reduction in documents has been brought about. The State Government has modified the scheme of SSI units has been increased upto Rs. 1 Crore for Tiny Sector, the investment ceiling has been increased from Rs. 50,000/- to Rs. 2 lakhs.

Upto March 2000, there were 1,35,350 permanent registered SSI units in the State. The total investment in these units was Rs. 10,73,943 lakhs and their production capacity was Rs. 7,50,744 lakhs. These units in all employed about 1011954 persons.

The SSI units in Maharashtra were broadly categorised into in major groups details of which are given in Table No. 6.

TABLE – 6

Statement showing Industry Categorywise classification of PMT Unit registered with Directorate as small scale catetory					
Sr.	Category	No.of	Employment	Investment Plant	Production
No.		Units		& Machinery	Capacity
		PMT		(Rs.In Lakhs)	(Rs.in Lakhs)
1	Agro based Industries	10196	84773	70515	454227
2	Forest based industries	5136	27824	17462	37710
3	Mineral based Industries	4545	41037	21306	98601

4	Food & Beverage	6441	42029	23667	96428
5	Textile Industries	11737	71288	43114	634939
6	Leather Industries	1711	13517	6249	33830
7	Rubber Industries	2184	18694	10132	47290
8	Plastic Industries	9959	72557	165298	1631299
9	Chemical & Chemical based Industries 9417	67537	77893	227221	
10	Metal based Engineering Industries	42582	224210	101397	288972
11	Electric Industries	5502	29176	101897	357823
12	Electronic	5601	31977	60136	86756
13	Non-Metal Industries	1085	8725	6910	25070
14	Other Industries	39254	278610	367967	3486978
	Total	155350	1011954	1073943	7507144

The major concentration of SSIs were in the groups:  
 Other industries (39,254), (2) Metal-Based Engineering Industries (42,582),  
 (3) Textile Industries – 11737, (4) Agro-Based Industries – 10196, (5) Plastic  
 Industries 9959, (6) Chemical & Chemical-Based Industries - 9417

Table - 7					
Cummulative PMT Regn. District wise, Since inception to the end of March2000					
Sr.No.	District	SSI	SSSBE	MSI	TOTAL
1	Gr. Bombay	16308	671	177	17156
2	Thane	10209	99	505	10813
3	Raigad	1833	114	197	2144
4	Ratnagiri	1291	60	195	1548
5	Sindhudurg	757	67	104	928
	<b>KONKAN REGION</b>	14090	340	1001	15431
6	Nashik	7015	684	2449	10148
7	Dhule	1362	89	133	1584
8	Nandurbar	13	0	5	18
9	Jalgaon	2616	194	197	3007
10	Ahmednagar	2966	113	381	3460
	<b>NASHIK REGION</b>	13972	1080	3165	18217
11	Pune	41966	2392	638	44996
12	Satara	2323	307	302	2932
13	sangli	5444	919	577	6940
14	Solapur	5060	147	3234	8441
15	Kolhapur	6916	190	2325	9431
	<b>PUNE REGION</b>	61709	3955	7076	72740
16	Aurangabad	3049	102	223	3374
17	Jalna	819	26	116	961
18	Parbhani	634	31	234	899
19	Hingoli	0	0	0	0
20	Beed	1219	55	163	1437
21	Nanded	1267	75	209	1551
22	Osmanabad	727	22	112	861
23	Latur	1733	54	204	2031
	<b>AURANGABAD</b>	9488	365	1261	11114

	REGION				
24	Buldhana	598	45	221	864
25	Akola	1530	51	113	1694
26	Vashim	0	0	0	0
27	Amravati	1813	205	77	2095
28	Yavatmal	1036	73	109	1281
	<b>AMRAVATI REGION</b>	4977	374	520	5871
29	Wardha	735	45	124	904
30	Nagpur	9703	431	440	10574
31	Gondia	0	0	0	0
32	Bhandara	1374	44	211	1629
33	Chandapur	1194	43	145	1382
34	Gadchiroli	254	33	45	332
	<b>NAGPUR REGION</b>	13260	596	965	14821
	<b>MAHARASHTRA STATE</b>	133804	7381	14165	155350

A common characteristics of Small Enterprises World over is their agglomeration in clusters. The proximity of a web of business reduces the unit cost of infrastructure. The major cluster of SSI units in Maharashtra are listed below:

#### LIST OF CLUSTERS IN MAHARASHTRA

SrNo.	Item	Location
1	Automobile Components	Aurangabad
2	Automobile Components	Pune
3	Bed Spread	Solapur
4	Brass oods	Bhandara
5	Electronics	Mumbai
6	Electronics	Mumbai
7	Food products	Pune
8	Ganesh Statues	Pen-Panvel
9	Kumkum	Kem-Solapur
10	Lakh	Bhandara
11	Readymade Garments	Mumbai
12	Silver Ornaments	Huppuri
13	Beedi	Bhandarg/Shinna
14	Chuna Bhatti	Rajura
15	Foundry	Kolhapur
16	Kaju	Vengurla-Ratnagiri
17	Chemicals	Vashi
18	Chappals	Kolhapur
19	Powerlooms	Bhiwandi
20	Powerlooms textile processing	Bhiwandi-Malagarh
21	Sarees	Paithan
22.	Diesel engines	Kolhapur
23	Sarees Looms	Nagpur
24	Shipping Industry	Algaon

## **CHAPTER – 4**

### **LARGE AND MEDIUM SCALE INDUSTRIES**

As per the information furnished by the Directorate of Industries, as on 31-3-1999 the existing number of Large and Medium Scale Industries was 3088 with an investment of Rs. 66,791 Crores.

In the period July 1991 upto March 1999, 6999 Industrial Entrepreneurs Memorandum (IEM) were submitted to Government of India from Maharashtra and 488 of Intent were issued in the same period. About 1065 Large and Medium Projects and Mega Projects with a Capital Investment of Rs. 23288.15 Crores is under implementation in the State. Upto March 1998, 28,874 working factories with an employment of 13.77 were registered under the Factories Act. District/Region-wise information on the Large and Medium Scale Industries in Maharashtra is furnished in Table 8.

As per Table, out of 3088 number of industries in the State, 1113 units (36%) is in the District of Gr. Mumbai.

**TABLE – 8**

Sub: Large and Medium Scale Industries and Mega projects under Implementation as on 31.3.1999 (Rs.in crores)								
Sr.	Region District	Existing Industries		IEM's submitted to Govt.of India since July 91 to Mar-99	Letter of intents issued by Govt. of India since July 91 to March 99	100% EOU issued by Govt. of India Since July 91 to Mar-99	L	
No.							indu	
			Capital					
		Number	Investm ents	Number	Number	Number	Number	A
1								
2	<b>GREATER MUMBAI</b>	1113	29554	554	45	61		
3	Thane	408	4935	1426	81	112		
4	Raigad	221	9357	727	77	92		
5	Ratnagiri	44	922	148	21	15		
	Sindhudurg	15	17	26	-	4		
6	<b>KONKAN REGION</b>	1801	44785	2881	224	284	473	1
7	Pune	199	5992	1048	70	89		
8	Satara	37	416	162	11	4		
9	Sangli	49	4643	143	11	9		
10	Kolhapur	83	395	233	14	15		
	Solapur	60	715	186	12	11		
11	<b>PUNE REGION</b>	428	12161	1772	118	128	257	5
12	Nashik	167	2007	548	22	43		
13	Jalgaon	37	363	139	7	14		
14	Dhule	32	318	62	2	2		
	Ahmednagar	92	319	174	15	5		
15	<b>NASHIK REGION</b>	328	3007	923	46	64	96	1
16	Aurangabad	181	2259	485	25	11		
17	Jalna	15	10	41	3	-		
18	Latur	10	87	68	4	2		



19	Osmanabad	12	124	63	5	-		
20	Beed	6	95	63	6	-		
21	Parbhani	10	55	28	4	-		
	Nanded	41	398	59	7	1		
22	<b>AURANGABAD REGION</b>	275	3028	807	54	14	73	1
23	Amravati	16	77	28	1	1		
24	Akola	16	114	55	4	-		
25	Yavatmal	14	319	34	-	-		
	Buldhana	15	88	46	-	-		
26	<b>AMRAVATI REGION</b>	61	598	163	5	1	31	6
27	Wardha	20	160	38	2	-		
28	Nhamdara	21	338	28	4	-		
29	Nagpur	133	1325	337	25	21		
30	Chandrapur	18	1378	46	7	-		
	Gadchiroli	3	11	4	3	-		
	<b>NAGPUR REGION</b>	195	3212	453	41	21	85	6
	<b>GRAND TOTAL</b>	<b>3088</b>	<b>66791</b>	<b>6999</b>	<b>488</b>	<b>512</b>	<b>1015</b>	<b>2</b>

## **CHAPTER – 5**

### **INSTITUTIONAL SUPPORT**

#### **SIDO Officers and their functions in brief:**

Office of the SISI, Mumbai was set up in 1954. Since then a SISI has been set up at Nagpur and a Branch SISI at Aurangabad. The main functions of these institutes are: providing technical consultancy service to entrepreneurs, preparation of project profiles and detailed project reports and common workshop facility, assistance to the Small scale units.

Organising Entrepreneurial Development Programme for motivations and preparing prospective entrepreneurs, providing Industrial Management Training in marketing, finance, taxation etc. for existing industrialists and prospective entrepreneurs and conducting technical training.

Conducting In-plant Study and preparation of Modernisation guide for modernisation of small scale units.

Dissemination of economic information, preparation of State Profiles, conducting District Industrial Potentiality Surveys, Market Surveys and assistance to sick units and collection of statistical information from small scale units.

Conducting awareness programmes and workshops on Pollution Control and Energy Conservation.

Providing guidance and assistance for promotion of exports of SSI products through consultancy services, training programmes, Seminars and liaison with concerned export development agencies. Also dealing with Advance Licence for export cases.

Promotion of small scale and ancillary and sub-contracting units to public and private sector undertakings through Sub-Contract Exchange and vendor development programmes.

Implementing Prime Minister's Rozgar Yojana for providing financial and other assistance to the educated unemployed youth of Urban areas.

At present there are technical officers in these Institutes in the field of Mechanical, Modernisation, Metallurgy, Food Technology, Chemical, Leather Footwear, besides Economic Investigation, Export Promotion & Industrial Management Training. These Institutes have been acted as catalyst for the industrial development of small scale units in the State of Maharashtra.

Additionally, the Regional Testing Centre (RTC) has been set up at Mumbai. This Centre offers facilities for improving the quality and productivity of their products in the following disciplines:

Physical Testing, Non-destructive testing, Mechanical Testing (Products testing and precision measurement), Electrical Testing (Domestic Electrical Appliances and other items), Metallography Testing, Vacuum Testing (Testing of leakage pumps, vacuum parts etc. upto 10 TORR) PVC pipes testing, chemical analysis of metal and alloys.

In addition, Field Testing Station (FTS) has been set up at Kolhapur and it offers testing facilities in chemical analysis (Ferrous and Non-ferrous metals and alloys), Physical and Metallography. The R.T.C., Mumbai has also submitted its plan to set up Field Testing Stations at Aurangabad, Nagpur, Nasik and Pune.

The Institute for Design of Electrical Measuring Instruments (IDEMI), Sion, Mumbai provides facility of testing of electrical items and also provides training. The Electronic Regional Test Laboratory, MIDC Area, Andheri, Mumbai provides facilities for testing of electronic products and also conducts Seminars & Training Programs.

The other Central Government Organisations and their activity is given in Annexure.

### **Directorate of Industries:**

The Directorate of Industries is the major field organisation of the Industries Department headed Development Commissioner (Inds.). Every district has a District Industries Centre (DIC) headed usually by a General Manager. The Directorate of Industries grants registration to SSI, makes recommendations for import of raw materials and capital goods Central Purchase of stores for the State Government, grants No Objection Certificate for location of industries in Mumbai Municipal Region, recommends licence for industry and grants exemptions of land for industrial use under the Urban and Ceiling Act and for setting up of Co-operative Industrial Estates. It also implements programmes for the educated unemployed youth.

'Udyog Mitra' has been set up by the Government of Maharashtra in 1979 keeping in mind the vital needs of the industries. It offers general guidance to entrepreneurs seeking to set up industries, in respect of various rules and regulations, policy matters, approvals and clearances which have to be necessarily complied with at several stages during the progress of a project. Udyog Mitra consists of officers drawn from SICOM, MIDC, MSEB, MSFC, MPCB, DI, whose main function is to liaise, on behalf of the entrepreneurs with the respective organisations to improve co-ordination among them. Providing guidance and assistance for promotion of exports of SSI products through consultancy services, training programmes, Seminars and liaison with concerned export development agencies. Also dealing with Advance Licence for export cases.

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### **Maharashtra Industrial Development Corporation (MIDC):**

MIDC is the primary industrial infrastructure development agency of the Maharashtra Government, constituted under the Maharashtra Industrial Development Act, 1961. MIDC was established on 1<sup>st</sup> August 1962, with the basic objective of setting up industrial areas with a provision industrial infrastructure all over the State for planned and systematic industrial development. The main activities of MIDC are as follows:

- Development of industrial areas by acquiring land.
- Preparing layout with suitable grouping of plots of various sizes and allotment of plots on leasehold basis.
- Construction of roads, drainage system and provision for street lights in the industrial areas.
- Planning, implementing and managing water supply schemes.
- Establishing Common Facility Centres (CFC) by providing accommodations for Bank, Post Office, Telecom facilities, Police Station, medical facilities, canteen etc.
- Establishment of effluent collection and disposal systems for Chemical Zones.
- Implementing Government/Semi-Government Projects.

### **I T PARKS OF MIDC**

Millennium Business Park, Navi Mumbai.

With 2 million square feet construction already completed, Millennium Business Park, Navi Mumbai, is the largest Software Technology Park in India. The other major parks in the country are the TIDEL Park at Chennai (1.4 million sq.ft.), Whitefield Park near Bangalore (1 million sq. ft.) and Hi-Tech City at Hyderabad (0.6 million sq.ft.).

MBP is also the fastest selling Park in the country. Over 600,000 sq. ft. were sold in two months since the launch of the Park on 2<sup>nd</sup> Feb 2000 during the NASSCOM 2000 convention at Mumbai. This is over and above the 800,000 sq. ft. already sold since the commencement of construction, taking the total to

1.4 million sq. ft. in a little over One and half years. MBP has a very impressive client list:

APTECH, CMC, CMS, Datamatics, Hexaware, Mastek, Mediline and Rolta are some of the illustrious clients which MBP is proud of. Since they have purchased large area and separate buildings, their buildings are being customized as per their requirements. For smaller, but no less illustrious clients, modules in sizes ranging from 600 sq. ft. to 3000 sq. ft are available. The Park, spread over 18 Ha, is 20 km from the Mumbai International Airport, 8 km from the residential areas of Mulund, and 7 km from Vashi in Navi Mumbai. It is served by a regular bus service from the Vashi Rly station; from the proposed Kopar Khairane rly station it is just 1 km.

MTNL has already set up a modern telephone exchange with ISDN facility on the campus. The offices of both VSNL and STPI are also located on the campus, providing connectivity through OFC. Incidentally, the entire campus of MBP has underground OFC cabling, alongwith underground ducted services such as power cables, telephone lines etc., ensuring an aesthetic as well as dust-free atmosphere. A dedicated electric sub-station has also been set up for ensuring quality power.

The facilities on the campus include a Club House with Swimming Pool, Gym and Restaurant, Two Executive Hostels, a Business Centre, a Bank, Restaurant, Food Kiosks etc.

Apart from the very attractive and competitive pricing of Rs. 1500 per sq. ft., a deferred payment scheme is also offered. Under this scheme, 30% of Rs. 1500 per sq. ft. is to be paid on possession, the rest being paid in installments over a 7-year at 16% rate of interest. For 100% down payment, a rebate of Rs. 100 is offered. These terms are the most attractive among all the parks in the country.

	Rate Structure	
Outright Purchase	Deferred Payment Scheme @ 16% Interest	Rental
Rs. 1400/- per sq.ft. (100%down payment)	Rs. 1500/- per sq.ft.30% advance payment.70% amount to be paid inquarterly instalments in 4years along withinterest @ 16%. One year moratorium will be allowed.	Rs. 27.50 per sq.ft. per month (exclusive of municipal & other taxes)

### **Pune Infotech Park, Hinjawadi, Pune.**

This is another of MIDC's successful parks which got almost completely sold out within a year of commencement of work.

Located off the Western Bypass, this 200 acre park has been developed as a campus-type IT park with large plots for Development Centres of big companies. Infosys started operations from its 25 acre Development Centre in October 1999. Geometric Software Solutions have also have also started operations in their 10-acre complex. Work on another 25-acre Development Centre of Wipro is commencing in April 2000. The other companies having taken large plots are: Mahindra British Telecom, Tata Technologies, Cognizant Technology Solutions, Veritas, Magic Software, Kirtane-Pandit Information Technology etc.

Dr. Vijay Hatkar, who, as Director of C-DAC piloted India's Super Computer project, is setting up a 10-acre center of academic excellence on the campus under the name IIIT (Indian Institute of Information Technology). Symbiosis, another well-known educational institution from Pune, is also setting up their training institution.

STPI has set up an 80-MB earth station in the Park. Other facilities are: a 220 KV sub-station for guaranteed quality power, an express power feeder for redundancy, a modern Telephone Exchange with ISDN facility, a Fire Station, an Executive Hostel, Restaurants etc.

While very little land is now left, built-up premises are being constructed for ready-to-move-in facilities and for small companies and start-ups. The built up facility will also include an Inclusion Centre.

A 600-acre Phase II is also being developed.

Deogiri Infotech Park, Aurangabad.

Aurangabad is one of the oldest cities in Maharashtra with a rich cultural heritage which includes the Ajanta-Ellora caves and Daulatabad Fort. Being on the international tourist map, Aurangabad is well connected by air with Mumbai, Delhi and Jaipur. It also hosts a number of Five Star hotels and restaurants.

In the last 20 years or so, Aurangabad has emerged as a major Industrial Centre with international names like Siemens, Colgate Palmolive, and with domestic giants like Bajaj Auto, Videocon, Lupin Laboratories etc.

Recently, the Volkswagen Group has decided to set a Car Plant through its Czech subsidiary SKODA at Shendre near Aurangabad.

With 6 Engineering Colleges, Aurangabad is also a major Educational Centre.

Deogiri Infotech Park, named after the medieval capital of the adavas, the ruling dynasty of most of Maharashtra at that time, is a 50 acre complex in Chikalthana industrial area, in the midst of the new residential areas of Aurangabad.

The Park boasts of well-developed infrastructure such as a modern Telephone Exchange and Banks in the vicinity.

	<b>Rate Structure</b>	
Outright Purchase	Deferred Payment Scheme @ 10% Interest	Rental
Rs. 1350/- per sq.ft.	Rs. 1350/- per sq.ft. 30% advance payment. 70% amount to be paid in 4 years along with interest @ 10%. One year moratorium will be allowed	Rs. 21/- per sq. ft. per month (exclusive of municipal & other taxes)

### **I.T. Parks under implementation**

SEEPZ++: Located next to India's oldest and most successful I.T. Park to-date SEEPZ, this Park will consist of 5,00,000 sq.ft. top quality construction with special facilities for Gateway Providers, Internet Service Providers and DotCom Companies.

The Park will be connected with the under-sea cables reaching VSNL at Prabhadevi through dedicated OFCs which will ensure high bandwidth connectivity. The Park WILL ALSO HAVE A DEDICATED Earth Station set up by STPI. Gateway Providers, taking up space in the Park, will also be allowed to set up their Earth Station if they so desire.

The entire Park will have structured cabling to ensure seamless connectivity between Gateway Providers and ISPs and DotCom companies.

The Park is fed by 4 independent feeders of the Tata Electric Co., which is setting up a sub-station on the campus. It will also have a dedicated Telephone Exchange by MTNL.

The entire Park will be air-conditioned and there will be facilities for back-up DG sets.

Tenders for the work have been invited. It is expected that the building will be ready by October 2001. Meanwhile, booking has been started at the rate of Rs. 2,800/- per sq.ft. with 10% as the booking amount.

### **Kharadi Knowledge Park**

The success of Pune Infotech Park, Hinjawadi, prompted MIDC to set up another Park in the eastern part of the city of Pune where MIDC is now in possession of 75 acres of government land, located just 20 minutes from Pune Airport. The surrounding infrastructure of the Park is in place with good residential localities close by.

The Indian Institute of Software (IISE) will be located at Kharadi on a 25 acre campus. The campus is being designed by eminent architects. IISE will be an autonomous institution which is being set up in association with the Carnegie Mellon University of US.

A dedicated telephone exchange with OFCs and ISDN, a sub-station, underground cabling for data connectivity etc. will be some of the features of the Park.

Independent plots as well as built up space both will be on offer. It is expected that the development works will be completed by December 2000, and the building will be completed by June 2001.

<b>Rate Structure</b>		
<b>Outright Purchase</b>		
Rs. 1350/- per sq.ft.	Rs. 1350/- per sq.ft. 30% advance payment. 70% amount to be paid in quarterly instalments in 4 years along with interest @ 16%. One year moratorium will be allowed.	Rs. 20/- per sq.ft. per month (exclusive of municipal & other taxes)

### **Nashik Infotech Park**

Nashik is one of the oldest cities in Maharashtra with a very long cultural heritage. It is also a well-established industrial centre with names like Mahindra & Mahindra, Siemens, Crompton, Gabriel, Garware.

A 16 acre plot has been identified and is in possession of MIDC where development works have been undertaken for an I.T. Park. The construction of 60,000 sq.ft. of built up space will also be undertaken very soon.

STPI will set up an Earth Station. Both independent plots and built-up space are on offer. It is expected that development works will be completed by December 2000 and building will be completed by June 2001.

	<b>Rate Structure</b>	
Outright Purchase	Defereed Payment Scheme @ 15% Interest	Rental
Rs. 1400/-per sq.ft.	Rs.1400/-per sq.ft. 30% advance payment 70% amount to be paid in quarterly instalments in 4 years along with interest @ 15%. One year moratorium will be allowed	Rs. 25/- per sq.ft. per Month (exclusive of Municipal & other Taxes)

### **Maharashtra Small Scale Industries Development Corpn. (MSSIDC):**

The Corporation has been set up by Maharashtra Government in 1962 with a view to assist SSI in procurement of raw materials as well as marketing their products. The Corporation procures and distributes several raw materials such as iron and steel, pig iron, coke and coal. Fatty acid, paraffin wax, industrial alcohol and oven paper. The Corporation has 12 raw material depots in different parts of the State. By this arrangement the SSI units can get required raw material at the controlled/most reasonable prices and of right quantity. MSSIDC markets products of SSI units to the Government and Semi-Government, Departments under its contract Marketing scheme. The SSI units can get marketing assistance through various officers of the Corporations situated at Mumbai, Pune, Nagpur, Kolhapur, Aurangabad, Nasik, Nanded, Akola, Thane and district office in the each district of Maharashtra State. The Corporation is also recognised Export House. Several products manufactured by SSI units having good quality, good packing and reasonable terms are also exported through the Corporation to various countries. The Corporation is also offering the facility of displaying the products of SSI units in the Export Pavilion at the World Trade Centre, Mumbai. The SSI units can also participate in the various International Trade Fair and Exhibitions through the Corporation. Recently, the Corporation has launched a new scheme "Import Assurances". Under this scheme the requirement of SSI units for required raw material under OGL & those not easily available in the domestic market, would be imported from foreign countries by the Corporation and would be distributed SSI units on the basis of their indents.

### **Maharashtra State Financial Corporation (MSFC):**

The main function of the Corporation is to meet term loan requirements of small and medium scale industries for acquisition of fixed assets like land, building, machinery & equipment. The loans are given for setting up new industrial units as well as for expansion and modernisation of the existing units. The Corporation has a network of Branches in all the districts of Maharashtra except Gadchiroli and Osmanabad. There are 9 Regional Offices and 20 Branches.

### **State Industrial & Investment Corporation of Maharashtra (SICOM):**

The objective of SICOM is to encourage and actively promote industrial development and influence the locational decision to be taken by the entrepreneurs in favour of under-developed areas. Towards this end, SICOM offers financial, technical and other assistance to entrepreneurs to set up industries in these areas of Maharashtra. It also acts as an agent for operation of Govt. of India for Central Investment subsidy scheme. SICOM also operated the IDBI Scheme for the provision of Seed Capital Assistance. SICOM has declared as an eligible institution for the purpose of refinance of the term loans from the IDBI. It endeavours to secure expeditious clearance from various authorities for the basic industrial needs like water, land power, telephone and telex. To extend special assistance to Small and Medium Industries, SICOM has evolved the capital Participation Scheme under which assistance to the extent of 75% of the value of fixed assets could be made available to the entrepreneurs.



### **Maharashtra Electronic Corporation imited (MELTRON):**

MELTRON was set up in 1978 with a view to stimulate the State. MELTRON is closely connected with setting up three Electronic Estates at Pune, Aurangabad and Nagpur, MELTRON itself runs a new Project Division which liaisons with industries for taking up their problems with State Government and provide information on products, markets and technologies. The Corporation has set up Audio Visual Division at Andheri, Radio Communication Division at Nagpur and Telematic Division at Aurangabad. MELTRON has been the guiding force and as a promoter of electronic industry in the State.

### **Other State Government Organisations:**

Besides the above mentioned principal institutions, the Govt. of Maharashtra has set up few other organisations like Mahila Arthik Vikas Mahamandal (Women's Economic Development Corporation) , Maharashtra Industrial Technical Consultancy Organisation (MITCON) and four Regional Development Corporations viz.

The Western Maharashtra Development Corporation.

The Konkan Development Corporation

Marathwada Development Corporation and

Vidarbha Development Corporation

These Regional Corporations have been entrusted with the task of ensuring balanced industrial development in all regions under their jurisdiction.

### **Maharashtra State Khadi & Village Industries Board:**

The main function of this board is to organise develop and regulate the Khadi & Village Industries in the State. The Board achieved these objectives through distribution of finance, publicity and propaganda to encourage artisans, marketing assistance etc. The Board also provides technical assistance to Zilla Parishad in the implementation of the Bio-gas scheme and development of horticulture industry in the State.

### **The National Bank For Agriculture And Rural Development(Nabard):**

The National Bank for Agriculture and Rural Development (NABARD) established on July 12, 1982 for promotion of agriculture, small scale industries, Cottage & Village Industries, Handicraft and other rural craft & other allied economic activities in rural crafts and other allied economic activities in rural areas. The main objectives of NABARD are as follows:

To provide re-finance viz. State Co-operative Agricultural and Rural Development Banks (SEBS), Commercial Banks (CBS) & Regional & Rural Banks (RRBS) for supporting production and investment credit for developmental activities in rural areas.

To improve absorptive capacity of the credit delivery system through institution building by monitoring formulation of rehabilitation schemes, restructuring of credit institutes training of personnel of banks etc.

To coordinate the activities of different agencies engaged in developmental work at the field level and keep liaisons with Government of India, State Government, Reserve Bank of India and other national level institutions connected with policy formulation.

### **The National Small Industries Corporation Ltd. (NSIC):**

The National Small Industries Corporation Ltd. was established in 1955 by the Govt. of India with a view to promote and foster the growth of small industries in the country. It provides diversified support to reach multi-product, multi-client and multi-locational markets and has adopted a multi-pronged approach to effectively serve the marketing needs of the small scale sector. The corporation supplies certain scarce indigenous as well as imported raw material for production of high quality products and provides assistance to sell the products through market development centres. Assistance by the NSIC to the small scale units to sell their goods and services to the government departments and agencies through single point registration schemes provides vast marketing opportunities.

The NSIC is involved in Hire Purchase and leasing Schemes and offers assistance to interested parties. These schemes benefit first generation entrepreneurs to set up enterprises, with minimum investment, NSIC assists small enterprises to improve the quality of the end products through creation of testing facilities. NSIC has set up technology Dissemination Centres to provide latest information in connection with the technology up-gradation./dissemination amongst the other small and large scale enterprises spread all over India and abroad. Keeping in view the potential in the areas of software exports and to create a facility for the promotion of small scale unit and also provide a place to negotiate with the units from abroad, NSIC has set up a NSIC-STP complex under software technology parks of India (STPI). Total 27,783 units have been established for Government Store Purchase Programme. During 1995-96 Rs. 2789 Billions worth of purchase made from Small Industrial units by Government and their agencies. During 1996-97 total 27,783 SSI units have been registered under Single Point Registration Schemes. Rs. 2789 crores value of orders executed by small units in this year. During 1996-97, 5821 persons were trained by PDTCS/Sub centres in technical trade.

#### **Indian Institute Of Packaging:**

To provide information and training on packaging, Indian Institute of Packaging established at Mumbai with their Regional Centres at Chennai, Calcutta and New Delhi. This Institute along-with its Regional Centres conducting various development programmes like Package Testing and Evaluation, Development in Consumer Products Packaging, Quality Assurance through Package Testing and Evaluation with emphasis on ISO 9000 and ISO 1400, Package Printing etc. This Institute also organises Seminars and Conference on specific topics of interest to industries.

#### **Export-Import Bank Of India (EXIM BANK):**

Export-Import Bank of India set up in 1982, for the purpose of financing, facilitating and promoting foreign trade of India, is the principal finance institution in the country for coordinating working of institutions engaged in financing Exports and Imports. The present focus of EXIM Bank is on Export Finance. The Bank finances export of Indian machinery manufactured goods, consultancy and technology services on deferred payment terms. EXIM Bank finance is also available at Export Production stages. It undertakes co-financing with Global and Regional Development Agencies AND ASSISTS Indian Exporters in their efforts to participate in such overseas project. It provides information, advisory services to enable exporters to evaluate the international risks, export opportunities and competitiveness.

#### **Small Industries Development Bank Of India (SIDBI):**

SIDBI was established in April 1990 to serve as the Principal financial institution for promotion, financing and development of industry in the small scale sector and coordinating the function of other institutions engaged in

similar activities. SIDBI provides assistance to the small scale sector through indirect assistance, direct assistance and development and support services.

### **National Institute Of Industrial Engineering (NITIE):**

NITIE was established as a National Institute in 1963 by the Government of India, with the assistance of the United Nations Development Programme through the International Labour Organisation. It offers 18 months Post-Graduate programme in Industrial Engineering, 2 year Post-Graduate Programme in Industrial engineering by Research, Fellowship programme of Doctoral Level recognised as equivalent to Ph.D. of an Indian University and has been conducting several short-term management development programmes of one/two week duration in various areas of Industrial Engineering and Management.

### **Maharashtra Centre For Entrepreneurship Development (MCED):**

MCED was born out of the need to provide professional and practical training on entrepreneurship to a wide range of Potential entrepreneurs in Maharashtra. It is a State Government Promoted Organisation sponsored by SICOM, MSSIDC, MIDC, MSFC, MELTRON & MITCON. The Headquarters of MCED is at Aurangabad and Regional offices are at Mumbai, Pune, Nagpur, Nashik, Amravati, Aurangabad, Kolhapur & Osmanabad and a Trainer in each district.

### **Technical Education:**

With a view to meet the increasing demand for Degree and Diploma course in Engineering, the State Government took the decision in June, 1983 to permit self financing private technical institutions to charge stipulated higher fees. Accordingly, 55 such technical institutions with intake capacity of about 12000 students were established in the State since 1983. These institutions have introduced courses in diversified discipline matters related to the specialised needs of industries such as Bio-medical, Engineering, Computer Technology, Industrial Technology, Petroleum Polymer, Technology, Environment Technology etc.

## **CHAPTER – 6**

### **AVAILABILITY OF MATERIAL RESOURCES**

#### **Agriculture Resources:**

The soil, topography and climate in Maharashtra are not conducive to high valued crops. Adverse agriculture conditions also lead to relatively low yield of important crops in the State as compared with those in India. As per the preliminary forecast, the total food grains production in the State in 1999-2000 is expected to be Rs. 120.5 lakhs. The food crops grown in the State are Rice, Wheat, Bajri, Jawar, Tur and Gram. While the main cash crops cultivated are Cotton, Sugarcane, Groundnut, Oil Seeds.

#### **Horticulture:**

Maharashtra has good potential for horticulture crops. The State Government has undertaken a programme to promote horticulture through establishment of nurseries and grant of capital subsidy. Maharashtra has an abundant supply of fruits like Mangoes, Chikku, Oranges, Grapes, Banana, Guavas etc. Floriculture too is an area with good scope for development especially in Pune and Nasik districts.

#### **Live-Stock Resources:**

The total livestock population in Maharashtra according to the Livestock Census of 1992 (latest available) was about 3.64 Crores. Cattle accounted for the major share 45.1 in the total live-stock population. The main livestock produces are Milk, Eggs, Meat and Wool. The estimated total milk production in the State in 1998-99 was 5608 thousand tonnes. The egg production in number in 1998-99 was estimated at 294 Crores. The meat production in 1998-99 was estimated at 203 thousand tonnes. The estimated wool production in 1998-99 was 15.96 lakhs kgs.

#### **Forest Resources:**

The area under forests at the end of 1998-99 was 63.0 thousand Sq.Km, which accounts for 20.5% of the geographical area of Maharashtra. With a view to maintaining ecological balance, the Government has restricted the clear felling of trees in the forest area. The major forest produces in the State are Timber and Firewood, while Bamboo and Tendu leaves are the minor produces.

#### **Mineral Resources:**

The important mineral deposits in the State are Coal, Iron Ore, Manganese, Lime Stone, Dolomite, Bauxite, Kyamite and Silica Sand. The mineral deposits are mainly concentrated in the district of Bhandara, Chandrapur, Gadchiroli, Nagpur, Yavatmal, Kolhapur, Satara, Raigad, Ratnagiri, Sindhudurg and Thane. Scope for Development of Priority Sector Industries:

In view of the availability of material resources, mentioned above, the SSI sector has developed in the State quite rapidly. It has thrived mainly because of availability of natural resources like land, water, favourable climate etc. The SSI sector has utilised these material resources of the State to some extent. But still there is ample scope for utilisation if these resources particularly in the field of agriculture, animal husbandry, fisheries and mineral based industries, as detailed below:

#### **Food and Allied Industries**

Ice cream, Pickles and Chutneys, Rice milling, Dal milling, Bread and Biscuits, Confectionery, Ground and Processed Spices.

#### **Textile Products including Hosiery:**

Cotton vests knitted, cotton socks knitted, cotton under garments knitted, woollen caps knitted, woollen shawls knitted, woollen mufflers knitted, other woollen knitted wears.

#### **Art Silk Man-made Fibre Hosiery:**

Synthetic knitted children wear such as baby suits, shorts, frocks, underwear and outerwear, Synthetic knitted under-wears such as vests, briefs and drawer, Synthetic knitted outerwear such as Jersey, pullover & jackets. Synthetic knitted wears such as scarf, muffler, shawls, caps, ties.

Blouses and jeans, Synthetic knitted shirts (T-shirts, collar shirts & sports shirts)

#### **Wood and Wooden Product:**

Wooden furniture and fixtures, wooden storage cupboard, wooden storage shelves and packs, wooden sewing machine covers, wooden crates etc.

#### **Paper Products:**

Decorative papers, paper bags, paper cups/plates, paper envelopes, paper cones, paper napkins, bituminised water proof paper, sanitary towels, letter pads, file cover and file boards, stencil paper etc.

#### **Leather & Leather Products including Footwear:**

Sole leather, Leather shoes, Leather shoe uppers, Leather sandals and chappals, Leather suit cases and travel goods, leather purses and hand bags, watch straps, industrial leather gloves.

#### **Plastic Products:**

PVC Footwear chappals, sandals and shoes, PVC containers of various sizes, spectacle frames, box strapping, other fancy goods.

#### **Rubber Products:**

Surgical gloves, hot water bags, ice bags, rubber washers, rubber eraser, tyre and tube (cycle and rickshaws).

Injection Moulding and Thermo Plastic Products:

Soap cases, buckets, cups, Lunch boxes, water bags, Saucers, Tumblers, dust pans and bins, toys, pencil boxes, table calendar stands, advertising novelties, passage lights, zip-fasteners (non-metallic), file covers, wallets, identity cards and visiting cards, contact lenses, watch straps, PVC.

#### **Glass & Ceramics:**

Fire clay, bricks & blocks containing less than 40% alumina, flooring tiles, roofing tiles, (Plastic, roofing tiles (clay), roofing tiles (Glass), flooring tiles (Clay, cement mosaic & cement concrete), Dinner sets, tea sets, cups and saucers, jars and other containers, scientific laboratory glass wares, glass bangles, round and rectangular type dishes, spotting plates, lime, plaster of paris.

#### **Safe and Safe Deposit Lockers:**

Steel trunks, barrels upto 60 ltrs. Capacity, bath tub, dust bins, fasteners-metallic, doors windows and ventilators metallic.

### **Mechanical Engineering:**

Foundry, pressure die-casting, mechanical/hydraulic jacks, steel furniture, tin containers, barrels and drums, sheet metal components, sanitary fixtures, pipe fittings, general steel fabrication, rolling shutters, aluminium furnitures, hospital equipment, domestic stencils, auto parts.

### **Electrical including Electronics:**

Transformers, boosters, electric motors, wires and cables, cooking range, washing machines, electrical accessories, baking oven, ACSR conductors, carbon brushers, components of TV (Antenna, Tuners, boosters), radios.

### **Stationery Items:**

Fountain pens, pen nibs, pencils, carbon paper, pen holders etc.

### **Future Prospects:**

A brief outline of the present status and the future prospects for investment in thrust areas in Maharashtra is given below:

Proposed units, intermediate chemicals like ethylene oxide, MEG, VAM, DVA, Styrene would be available providing greater scope for setting up units for the manufacture of organic intermediate based on these feed stocks.

### **Plastic Processing:**

Plastic Processing Industry in the State is already well developed with over 2,400 units processing more than 2 lakh tonnes of thermoplastic catering to nearly one-third of the total consumption of plastics in the country. The State also has major Share of the country's installed capacity in respect of HDPE and PET/PBT, as also a significant share of installed capacities for other plastics like PVC, PP, LDPE, Nylon etc. With the commissioning of MGCC, the State's share of plastic manufacturing capacity has gone by about 2.75 lakh tonnes of thermoplastics. Availability of plastics in the State is expected to increase further in the near future, when the ECA and HDPE plants of Polyprolin Industries Ltd., PVC plant of Finolex and PS/HIPS of Supreme Industries and Polychem are commissioned. To facilitate the speedy growth of the plastic processing industry all over the State, a number of Technical Service Centre have been planned to cater to the needs of industry for training of operators, application development, testing of raw materials, prototypes and final products, technical guidance to entrepreneurs etc.

### **Bio-Technology Applications:**

Potential of bio-technology has been recognised and the Government has taken a series of initiatives to promote bio-technology research and industries based on it. Maharashtra has the necessary culture willingness to provide venture capital and talent to undertake research projects to bio-technology.

### **Petrochemicals:**

In the petrochemical sector, Maharashtra hold a leading position in respect of almost all categories of petro-chemicals, viz. Plastic, synthetic rubbers, synthetic fibres and intermediates. The State is leading in production of conversion materials in the country. This position is consolidated further with

the commissioning of the Maharashtra Gas Cracker Complex (MFCC) and other projects.

### **Synthetic Rubbers:**

This industry is relatively undeveloped in the country with a total capacity of just over 55,000 tonnes comprising SBR, PBR and Nitrile Rubber. The present consumption of synthetic rubbers is expected to go up to 3.00 lakh tonnes in future. There is, therefore, a good scope for setting up more units in the State..

### **Synthetic Fibres:**

Synthetic fibre over the years has emerged as an economically better alternative to such natural fibres as cotton, etc. Of the various kinds of synthetic fibres and yarns, polyester industry is well developed in the country. Western Region of the country, which accounts for a major producers of the fibres, there exist scope for SSI industry based on Synthetic fibre/yarn based products.

### **Coal based Products:**

The product reserves of coal in Vidarbha are to the tune of 96 Crores tonnes. Scope exists for successfully utilising coal as primary feed stock through coal Classification and to produce chemicals like phenol, benzene, cresol, methanol, ammonia and concentrated nitric acid.

### **Engineering Sector:**

Industries covered under engineering sector include basic metal industries, metal products, electrical machinery, non-electrical machinery and transport equipment. This sector has good scope for investment in Maharashtra. The major reasons are: (1) Proximity to major markets of raw material for engineering industry such as steel, foundries, electronic components etc., (2) Availability of large number of techno-crafts and skilled workers within the State, (3) Proximity to major port and international airport in Mumbai which accounts for about 50% India's export.

Leading companies like Tata Engineering & Locomotive Co. Ltd., Bajaj Auto Ltd., Premier Automobiles, Sandvik Asia Ltd., SKF Bearing Ltd., Mukund Ltd., Crompton Greaves are already existing in the State, while new entrants in the State include Goridia Forging Ltd., NRB Bearing, Special Steel Ltd., Greaves Cotton Ltd. These companies also provide a ready market for ancillary industries in the engineering sector.

The recommended projects for investment in this sector are sophisticated Tool Room, Gears for Automobiles, cold roller steel strips, forged hand tools, Auto pistons, CNC machine tools.

## **CHAPTER – 7**

### **INDUSTRIAL POLICIES**

Under the Industrial Policy announced in July 1997, the Government of India has taken a series of initiatives, which broadly relate to dispensing with industrial licensing except for a short list of industries, removal of restrictions on location of industries except in metropolitan regions, liberalisation of foreign equity participation in selected high priority industries, etc. The Government continued with these industrial reforms in 1998-99. Coal & lignite, petroleum (other than crude) and its distillation products, bulk drugs and sugar were delicensed. Thus, only five items pertaining to health, strategic and security considerations remain under the preview of industrial Licensing.

#### **Central Government Industrial Policy:**

Central Government has taken various policy initiative steps for overall promotion of Small Scale Sector, some of important policy initiative are as under:

##### **Policy Support:**

The investment limit for the tiny sector will continue to be Rs. 25 Lakhs. The investment limit for the SSI sector will continue to be at Rs. 1 Crore. The Ministry of SSI will bring out a specific list of hi-tech and export oriented industries which would require the investment limit to be raised upto Rs. 5 Crores to admit a suitable technology upgradation and to enable them to maintain their competitive edge.

The Limited Partnership Act will be drafted quickly and get enacted.

##### **Fiscal Support:**

To improve the competitiveness of Small Scale Sector, the exemption for excise duty limit raised from Rs. 50 Lakhs to Rs. 1 Crore.

##### **Credit Support:**

- i) The composite loans limit raised from Rs. 10 lakhs to Rs. 25 lakhs.
- ii) The Small Scale Service and Business (Industry Related) Enterprises (SSSBs) with a maximum investment of Rs. 10 lakhs will qualify for priority lending.
- (iii) In the National Equity Fund Scheme, the project cost limit will be raised from Rs. 25 lakhs to Rs. 50 lakhs. The soft loan limit will be retained at 25 percent of the project cost subject to a maximum of Rs. 10 lakhs per project. Assistance under the NEF will be provided at a service charge of 5 percent per annum.

The eligibility limit for coverage under the recently launched Credit Guarantee Scheme has been revised to Rs. 25 lakhs from the present limit of Rs. 10 lakhs.

The Department of Economic Affairs will appoint a Task Force to suggest revitalisation/restructuring of the State Finance Corporation.

The Nayak Committee's recommendations regarding provision of 20 percent of the projected turnover as Working Capital is being recommended to the financial institutions and banks.



### **Infrastructural Support:**

The Integrated Infrastructure Development (IID) Scheme will progressively cover all areas in the country with 50% reservation for rural areas.

Regarding upgradation the industrial estates, which are languishing, SSI Ministry will drop a detailed scheme for the consideration of the Planning Commission.

A Plan Scheme for cluster development will be drawn up.

The funds available under the non-lapsable pool for the North-East will be made use of for Industrial Infrastructure Development, setting up of Incubation Centres, for cluster development and for setting up of IIDs in the North East including Sikkim.

### **Technological Support & Quality Improvement:**

Capital Subsidy of 12 percent for investment in Technology in Select Sectors. An Inter-ministerial Committee of experts will be set up to define the scope of technology upgradation and sectorial priorities.

To encourage total quality management, the scheme of granting Rs. 75,000/- to each unit for opting ISO 9000 Certification will continue for the next six years (i.e.) till the end of 10<sup>th</sup> Plan.

SIDO, SIDBI and NSIC will jointly prepare Compendium of available technologies for the R&D institutions in India and abroad and circulate among the industry associations for the dissemination of the latest technology related information.

Commercial banks are being requested to develop schemes to encourage investment in technology upgradation and harmonise the same with SIDBI.

One time capital grant of 50% will be given to Associations who wish to develop and operate Testing Laboratories, provided they are of international standards.

### **Marketing Support:**

SIDO will have a Market Development Assistance (MDA) programme similar to one obtaining in the Ministry of Commerce. It will be a plan scheme.

The Vendor Development Programme Buyer-Seller Meets and Exhibitions will take place arive offer and in dispersed locations.

### **Facilitating Prompt Payment:**

RBI is being requested to take up with the banks the question of sub-allocation overall limits to the large borrowers specifically for meeting the payment obligations in respect of purchase from the SSIs, either on case basis or on bill basis.

### **Rehabilitation Of Sick Units:**

RBI is being requested to draw up revised guidelines for the rehabilitation of currently sick. But potentially viable SSI units. Such guidelines should be detailed, transparent and non-discretionary.

### **Promoting Rural Industries**

To support the handloom sector "Deendayal Hathkarga Protsahan Yojna" has been announced. The scheme has a total financial implication of Rs. 447 Crores and will provide comprehensive financial and infrastructural support to weavers.

### **Improving Data Base:**

A fresh census of Small Scale Industries will be conducted Covering inter-alia, the incidence of Sickness and its causes.

## **TINY SECTOR:**

### **Marketing Support:**

The investment limit for the tiny sector will continue to be Rs. 25 lakhs. Under the Prime Minister's Rozgar Yojana, which finances setting up of micro enterprises and generates employment for the educated unemployed, the family income eligibility limit of Rs. 24000/- is revised to Rs. 40000/- per annum.

### **Credit Support:**

The Nayak Committee's recommendations regarding provision of 20 percent of the projected turnover as working capital is being recommended to the financial institutions and banks. In respect of tiny units also 20 percent of the projected annual turnover would qualify for working capital loan.

The National Small Industries Corporation Ltd will continue to give composite loans upto Rs. 25 lakhs to the tiny sector and continue to change one percent concessional interest rate.

SIDBI will continue to give concessional rate of refinance to the tiny sector which is now at 10.5 percent as compared to 12 percent for the SSI sector.

This policy will continue.

In the National Equity Fund Scheme, the project cost limit will be raised from Rs. 25 Lakhs to Rs. 50 Lakhs. The soft loan limit will be retained at 25 per cent of the project cost subject to a maximum of Rs. 10 lakhs per project.

Assistance under the NEF will be provided at a service charge of 5 per cent per annum. Under the National Equity Fund Scheme, 30 per cent of the investment will be earmarked for the tiny sector.

### **Infrastructure Support:**

The Integrated Infrastructure Development (IID) Scheme will progressively cover all areas in the country with 50 percent reservation for rural areas.

Under this scheme, 50 per cent of the plots will be earmarked for the tiny sector (as against 40 per cent done earlier).

Under the National Programme For Rural Industrialisation, cluster development is being taken by **KVIC, SIDO, SIDBI and NABARD**. The major beneficiaries of cluster development programme will be tiny sector units. This sponsoring organisation for each cluster will provide for Design Development, capacity building, technology intervention and consortium marketing. A cluster development fund will be created under the plan.

### **Technological Support:**

Under the scheme of capital subsidy of 12 per cent for investment in technology upgradation in selected sectors, preference will be given to the tiny sector.

### **Marketing Support:**

Preference will be given to the tiny sector while organising Buyers-Sellers Meets, Vendor Development Programmes and Exhibitions.