

CHAPTER - II

DISTRICT INDUSTRIES CENTRE

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2.1 Introduction -

As per the industrial policy, 1977 of the Govt. of India it is envisaged that more stress is required to be given on SEEUY in Urban and Rural areas, which aim of providing all essential services and support guidance to SEEUY and all assistance to small scale industrialists under one roof.

The main thrust of this programme is the development of such industrial unit in rural areas and small towns of the country as would create larger employment and raise income levels in rural industries while at the same time increasing the supply of consumable goods at cheap price.

The small entrepreneur so far is bewildered and confused with the Plethora of agencies that exist and has to knock at many doors for getting guidance and facilities such as selection of products, inputs like credit, raw material, power and for tackling his other various problems. To overcome this the Government announced the constitution of 'District Industries Centre's (DICs) to provide under single roof, all the services and the support required for small and village entrepreneurs. The DICs ensure a thorough liason with the connected organisation for solving the various problems. Each district would have one district industries centre.

District Industries Centre -

The DIC is the off spring of the industrial policy, which emphasis regional balance. There is large unemployment in the country. As an effective measure to combat the problem



unemployment and low incomes, the Govt. of India envisaged unique growth of rural industries.

A District Industries Centre is an institution of the district level which assists all the services and facilities to small scale, tiny cottage and village industries at one place. The DIC would provides all the facilities under one single roof at the district headquarters level.²

The means of achieving these was seen in an institution which come to be known as District Industries Centre (DIC).

Although the DICs programme was formerly initiated on the 1st May, 1978 it became into operation only in August, 1979, when the first batch of DICs had been sanctioned. By the end of March, 1980 - 382 District Industries Centres were sanctioned by the Govt. of India. ^{presently} The creation of DICs has received brick bats from different quarters, while the DICs has may appear to be a major innovation of the Janata Govt., in almost all crucial aspects it bears close resemblance to the frame work of economic management of the past. While the concept of the DIC as a focal point for the growth of small sector is considered to be desirable and good, it could however, fail to make any impact for the same reasons as in the case of the existing agencies. There is greater need for streamling the procedures for setting up of industrial units especially in rural areas. So the emphasis of the Govt. should be as much on the people manning of the DICs as on the institutional aspects.³

In the state of Maharashtra, DICs have been set up in the existing 25 districts in two phases. In the first phase 15 district industries centres were established in May, 1978, 10 more DICs were established in the year 1979. Subsequently four new districts have been added bifurcating the existing 4 districts. Out of these four, in two districts DICs have already been established i.e. in the district of Jalna and Sindhudurg while DICs in the districts of Gadchiroli and Latur are to be set up.

2.2 Objectives of District Industries Centre -

The main objects of the DIC Programme are -

1. To make available various assistances and clearances required under one roof.
2. To promote rural industries.
3. To provide all the services and support to these industries.
4. To establish purposewise knowledge with the official and voluntary organisation engaged in the promotion of small tiny cottage and other industries.
5. To develop such industries which can create large employment opportunities in rural and semi-rural areas.
6. To develop entrepreneurship in the district, particularly in rural and backward areas.
7. To help for distribution of income and wealth decentralisation of industries by developing SEEYU in each district.

2.3. Organisation of DIC -

The Organisational pattern of DICs will be as follows :-

The DIC which will be a multi reactional and multi discipline high powered co-ordinating body will be headed by a General Manager, assisted by 7 functional managers and other supporting staff.

The 7 functional managers would deal with the following subjects -

1. Economic investigation; 2) Machinery and Equipments
3. Research extension and training; 4) Raw Material;
5. Credit; 6) Marketing and
7. Khadi and Village industries.

The above staff will be supplemented by functionaries of other departments and organisations, who will work as a team of the DICs with the department of Industries also merging itself with the DIC in the district. The functions of the DICs in relation to the specific tasks assigned to the functional managers would be as follows.

}. General Manager -

Head of the team and would be responsible for the overall co-ordination and development of small scale industries in the district.

Manager (Economic Investigation)

1. To survey the potential for various types of Industries in the district.
2. To survey raw material and human skills in the district.

3. To identify product lines and prepare sample techno-economic feasibility studies.
4. To collect available data; and
5. To offer investment advice to entrepreneur.

Manager (Machinery and Equipment)

1. To assess requirements of machinery and equipment for various type of small scale, tiny and village industries.
2. To ascertain sources of machinery and equipments in country
3. To keep list of suppliers and price list to advise entrepreneurs
4. To help in placing orders.
5. To liaise with research institutions regarding R & D development in machinery and equipment and
6. To assess needs for simple machines in the rural areas.

Manager (Research extension and credit)

1. To keep abreast of R & D in select product lines and quality control methods.
2. To ascertain problems of entrepreneurs in quality of raw materials, production methods and processes and.
3. To arrange for training courses in production management of small and tiny units.

Manager (Raw Materials)

1. To ascertain raw materials requirements of various units their sources and prices; and
2. To arrange for co-operative or bulk purchases of raw materials.

Manager (Credit)

1. To explain various credit schemes to entrepreneurs'
2. To help in preparing applications forms to financial institutions.
3. To liaise with lead bank and other institutions.
4. To help in appraisal of applications; and
5. To monitor flow of industrial credit in the district.

Manager (Marketing)

1. To arrange market surveys, market development programmes
2. To organise marketing outlets
3. To liaise with the Govt. procurement agencies; and
4. To convey market intelligence to entrepreneurs

Manager (Khadi and Village Industries)

1. To pay special attention to the development of cottage industries, with special reference to Khadi and Village industries with handloom and handicrafts.
2. To liaise with the State Khadi Board and other State Govt. agencies involved in this work.
3. To organise rural artisans training.

The DICs will look after the need of the industries in the district as a whole and will provide all the inputs and as a promotional as well as implementing agency. The loan components of rural industries, project and rural artisans programme are being merged into DIC and towns whose population is below 25,000

will get through the DIC, all the assistance which is at present available under the Rural Industries Project/Rural Artisans Programme. Besides under the DIC setup adequate authority would be delegated to the General Manager/Managers as that all the inputs are provided to the entrepreneurs on the spot without referring the matter to the state level or the central level.

2.4 Location and Building of DICs

The DIC will be located in the district at a suitable place in a separate building with a floor space area of around 500 Sq.metres where all the functionaries of the DIC would be placed including the offices of the concerned organisations so that the entrepreneur has all his problems solved under one roof.

2.5 Central Assistance for DIC Programme:

At the time when the DIC programme was initiated the Government of India provides a grant of Rs. 8.75 lakhs (Rs. 5 lakhs towards non-recurring and Rs.3.75 lakhs towards recurring). This pattern was vague during the first year that is 1978-79. While the State Government provides Rs.1.25 lakhs towards recurring expenditure. The DICs is centrally sponsored scheme of the Government of India but would be implemented by the State Government.

2.6 Monitoring the Performance of DIC:

The DIC programme will be monitored at the district level, state level, regional level and at the central level.

This is being done so that it is ensured that DICs work effectively to meet the objective for which they have been set up with the minister of Industry as its Chairman and the Development Commissioner (SSI) as its member Secretary, Similarly State level committees are being set up. The Director of Industries of each state co-ordinates all activities under the programme.

2.7 High Power Committee at the National Level :

This committee has been constituted under the Chairmanship of the Central Minister of Industries and consisting of representatives of Planning Commission, the Ministry of Finance (Department of Expenditure and banking) the Secretary (Industry Department) the Chairman (Industrial Development, Bank of India) The Commissioner (Handloom and handicrafts) the Chairman (K.V.I.B.) with the additional Secretary (Industry Department) as the convenor. This committee could function as a reviewing authority for the DIC Scheme.

2.8 Linkages with Other Organisations -

The DIC are expressed to develop close co-ordination among various institutions central level, such as development Commissioner, of Small Scale Industry (SSI), Handicraft Handloom Board are extensively involved in this programme.

On the other hand DIC is also required the State Finance Corporation (SFC) Maharashtra Industrial Development Corporation (M.I.D.C.), Maharashtra Small Scale Industrial Development Corporation (M.S.S.I.D.C.), Banks, Western Maharashtra

Development Corporation (W.M.D.C.) and other development Agencies, D.I.C. also support to ensure effective linkages between SSI and Large Scale Units.

There should be a fuller integration of the DIC with the Industrial Rural Development Programme (IRDP) and Training Rural Youth Self-employment Programme (TRYSEM)

The DIC officials are represented on various committees as indicated below serves the purpose of co-ordination with these organisation.

2.9 Activities of District Industries Centre, Solapur -

The Govt. of India has set up the DICs with the aim of creating more employment opportunities through Rural Industrialisation. Under one roof of DICs all assistance is rendered to new entrepreneurs as well as who wish to expand their existing industries.

There is a considerable increase in the registration of the small scale industries (SSI) units that is total No. of units registered were 2334 before formation of DIC which increased to 4497 after formation of DIC. To assist educated unemployed youths in the country, the Govt. of India has started Self Employment to Educated Unemployed Youths (SEEU) Scheme since 1983 which during last 3 years has helped as many as 2395 youths. The Employment promotion scheme (EPP) is also implemented vigorously after formation of the DIC to help as many as 1493 beneficiaries to whom an amount of Rs. 136.59 lakhs has been disbursed as seed money.

It is essential to have the infrastructural facilities to attract more and more entrepreneurs to take up the Industrial activities. Much has been done in this regard and the co-operative industrial estates at five talukaplaces are being set up which were only two before formation of DIC.

The SSI units are also given margin money assistance under DIC loan scheme and it is to the tune of Rs. 8.06 lakhs covering 225 beneficiaries.

To keep alive the traditional handicrafts and thereby creat more employment opportunities the DIC is implementing after its formation the scheme of development ofhandicrafts through impairtting training under Master Craftsman and covered 201 beneficiaries so far.

The Small Industries Guidance and Monitoring Activity Centre (SIGMA) counter was opened in the DIC to achieve the basic aim of rendering quick assistance under to entrepreneur.

The Govt. of India as well as Govt. of Maharashtra has given much facilities and incentives for Industrial Sector but this will be all in vain if there are no entrepreneurs' to take up the industrial ventures with all these facilities. The entrepreneuruship development training programme are conducted by the DIC with the most important aim of creating the entrepreneurs who in turn will take the risk to start the industrial ventures thereby creating more employment opportunities and help building industrial production and National economy. As many as 685 candidates are given training after formation of DIC.

R E F E R E N C E S

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