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CHAPTER 2

INDUSTRIAL PROFILE

2.1 Introduction:

Nations development is mostly depends on the industrial development. This chapter deals with industrial profile of the small scale engineering industry. This profile will highlights the current scenario of small scale industries development, objectives of MSSIDC and industrial profile of Pune.

2.2 Maharashtra Small Scale Industries Development Corporation Limited (MSSIDC)

Maharashtra Small Scale Industries Development Corporation is the government of Maharashtra undertaking devoted for promotion of entrepreneurship development and employment generation at primary level.

2.2.1 Mission Statement:¹

MSSIDC was dedicated to the service of the small entrepreneur five decades ago by the Government of Maharashtra. How the objectives have been fulfilled and the hopes, it raised among the small entrepreneurs, realised is for all to judge.

Objective and dispassionate minds, well-informed of difficulties and complexities faced by the developmental institutions, may find something quite interesting in the multiple and essential services, that MSSIDC has organised.

MSSIDC deliberately devoted the decades to developing a series of activities meeting partly the general needs of developing small industries.

The stage seems to be now fairly well-set for launching a phased Intensive Development Plan (IDP) district-wise and service-wise, with the Area Development Approach. The need of the hour is to promote, motivate and cultivate dormant and nascent entrepreneurship in the under-developed regions; to locate, stimulate and assist the creation of opportunities for local, stable and gainful employment to people is a national necessity. MSSIDC will have to lead development of small entrepreneurs in the coming decade.

¹ <http://www.mssidc.org/mission-statement.aspx> 15/12/2013, 6.19pm.

2.2.2 Objectives of MSSIDC²

1. To aid, counsel, assist, finance and protect and promote the interests of Small Industries in Maharashtra and in the Union Territory of Goa, Daman and Diu, whether owned or funded by Government statutory body, company firm or individuals and to provide them with capital, credit, means, resources and technical and managerial assistance for the prosecution of their work and business to enable them to develop and improve their methods of manufacture, management and marketing and their technique of production;
2. To enter into contracts with, and take up indents from, the Government of India and State Government in the Union of India, corporations and other subsidiaries and branches and from many agency or officer thereof having the necessary powers, for fabrication, manufacture assembly and supply of goods, materials, articles and equipment of every description and to arrange for the performance of such contracts and indents by sub-contracting them to or placing orders in respect thereof with, small industries or others for the fabrication, manufacture, assembly or supply of such goods, materials, articles or equipment or parts thereof, servicing or processing in connection therewith or such management services as may be necessary for the due performance of such contracts and indents, and to have the goods, materials and equipment fabricated, manufactured, assembled and supplied;
3. To take over or establish and administer industrial estate in the State of Maharashtra and in the Union Territory of Goa, Daman and Diu;
4. To certify to the appropriate Government officers with respect to the competency, as to capacity and credit, of any small industrial concern or group of such concerns to perform any specific Government contract;
5. To grant or guarantee or recommend the grant of loans to Small Industries, to which sub-contracts are given or orders are issued, as aforesaid, in order to enable them, in carrying out the sub-contracts or orders, to finance plant construction, conversion or expansion, including the acquisition of land, or to finance the acquisition of equipment, facilities, machinery supplies or materials, or to supply such

² <http://www.mssidc.org/objectives.aspx> 15/12/2013, 6.19 PM.

concerns with working capital to be used in the manufacture or articles, equipment supplies or materials under contract to Government or to his company, to provide them with such financial, technical, managerial and other assistance as may be deemed necessary for the purpose of enabling them to execute and carry out the sub-contracts and orders satisfactorily and to organize production and manufacture for meeting such contracts and sub-contracts and orders adequately and according to specification, and to ensure satisfactory production by all necessary instruction, assistance, inspection and supervision;

6. To effect co-ordination between Large Industries and Small Industries by suitable methods, enabling Small Industries to manufacture satisfactorily such parts, accessories, ancillaries and components and other articles as may be required by Large Industries;
7. To promote and operate schemes for development of Small Industries in the State of Maharashtra and for that purpose to prepare and get prepared reports, blue prints, statistics and other information;
8. To procure capital or financial assistance or accommodation for or provide machinery equipment, technical and managerial assistance, information, instruction, inspection, supervision and other facilities to any company , person or association for the purpose of carrying into effect any of the aforesaid objects;
9. To apply for, tender, purchase or otherwise acquire contracts and concessions for, or in relation to the construction, execution, carrying out, equipment, improvement, management, administrative or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same;
10. To manufacture, buy, sell, import, export, install work and generally deal in any plant, machinery, substance, tools, materials, goods or things of any description which in the opinion of the Company, may be conveniently dealt with by the Company in connection with any of its objects;
11. To carry on any other trade or business (Whether manufacturing trading, catering or otherwise) which may seem to the Company capable for being conveniently carried out in connection with the above or calculated directly or indirectly to enhance the value or tender profitably any of the Company's properties rights, activities and or

to undertake management of Emporia in the State of Maharashtra or any other place and provided catering or such other services necessary in the interest of business and of the Small Scale industrial sector in general.

12. To apply for and take-out, purchase or otherwise acquire any trade mark, patents, patent-rights, inventions, copyright, designs or secret processes which may be useful for the Company's objects and to grant license to use the same, and to work, develop, carry out, exercise and turn to account the same;
13. To receive grants, loans, advances or other moneys on deposit or otherwise, from the Central Government or State Government Banks, Companies, Trusts or individuals with or without allowance of interest thereon;
14. To lend money to such persons or Companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons or companies.

2.3 Industrial Profile in Pune:

Pune district is situated at 18_ to 19.2_ latitudes and 73.2 to 75.1 longitudes. Area of the district 14642 sq.kms is 5% of entire Maharashtra. As per census 2001, population of Pune District is 94.29 lakhs which is 8.39% of total population of Maharashtra. Pune district includes 14 tehsils viz. Haveli, Shirur, Velhe, Mulshi, Maval, Bhore, Baramati, Purandar, Pune city, Daund, Junnar, Khed, Indapur and Ambegaon. The urban area of this district in which 2 no. of Municipal corporations 11 numbers of Municipal Councils and three numbers of Cantonment Boards are in existence.

The climatic conditions of the district generally found as, warm and dry. The minimum and maximum temperature is found 10 °C and 41°C. The average rainfall at western ghat is 115 cm and as we move toward eastern side, it decrease up to 60 to 70 cms. The river Bhima is the main river of this district & originates from Bhima Shankar which is situated at western side of Sahyadri ranges. It flows towards south east and enter into Solapur district. The tributaries of this river are Ghod, Bhama, Indrayani, Mula, Mutha and Pawana. Besides this river, another Nira river which originates at Sahyadri ranges of Bhore Tahsil. Gunjawani, Pushpawati, Shivganga are tributories of the Nira River.

Generally, there is at least one river flowing in each tehsil of Pune District. There are major and medium irrigation projects in existence such as Khadakwasla, Panshet, Varasgaon, Bhatghat, Vir, and Chaskaman. These are the main water sources for drinking and irrigation.

2.4 Industrial Activities

Pune has emerged as a major industrial center in Maharashtra and India. This industrial growth barely started three decades ago and was initiated by the establishment of Kirloskar Oil Engines in 1946. It was further facilitated by the proximity and easy accessibility of this area to Mumbai, the commercial capital of India. Today, the automobile industries like M/s TELCO Ltd., M/s Bajaj Auto Ltd., M/s Bajaj Tempo Ltd., dominates the automobile scene in India. The city also houses big industries like Kirloskar Cummins, Alfa Laval, Sandvik Asia, leading industries in forging activity i.e. Bharat Forge, Kalyani group, High value defense establishments like High Explosives Factory, Ammunition Factory etc. The infrastructure provided by State Govt. in this area is very encouraging due to which no. of industries is coming up in Pune District.

There are co-operative industrial estates at Pune, Baramati, and Bhore tehsil. Agro based industries such as dairy and food processing units are also contributing important role for development

For rapid growth and industrialisation of the industries, the State Government has developed following 10 no. of MIDCs in Pune District:-

- 1) Pimpri Chinchwad
- 2) Bhosari
- 3) Ranjangaon
- 4) Kurkumbh
- 5) Jejuri
- 6) Baramati
- 7) Chakan
- 8) Indapur (Proposed)

9) Infotech Park at Hinjwadi

10) Talwade

Apart from these MIDCs, there are number of Co-Op. Industries i.e. sugar and distilleries, private industrial estates are in existence. Also, no. of industries established in rural areas like Bhor, Saswad, Baramati, Mulshi, Maval, Khed, Ambegaon, Haveli, Daund, Shirur, Indapur tehsils etc.

2.5 Current Industrial Scenario in Pune:

Table No. 2.1

Sr	Category	Cumulative since inception up to the end of 2013								
		No. of Enterprises			Employ. Generation			Investment (P&M) in lakh		
		Mfg	Service	Total	Mfg	Service	Total	Mfg	Service	Total
1	Micro	20911	2074	22985	86659	10805	97464	115137	7690	122827
2	Small	5399	863	6262	47995	10603	58598	240299	19028	259327
3	Medium	97	26	123	11349	3984	15333	67375	8310	75685
4	Total	26407	2963	29370	146003	25392	171395	422811	35028	457839

Source: District Industries Center, Pune

Above table depicts that majority (80%) of industries in Pune district fall in the category of micro industries. The number of industries in manufacturing sector are far more (26407) than that of in service sector (2963). Small scale manufacturing enterprises in rural area of Pune district has made available employment to the large human force in rural area (171395). In manufacturing sector micro industries have employed highest personnel (86659) as compare to any other sector.

Small scale manufacturing enterprises are at leading position with highest investment in plant and machinery (Rs.240299 Lakhs). Also it is evident from the above table that in case of micro, small and medium sector, the investment in plant and machinery is at higher side (422811) in manufacturing enterprises as compare to that of in service enterprises (35028). It is because of necessity of heavy machinery for manufacturing the objects in the plant.

2.6 Current Rural Small Scale Engineering Industry Scenario in Pune

Table No. 2.2

Industry Group Description /		Manufacture of basic metals	Manufacture of machinery & equip. N.E.C.	Manufacture of motor vehicle, trailers & semi-trailers	Manufacture of other transport equip.	Total
CODE		27	29	34	35	
Tehsil Wise Number of Units in Rural Area	Ambeegaon	0	3	0	0	3
	Baramati	3	10	2	2	17
	Bhor	7	12	2	1	22
	Daund	2	9	2	2	15
	Haveli	41	173	30	12	256
	Indapur	0	17	0	0	17
	Junnar	1	5	0	0	6
	Khed	21	61	28	12	122
	Maval	5	12	3	1	21
	Mulashi	10	56	5	7	78
	Pune	2	9	0	0	11
	Purandar	2	6	1	0	9
	Shirur	14	31	4	3	52
	Velha	0	0	0	0	0
Total		108	404	77	40	629

Source: (District Industries Centre, Pune Letter No. DIC/Pune, Rural SSI/2012/1938

Dt. 08/10/2012)

From above table it is observed that, in rural area of Pune district small scale engineering enterprises have been concentrated in Haveli and Khed tehsils. Reason behind it may be the vicinity to big engineering industries like TELCO, Kirloskar, Bajaj and Hindustan Antibiotics Limited (HAL). Because of insufficient infrastructure here are limited number of small scale industries in remote tehsils with hilly area like Ambegaon, Velha and Junnar. Majority of small scale enterprises (404) in rural Pune district are engaged in manufacture of machinery & equipment with aim to support the auto industry in this area.

2.7 Conclusion:

Chapter discussed about the existing scenario of industry in Maharashtra and Pune. As well as overview of small scale industry in Pune. Overall discussion shows that there is a huge scope for the small scale industries in Pune. The next will talk about conceptual background of leadership, leadership style and review of literature on leadership studies.