Chapter- I

INRTODUCTION

India is predominantly an agricultural economy. 70% of its working population depends upon agriculture contributes nearly 36% of India national income and account for 35% of total export of the country. Thought agriculture is back bone of our economy, it cannot be regarded as the sole determinant of economic development. In fact, the rapaid economic development depends upon reciprocal action between industry and modernizing agriculture.

It is therefore, unreal to think of agriculture development without giving thought to the industrial development. There cannot be agriculture development without industrial development and industrial development cannot be pushed up without agriculture development. The question is not either agriculture or industry but both. Agriculture need industry and industry need agriculture and for some purpose the very division in to the two is wrong. The point is really that both Industrialisation and Agriculture development have to go on simultaneously, creation a cycle of exchange at one point of time. It is not the question of agriculture today and industry tomorrow. It is the question of how you really make them mix.

INDUSTRY:

The term industriliasation is explained to designate the growth of manufacturing industry. It is the process which entails the movement of factors from primary activities. Industriliasation, however is a wide process it implies not merely developmental of some industries, but certain basic changes in the structure technology and organization of economic activities. In the border sense industriliasation is the process in which changes of series of strategical production function take place. It involves those basic changes that accompany the mechanization of on enterprise the building of new industry the opening of a new market and exploitation of a new territory. This is in a way a process of depending as well as widening of a capital the depending process is a one where more capital is used per unit of output while the widening process means that capital formation gross with the increase in the output of final goods. According to professor Paul M. Seweezy Industriliasation is nothing but the establishment of new industries to kulwinder kaur industrialization involves the basic transformation of a society and touches upon behavior patterns, value system, structure of social groupings and economic arrangement. The

industrialization process has also been defined by the legal of nation as utilization of power machine latest techniques organizational methods and capital investment on a large scale including divisibility of labour and developed monitory system of goods and commodities

RATIONALE OF INDUSTRILIASATION:

The most pressing need of development countries (like India) is rapid industrialization. It is an effort in which the developing countries place a major hope to a finding a solution of their problem of poverty in security and over population and ending their newly realized backwardness. Economists like Colin Clark have pointed out that economic growth is positively correlated with the proportion of working population engaged in the secondary and tertiary sector and low per capital income is associated with high proportion of population engaged in the agriculture sector. Economic growth, there fore entails the movement of resources from low productive sector agriculture to a high productivity sector industry.

The relationship between industrilisation and economic development has also been described by Gunnur Myrdal. We write the manufacturing industry represent in the sense a higher stage of production in advanced countries. The development of manufacturing industry has been spectacular economic progress and rise in the level of living, not least in the under developed countries the productivity in industry trends to be considerably greater than in the traditional agriculture pursuits. Apart from this, there has been common agreement upon the specific objectives of the policies of industrialisation in most of the developing economics. Alan B. Mount Joy in this regoard says, the three costumer objective of industriliasation policies are to provide work for growing population to rise standard of living by the increasing the per capita net national income and often to improve balance of payment situation.

The importance of industriliasation for India was recognized by late Pandit Jawaharlal Nehru when he said that, " Real progress must ultimately depend on industriliasation" Industriliasation secure stoong base for rapid growth of national and per capita income historical observation in this regard show a close relationship between industriliasation and the growth of national income. Kuznet compression of so countries has shown market increase of manufacturing output with rising per capita income. Chenery and Tayalor also observed a meaningful relationship between per capita income and the degree of industriliasation. The

empirical evidence also suggest a close correspondence between the high level income and industrial development. The GNP of most industrialized countries at 1967- 69 prices was 2033 Billion Dollars in 1972 and of less developed countries only 390 Billion dollars. The GNP per capita for industrialized countries was has high as 3020 Dollars, where as it was as low as 244 Dollars for industrially backward countries.

In India the existence of unemployment and especially disguise unemployment in agriculture is a matter of serious concern. It is the root cause of rural poverty. The problem is farther accentuated by the increasing pressure of population in the country in such a situation, industriliasation is the only solution to provide work for growing population. It can increase labour utilisation and generate employment opportunities at faster rate. Industrial development can also absorb rural population which either underemployed or unemployed without reducing total agricultural output.

Besides with modernization of industrial sector, India should also concentrate upon in securing competitive position in the international market, reduce the dependence on imparts and improve stability both in foreign exchange earning and national income through diversification of exports.

Industriliasation, further, diversifies the nature of the economy by creating additional wealth and brings in its make technological process and change in the outlook of the people. It can also ensure a fast growth rate development of infrastructure, self-reliance in defense materials, modernization of agricultural of overall economic development of the country.

In brief the process of industriliasation has definite agglomeration and self reinforcing quality. Once industriliasation begins in a particular region, It tends to feed on itself the exploitation of the existing resources stimulate further increase in income, drawing additional factor of production in beneficial circle of economic growth.

The Role of Government and promotional agencies in industrial development:

The role of the central government in industrialization is as old as business itself. During mauryan period the government not only regulated the economic life of the people but took

active part in the development process, arms and ammunition were made in state owned factories and ships were made in government owned shipyards.

By the time of the first war ended (1914-1919) the British Government promoted steel, cotton, textile, jute and coal mining industries in India. However the British rule is characterised by the systematic exploitation and colonisation of Indian economy. Shri. Bipin Chandra observed, poverty was stalling the land, the peasant was rack rented by revenue authorities. Indigenous industry was deliberately discouraged the heaviest complaint of all thinkers, economists was India being drained of all its wealth and capital.

Central Government in Industrial Development

Soon after India become independent, the new Government introduced the first industrial policy in 1948. The main objective of the policy was "Economy growth with social Justice" to achieve this goal it necessitated the government to participate in industrialization process. The IPR 1948 clearly defined the role of public sector and private sector and their broad areas of operation in order to regulate the industries, the government of India laid down various rules and regulation viz, industrial (development and regulation) Act. 1951, the MRTP Act. 1969, the Company Act.1956. etc.

The industrial policy resoluation (1948) shaped, guided and controlled the industrilisation process.

The Government of India announced the second industrial policy resolution in 1956. The central government shouldered the responsibility of providing infrastructural facilities to encourage industries in private as well as public sector the IPR 1956 is termed as "the IPR 1948 initiated the process of industriliasation while the IPR 1953 accelerated the process in India.

In 1977 a new industrial policy was introduced by the then central government. The IPR 1977 emphasised the development of small, cottage and tiny industries. The industrial policy resolution, 1980 emphasised the optimum utilisation of installed capacity. Maximum, utilisation of available resources, maximization of production and productivity and higher employment generation in order to boost rural industriliasation, the IPR, 1980 emphasised an promotion of agrobased industries, Handlooms, Handicrafts, Khadi and Gramudyog. The policy statement

(1980) mentioned. “industriliasation is a since qua non of economic process. The government is committed to rapid and balanced Industriliasation of the country with a view benefiting the common man in the shape of increasing availability of goods at fair prices, larger employment and high per capita income. Industriliasation is also to support for agriculture and for providing infrastructural facilities.”

GOVERNMENT POLICIES AND SUPPORT MEASURES

BRIEF HISTORY

The evolution of the policy framework and support measures of the government can be broadly grouped into the following three periods.

1991-1999: The new policy for Small, Tiny and Village Enterprises of August 1991 laid the framework for government support in the context of liberalization, which sought to replace protection with competitiveness to infuse more vitality and growth to MSEs in the face of foreign competition and open market. Supportive measures concentrated on improving infrastructure, technology and quality. Testing centers were set up for quality certification and new tool Rooms as well as sub-contracting Exchange was established. The Small Industries Development Bank of India (SIDBI) and a Technology Development and Modernisation fund were created to accelerate finance and technical services to the sector. A Delayed payment Act was enacted to facilitate prompt payment of dues to MSEs and an Industrial Infrastructure Development (IID) scheme was launched to set mini industrial estate for small industries.

1999 onwards: The ministry of MSME [earlier know as Ministry of Small Scale Industries and Agro and Rural Industries (SSI & ARI) came into being from 1999 to provide focused attention to the development and promotion of the sector. The new policy package announced in August 2000 sought to address the persisting problems relating to credit, infrastructure, Technology and marketing more effectively. A credit linked capital subsidy scheme was lunched to encourage technology up gradation in the MSE sector and a credit Guarantee scheme was started to provide collateral-free loans to Micro and small entrepreneurs, particularly the first generation entrepreneurs. The exemption limit for relief from payment of central Excise duty was raised to Rs.1 crore ($0.25 milion) and a Market Development Assistance Scheme for MSEs was introduced. At the same time, consultations were held with stakeholders and the list of products

reserved for production in the MSE sector was gradually reduced each year. In 2006, the long-awaited enactment for this sector finally become a reality with the passage of the Micro, Small and Medium enterprises act in March 2007, a third package for the promotion of Micro and Small Enterprises was announced which comprises the proposal / schemes having direct impact on the promotion and the development of the micro and small enterprises, particularly in view of the fast changing economic environment, where in to be competitive is the key of success.

POLICY MEASURES BY THE GOVERNMENT

Pandit Jawaharlal Nehru laid the foundations of modern India. His vision and determination have left a lasting impression on every facet of national Endeavour since Independence. It is due to his initiative that India now has a strong and diversified industrial base and is a major industrial nation of the world. The goals and objectives set up for the nation by Pandit Nehru on the eve of Independence, namely, the rapid agricultural and industrial development of our country, rapid expansion of opportunities for gainful employment, progressive reduction of social and economic disparities, removal of poverty and attainment of self-reliance remain as valid today as at the time Pandit Nehru first set them out before the nation. Any industrial policy must contribute to the realisation of these goals and objectives at an accelerated pace. The present statement of industrial policy is inspired by these very concerns, and represents a renewed initiative towards consolidating the gains of national reconstruction at this crucial stage.

2. In 1984, immediately after Independence, Government introduced the Industrial Policy Resolution. This outlined the approach to industrial growth and development. It emphasised the importance to the economy of securing a continuous increase in production and ensuring its equitable distribution. After the adoption of the Constitution and the socio-economic goals, the Industrial Policy was comprehensively revised and adopted in 1956. To meet new challenges, from time, it was modified through statements in 1973, 1977 and 1980.

3. The Industrial Policy Resolution of 1948 was followed by the Industrial Policy Resolution of 1956 which had as its objective the acceleration of the rate of economic growth and the speeding up of industrialization as a means of achieving a socialist pattern of society. In 1956, capital was scarce and the base of entrepreneurship not strong enough. Hence, the 1956 Industrial policy

Resolution gave primacy to the role of the State to assume a predominant and direct responsibility for industrial development.

4. The Industrial Policy Statement of 1973, inter alia, identified high priority industries where investment from large industrial houses and foreign companies would be permitted.

5. The Industrial Policy Statement of 1977 laid emphasis on decentralisation and on the role of small scale, tiny and cottage industries.

6. The Industrial Policy Statement of 1980 focused attention on the need for promoting competition in the domestic market, technological up gradation and modernisation. The policy laid the foundation for an increasingly competitive export base and for encouraging foreign investment in high technology areas. This found expression in the Sixth Five-Year Plan which bore the distinct stamp of Smt. Indira Gandhi. It was Smt. Indira Gandhi who emphasised the need for productivity to be the central concern in all economic and production activities.

7. These policies created a climate for rapid industrial growth in the country. Thus on the eve of the Seventh Five Year Plan, a board-based infrastructure had been built up. Basic industries had been established. A high degree of self-reliance in a large number of items-raw materials, intermediates and finished goods had been achieved. New growth centre's of industrial activity had emerged, as had a new generation of entrepreneurs. A large number of engineers, technicians and skilled workers had also been trained.

8. The Seventh Plan recognised the need to consolidate on these strengths and to take initiatives to prepare Indian industry to respond effectively to the emerging challenges. A number of policy and procedural changes were introduced in 1985 and 1986 under the leadership of Shri. Rajiv Gandhi aimed at increasing productivity, reducing costs and improving quality. The accent was on opening the domestic market to increased competition and readying our industry to stand on its own in the face of international competition. The public sector was freed from a number of constraints and given a larger measure of autonomy. The technological and managerial modernisation of industry was pursued as the key instrument for increasing productivity and improving our competitiveness in the world. The net result of all these changes was that Indian industry grew by an impressive average annual growth rate of 8.5% in the Seventh Plan Period.

9. Government is pledged to launching a reinvigorated struggle for social and economic justice, to end poverty and unemployment and to build a modern, democratic, socialist, prosperous and

forward-looking India. Such a society can be built if India grows as part of the world economy and not in isolation.

10. While Government will continue to follow the policy of self-reliance, there would be greater emphasis placed on building up our ability to pay for imports through our own foreign exchange earnings. Government is also committed to development and utilisation of indigenous capabilities in technology and manufacturing as well as its up gradation to world standards.

11. Government will continue to pursue a sound policy framework encompassing encouragement of entrepreneurship, development of indigenous technology through investment in research and development, bringing in new technology dismantling of the regulatory system, development of the capital markets and increasing competitiveness for the benefit of the common man. The spread of industriliasation to backward areas of the country will be actively promoted through appropriate incentives, institutions and infrastructure investments.

12. Government will provide enhanced support to the small-scale sector so that it flourishes in an environment of economic efficiency and continuous technological up gradation.

13. Foreign investment and technology collaboration will be welcomed to obtain higher technology, to increase exports and to expand the production base.

14. Government will Endeavour to abolish the monopoly of any sector or any individual enterprise in any field of manufacture, except on strategic or military considerations and open all manufacturing activity to competition.

15. The Government will ensure that the public sector plays its rightful role in the evolving socio-economic scenario of the country. Government will ensure that the public sector is run on business lines as envisaged in the Industrial Policy Resolution of 1956 and would continue to innovate and lead in strategic areas of national importance. In the 1950s and 1960s the principal instrument for controlling the commanding heights of the economy was investment in the capital of key industries. Today, the State has other instruments of intervention, particularly fiscal and monetary instruments. The State also instruments of intervention, particularly fiscal and monetary instruments. The State also commands the bulk of the nation’s savings. Banks and financial institutions are under State Control. Where State intervention is necessary, these instruments will prove more effective and decisive.

Importance of industry

From the following points it will be confirm that the industry is really a engine of growth of any country

Importance of industry

1) Employment generation
2) Promotes general
3) Promotes equal distribution of wealth
4) Harmonious relations
5) Help in tapping latest resources
6) Balanced regional growth
7) Productive efficiency
8) Product differentiation
9) Consumer satisfaction
10) Flexibility
11) Export potential
12) Fostering entrepreneurship
13) Quick returns
14) Low social costs
15) Sustainable
16) Fast industrial growth
17) Innovation

18) Dependence of big industries

19) Creation of new job

It is clear that industry is very important aspect for the Indian economy and Maharashtra state also, but in recent period all the Indian industries maid slow down due to industrial sickness and global recession, resulted all the economy slowdown hence this study getting scope for the study. Researcher tried to judge all the facts and figure and present situation. Researcher also tries to identify all the problem and make them clear for the help of research methodology to suggest recommend and evaluate the same condition (recession 2008).

Global economic meltdown has affected almost all countries. Strongest of American, European and Japanese companies are facing severe crisis of liquidity and credit. India is not insulated, either. However, India's cautious approach towards reforms has saved it from possibly disastrous implications. The truth is, Indian economy is also facing a kind of slowdown. The prime reason being, world trade does not functions in isolation. All the economies are interlinked to each other and any major fluctuation in trade balance and economic conditions causes numerous problems for all other economies.

According to official data, industrial growth in august has plummeted to mere 1.3% compared to the same month in 2007. That definitely is cause of concern for policy makers and industries. This data also raised fear of low GDP growth of India. It is being suspected that, our country will face huge problems in achieving even 7.5% growth rate in this fiscal.

1.3 percent industrial growth is the lowest IIP (index of industrial production) data ever registered since last ten years. April-august industrial growth rate is 4.9% which is also the lowest for the first five months of a financial year in 14-year period except 1998 and 2001. To make matters worst, a member of the PM's economic advisory council and director of the National Institute of Public Finance and Policy have confessed that India is going through industrial recession.

Several crucial sectors of Indian economy are likely to face serious problems in coming months. Foremost among them is real estate sector. The demand for houses have reduced significantly and property prices across India has registered 15-20% fall. Things are likely to get worst as

another 20 percent drop in prices is quite possible in coming six months. The woes of real estate have spread to construction industry as well. Because of less demand for houses, construction companies are going to suffer big time. Financial services segment is also likely to be a major victim of economic slowdown because of less demand for credit and reduced liquidity in market.

These three segments account for almost one third of services GDP and because of their current and impending plight, attaining 7.5% GDP growth in this current year is quite improbable. Industrial slowdown will also affect transport services. Transport companies are likely to witness drastic fall in their business and profits. Global recession will also lead to less tourists coming to India. That will negatively affect tours, travels, small, medium and large size industry.

The current global economic slowdown has its epicenter in the United States (US) but the contagion is being witnessed in all major economies of the world. Several countries are experiencing rapid contraction in their Global Domestic Product, rising unemployment levels and an overall slowdown in the pace of investment
activity. What started as a shock in the financial markets has spread to all sectors of the world economy and the exact depth and breadth of the impact is still unclear.
India's economy has been fuelled by the growth in the technology sector in the recent past. A large part of this growth is dependent on the "outsourcing" or
"off shoring" of key business processes and software development activity (and related services) by large global corporations and other organizations. Hence, the
global slowdown has also affected the business climate within India and the growth rate of the Information Technology (IT) and Information Technology Enabled Services (ITES) sector is also experiencing the tremors of the global recession. The Indian IT software and services industry which has seen a Compounded Annual Growth Rate (CAGR) of around 30% over the last three or four years is now projected to grow at 20%. Indian IT sector's derives approximately 61% revenues from the US based clients. The revenue contribution from US clients to the top five Indian IT companies (who account for 46% of the IT industry's revenues) is approximately 58%. Hence, the impact of the slowdown in the US is likely to have a deep impact on the prospects of the Indian IT sector.

The world is experiencing an unprecedented economic slowdown. There seems to be no end to the US financial crisis. It deflationary effects are not spreading to other economy.

Though it is true that we are in a global recession, the media hype is so high that there is panic virtually everywhere. There is a clear lack of understanding of the word "recession". Economic describe recession as reduction of country's GDP (Gross Domestic Production) for two consecutive quarters i.e. an increase in unemployment (1.5% in a period of 12 months).

A large population rising farm incomes and improvising infrastructure changes into increasing opportunities for companies at rural India, i.e. mainly 65% of population live in rural India, where business opportunities are more and at this global meltdown period, more people are employed in rural India and increase in their income and demand for more consumption and a gloomy picture and to cheer in this circle. The basic factor is that growth of population increase in per capita income ($418 to over $ 1000) (fy.1998-2000).

How long will this recession last, is the question every one asks. The IMF (International Monitoring Fund) Chief Economist says that "the worst is yet to come". India is one of the country relatively less effected by global economic crisis, but millions of families affected. However the agri sector is very less affected. Today, various countries central banks are adopting preventive measures to stop the recession and rebuild the economy.

The National Bureau of economic research in USA defines a recession more broadly as a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP growth, real personal, income employment, industrial production and whole sale retail sales. Some economists suggest that a recession occurs when the natural growth rate in GDP is less than the average of 2%. A recession may be defined as a contraction phase of the business cycle or a period of reduced economic activity.

A recession has many attributes that can occur simultaneously and can include declines in coincident measures of economic activities such as employment, investment and corporate profits. Recession are the result of falling demand and may be Associated with falling prices (deflation), or sharply rising prices (inflation) or a combination of rising prices and stagnant

SIGNIFICANCE OF THE STUDY

Recession has already arrived in US, UK, Major EU economies and Asian Economies. In Asia China, India and Japan are the dominant economies. The US economy has entered into

recession and growth is projected to be 0.1% in 2009 as against 1.6% in 2008. Europe will grow by 0.2% in 2009 as against 1.3% in 2008. Japan will witness a growth of 0.5% as against 0.7% in 2008. These three countries account for about 40% of our exports and thus the slow down does not auger well for Indian exports. Economy has a much bigger impact today than earlier. Given the size of the US economy, a one percent reduction in its rate of growth would be bigger than 10 percent increase (to 20.5 and that is unlikely) in the rate of growth of the Indian economy.

Causes of Economic Recession

1) Debt problem in the US is the major Cause of recession is almost beyond comprehension.
2) The economic slowdown with the decline in oil demand around the world is also one of the causes of recession.

3) Due to less demand for products and services because of less money availability in the hands of the consumer is also the cause of recession.

Recession & Indian Market

Government authorities in India have taken a view that as per the strict theoretical interpretation, global economic recession has not yet engulfed Indian economy. As per the economic theory, unless two successive quarter-periods record a negative growth in GDP, the economy is not supposed to be having economic recession. Indian economy, so far, it has not recorded negative GDP growth rate, in two successive quarters and hence, technically or theoretically speaking, it is not supposed to be under economic recession.

- Companies are closing
- Sales are not picking up
- Suddenly cash has evaporated from the market
- Profitability is severely hit

Impact of US Recession on India

Over the period up to the year 2007 and also during the first quarter of the year 2008 India was engaged in following the anti-inflationary policy, to bring the situation of price rise under control after the unprecedented hike in the oil prices in the world market. However, in the

aftermath of the sub-prime crisis in USA, foreign capital in the portfolio sector of the stock markets in India was suddenly withdrawn by the foreign investors. The resultant crash in the Indian stock-markets has resulted in gradual loss of market confidence. However, the sharp decline in the oil prices in the world market has softened the impact on Indian economy. Besides reduction in the trade deficit it has also brought about a reduction in the transport costs. All this has resulted in bringing down the general price index in the economy and the inflationary situation to a manageable level.

However, in India the impact of the global recession has been primarily seen in the export sector covering telecom and software, Auto parts and components, gems and Jewellery, textiles and garments. Tea, Rice, Jute Manufactures, carpets Handicrafts, Plastics and Linoleum and other export industries. Growth in exports in the currency has been estimated to have come down to 17.1% from 20-25% over last year. According to WTO, the growth rate in global trade in goods and services is expected to decline from 7.2 percent in 2007 to 4.6 percent in 2008 and further to 2.1 percent in 2009.

Domestic industrial activity also slowed down because of some degree of flight of foreign capital and lack of market demand. Housing sector has also been significantly affected. Industrial lay-offs and unemployment are also showing a rising trend. It has been estimated that industrial production has gone down by 2% over the year 2008.

- A slowdown in the US economy is bad news for India.
- Indian companies have major outsourcing deals from the US. India's exports to the US have also grown substantially over the years. The India economy is likely to lose between 1 to 2 percentage points in GDP growth in the next fiscal year. Indian companies with big tickets deals in the US would see their profit margins shrinking.

Following objectives were framed for the study

1. To know the historical background, progress and present scenario of Indian Industries in general and AURANGABAD District industries in particular.

2. To take the review of activities held in the industrial areas of Aurangabad industrial area

3. To study the impact of global Recession on large scale and small scale industrial units.

4. To know the F.D. Investment position in Indian industries in general and the Aurangabad District industries in particular.

5. To assess the impact of Global Recession on employment, production, import, export and foreign exchange.

6. To analyze the various factors of Global Recession affected on industrial development of Aurangabad Industrial area.

7. To identify and synchronies the problems of Industries and to suggest the suitable remedies to overcome the problems.

In research hypotheses playing a very important role, it a really a route guide for the researcher and hence,

Hypotheses tested

1. Due to global recession small-scale industries are more affected than large scale industries.

2. At what extent Global recession is affected on employment, import/Export, Foreign exchange and on Foreign Direct Investment.

RESEARCH DESIGN AND METHODOLOGY

To complete the present study following research methodology has adopted.

Collection of Data*:* In order to achieve the above objectives both the types of data, i.e. primary as well as secondary data collected for analysis and evaluate the problem.

PRIMARY DATA

The study is based on primary as well as secondary data, the primary data related to the small scale and large scale industrial units from Aurangabad District industrial Area, and the data is so collected. The industrial units located at Waluj, Chikalthana. Chitegaon. Railway station. Bhalgaon and Shendra considered as the study purpose. The data so collected through open ended questionnaire. More emphasis has given on personal interviews with the workers, union leaders, Government office bearers and authorities of the industrial units.

SECONDARY DATA

To examine the impact of Global recession on small scale and large scale industrial units at Aurangabad industrial area the required data is so collected from secondary sources, Via published reports on industries, The district industries centre (DIC) , Joint Director of industries, Deputy Commissioner of labor, Bureau of Economics and Statistics different districts planning officers, chamber of industries and Agriculture (CMIA) Office, national institute of personnel managers (NIPM), published literature by research scholars, executives of the companies, Reports of the Semi-Government and Non-Government organizations, Govt. published bulletins, well reputed national and International Journals, related books from libraries, Daily news papers, and concerned web sites.

SELECTION OF SAMPLES

The reference period of the study is 2005-2009, for the study purpose overall 10% of the samples from industrial units and industrial employees selected from each of the industrial areas by Random sampling method from Aurangabad industrial Area.

SCOPE AND LIMITATIONS OF THE STUDY

The present study has taken into account the industries affected or benefited by the global recession, which took place in large scale & small scale industries established at Aurangabad Industrial area. The present study is confined only to the industrial areas from Aurangabad District only.

TOOLS AND TECHNIQUES USED for analysis the data

The data regarding the industry development and globalization is so collected, scrutinized, tabulated, analyzed and final used for the study purpose. For the analysis purpose some tools and techniques used i.e. mean, mode, average, percentile, correlation and other related tolls and techniques

SIGNIFICANCE OF THE STUDY

The present study is an attempt to examine the impact of global recession on industries from Aurangabad industrial area. The study covers the real impact of Global recession and its

impact on employment, production, import and export and foreign exchange at macro level. A review of literature indicating that in the past, a few studies have to be carried on specific industrial areas including industrial dispersal covering one or two aspects only, Here this study provide comprehensive views on the industrial development of Aurangabad industrial area.

ITS RELEVANCE TO THE PRESENT DAY PROBLEMS AND NEEDS OF THE SOCIETY & THE COUNTRY

Aurangabad, the leading industrial state in India occupies a prominent position as far as the manufacturing sector in the country. The major manufacturing industries located in Aurangabad include refined petroleum products, chemical and chemical products, machinery equipments, food products, basic metals, motor vehicles, fast moving consumer goods, Cosmetic and film products and textiles. The principal industrial zone in Aurangabad is Waluj, Chikalthana, and railway station, Chitegaon, Shendra and Bhalgaon.

IT'S LIKEL Y CONTRIBUTION TO KNOWLEDGE

The study devoted for presenting the detail analysis of large scale and small scale industrial developments of Maharashtra & Aurangabad Industrial area. This study makes the critical examination of, impact of Global recession on Industrial Development in general and employment. Production, import, export and foreign exchange in particular.

The major findings of the study useful to the Industrial administrators and policy makers in framing appropriate policies regarding industrial establishments of the new industries in order to protect the interest of Government, wholesalers, retailers and all class of customers. This study also is useful to the academicians, research scholars, and others who are related to the industries.

INDUSTRIAL GROWTH AND DEVELOPMENT OF MAHARASHTRA STATE INDUSTRIAL AREA

There are near about 2000 large scale and small scale industrial units have been registered and working in Marathwada region. The Maharashtra state is industrially developed state with near about 30333 industrial units located at. Mumbai, Pune, Nagpur, Nasik, Aurangabad, kolhapur, Jalna and other Industrial Areas. These industries are providing 584551 large employment opportunities to the peoples not only from Maharashtra state, but for India and

Foreign peoples also. The major product of these units are Agriculture, mining manufacturing, food produce, construction equipments, Repair services, electricity product, construction and construction equipments, iron & steel, machineries, automobile products, cosmetic products, engineering spair parts and products and most of the fast moving consumer goods (FMCG).

Some of these large scale and SSI units providing job and job works, components and spares required for large and medium scale industrial units both within and outside the state, most of the industries are working as auxiliary industries for big industrial units.

RECESSION & INDUSTRIAL EMPLOYMENT

It is seen that the industrial employment declined every month during this period. It is observed that the employment in all the sectors studied went up significantly over the period from March 2008 to September 2008, Beyond the September 2008, It had decelerated at all industries/sectors level at an average rate of 1.01% Per month. In January, 2009 the rate of decline had increased to 1.17%. The increase in rate of change was mainly due to the decline in employment in IT/BPO sector in January 2009 in contrast to the increase in employment during October-December 2008 and also higher rate of unemployment in Automobile sector.

Table No.1.1 Trends in Average Employment

Sr.No.	Period	Average employment (Million)	Percentage Change
1.	Sept.-2008	16.2	-
2.	Oct.-2008	16.0	-1.21
3.	Nov.-2008	15.9	-0.74
4.	Dec.-2008	15.7	-1.12
5.	Average Monthly Change Oct.-Dec.-2008	-	-1.01
6.	Jan.-2009	-	-1.17

Source:-Labour Bureau, Ministry of Labour and Employment, Govt. of India.

Table No.1.2 Sector-wise Change Trend in Employment

Sr. No.	Sectors	Average Monthly Change inOct.-Dec.2008**	Monthly Change in Dec.-2008-Jan.-2009
1	Mining	-0.33	-
2	Textiles	-0.91	-0.35
3	Metals	-1.91	-8.44
4	Gems & Jewellery	-8.58	-8.44
5	Automobiles	-2.42	-3.10
6	Transport	-4.03	-2.62
7	IT/BPO	0.55	-1.66
	Overall	-1.01	-1.17

Source:-Labour bureau, Ministry of Labour and employment, Government of India.

It is observed from the table no 1.2 that during January 2009 the rate of decline in employment in textile, metals, gems, jewellery and transport sector was lower than earlier months. The average monthly decline in textile sector during October-December 2008 was 0.91 % which had come down to 0.35% in January 2009. Similarly for metals and transport sectors the decline in employment had come down from 1.91% to 1.31% and from 4.03% to 2.62% respectively.

In case of automobiles, the employment had declined more rapidly in January 2009. The average monthly Decline in Automobile sector during October-Dec 2008 was 2.42% which had increased to 3.10% in January 2009. In case of IT/BPO the employment during Oct.-Dec 2008 had increased by 0.55% per month where as in January 2009 it had declined by 1.66%. Passenger Car and two-wheeler manufactures were badly hit as consumers slowed down discretionary spending on automobiles. Sales volume of Maruty Suzuki India, the largest passenger car manufacturer, during Q3FX09 went down 14% year-on-year. Though the dip; in sales value was restricted to less than 3% due to better price realization, the fall in net profit was 54%. Sales volume of the largest two-wheeler manufacturer, Hero Honda Motors, too dipped-its net profit growth was 9.24% y-o-y as compared to 49.90% in the previous quarter. It was another bad quarter for Bajaj Auto as volumes declined by 30% and net profit by 23% y-o-y.

Table No. 1.3

Trend in Employment of Export and Non-Export units

Sr. No.	Period	Export Units	Non-Export Units	Overall
1	Oct.-2008	-1.30	-1.05	-1.21
2	Nov.-2008	-0.45	-1.24	-0.74
3	Dec.-2008	-1.66	-0.15	-1.12
4	Average Monthly Change Oct.-Dec.-2008	-1.13	-0.81	-1.01
5	Jan.-2009 over	-1.13	1.24	-1.17

Table no 1. 3 show that the rate of decline employment in export units had remained stationary at 1.13%. It had however increased from 0.81% per month during Oct.-Dec 2008 to 1.24% in January 2009 In case of non exports units. It is evident from the data in table no 1.4 is that the

increase in rate of unemployment during Jan. 2009 was mainly contributed by the non-exporting units.

Table No. 1.4

Percentage change in Average Monthly Earnings

Sr. No.	Period	Percentage Change
1	Oct.-2008	1.74
2	Nov.-2008	-11.43
3	Dec.-2008	-0.50
4	Average for Oct.-Dec.-2008	-3.45
5	Jan-2009	-0.26

It can be seen from table no 1.4 that the rate of declining in employment in export units had slowed in textiles and metals in Jan.2009. In case of Automobiles, the rate of decline had accelerated from 1.26% to 4.13% during the period. The trend in IT/BPO sector had reversed in Jan.-2009.

The employment trends showed higher rate of job loss in Non-export units (1.24%) as compare to export units (1.13%) during January 2009, the most affected sectors were IT/BPO, transport and metals where the employment in non-exporting units had decline by 4.07% to 6.2% and 1.71% respectively in January 2009. Though it is hazards to estimate the total loss of employment on the basis of a small sample, the survey

Estimated the total loss of employment during Oct.-2008 to Jan.- 2009. It needs to be noted that the total loss of employment estimated for the four month period was 5.89 lack workers.

Table No. 1.5 Month wise Estimated Job Loss

Sr. No.	Period	Estimated Job Loss	Cumulative Job Loss
1	Oct.-2008	1,96,092	1,96,092
2	Nov.-2008	1,17,550	3,13,642
3	Dec.-2008	1,77,222	4,90,864
4	Jan.-2009	98,156	5,89,020

Source:- Labor Bureau, Ministry of Labor and employment, govt. of India.

EMPLOYMENT GENERATION DROPPED

The Indian financial sector a relatively new industry when it took off post economic reforms generated a substantial amount of wealth and employment within a short span of time. According to recent study by Associated Chambers of Commerce and Industry of India, employment generation in the top six sectors, which include finance, fell from 35 percent in the first quarter to 15.8 % in the second and 10.8 percent in the third. In the financial sector, the share of job creation dropped from 7% in the first quarter to 2 % in the third quarter, How ever the current crisis is different and we can not escape its impact. India is more dependent on the global economy now than ever before. Although our banks had a very small exposure to sub-prime loans, we have been affected by the sub-prime crisis. Global liquidity dried up and western markets started shrinking. This resulted in much lower capital flows to India's which is turn have knocked off more than 50% age points of the stock market index in less than a year. Indian companies suffered a double whammy with the shrinking of export markets and access to capital. The well-being of the financial services sector is directly linked to the stock markets and the health of domestic business. With both in some trouble, the short-term outlook of the sector is not very promising. The automotive sector in India, which in recent years was on the fast track, has been suddenly forced to apply the brakes. The steel fall in the sales of vehicle and

components and the decline in exports have made major automobile players decide to put on hold new projects, downsize production and impose job cuts.

THE MOST AFFECTED SECTORS BY GLOBAL RECESSION ARE AS

Textile Industry, Real estate, Retailing, Hospitality, IT and Software, Automobile Industry, Aviation, Engineering, Pharmacy and Chemicals, transport, Power, Banking and financial services, Media and Entertainment.

Impact on Employee Attitude and Motivation

- Employee are feeling more insecure about their jobs and Feeling less loyal towards the organization.
- Employees are realized organization can take any decision to secure the profitability
- The Incentives and Bonus will not be motivational criteria for the employees in the future.
- Employees will prefer to join socially responsible organizations in near future
- Employees realized the importance of self development, updating existing skills all the time and acquiring new skills
- Employees are also developing positive attitude towards self-employment and may fail to bring inner dedication at workplace.
- Employees will be conscious while selecting the job or changing the job.
- Increase in the frustration in the young and fresh talent as they need to struggle to get job in crises time

The roles of HRM at the time of recession

1) **Save money and reduce the expenses.**
2) **To provide strategic policies and the procedures**
3) **Reducing the manpower**
4) **Redesign of the compensation scheme**
5) **Training and Development Programs**
6) **Identifying the real key employees**

7) **Protecting the top potentials of the organization** .

8) Smart training management

9) Base Salaries Management .

10) The improve productivity and efficiency of the entire organization.

11) Headcount Freeze. .

12) To find some cost effective innovative ideas .

MEASURES TAKEN BY THE GOVERNMENT

Following different measures are taken by the government to control over the recession.

1) Interest subvention of 2% has been extended till 30-09-2009 to the following labor intensive sectors for exports: Textiles (including Handlooms), Handicrafts, Leather, Gems and Jewellery, Marine products and SMEs.
2) Additional funds of Rs. 350 Crore provided for export incentive schemes;
3) Handicraft items included in Vshesh Krishi and Gram Udyog Yojana (VKGUY).
4) Support under VKGUY Scheme announced for some additional commodities.
5) Market linked focus product scheme extended for bicycle parts, Motor Cars and Motor Cycles, Apparels and clothing accessories, auto components, etc.
6) Rs. 1100 Crore provided to ensure full refund of claims of CST/Terminal Excise duty/Duty drawback on deemed exports.
7) Continuation of Duty entitlement passbook (DEPB) scheme upto 31st December 2009.
8) Additional fund of Rs. 1400 Crores provided for textile sector to clear the backlog claims of TUF.
9) Export duty on iron ore fines eliminated for lumps, reduced to 5%.

MEASURES TAKEN BY RBI

1) Increase in Liquidity to the banks for improving credit flow.
2) Reducing CRR, SLR, Repo rate and Reserve Repo rate (from Oct 08 CRR reduced from 9% to 5%, SLR reduced from 25% to 24%, Repo rate reduced from 7.5% to 5.5% and Reverse Repo rate reduced from 6% to 4%.

3) A special re-finance facility has been put in place for banks for the purpose of extending finance to exports, micro and small enterprises, mutual fund and NBFCs. Provisioning requirements.

4) Ceiling rates on export credit in foreign currency has been raised to LIBOR+350 basis points subject to the condition that the banks will not levy any other charges i.e. service charge, management charge, etc. except for recovery towards out of pocket expenses incurred.

5) Bhilwara in Rajasthan and Surat in Gujarat have been recognised towns of Export Excellence, for textiles and diamonds respectively.

HOW TO CHALLENGE BEFORE RECESSION

- Tap Indian market which is big.
- Lower the prices to increase the sales.
- Lower the wages of employees.
- There are chances of getting foreign market as foreigner producer will be doing for outsourcing to reduce their cost.
- Due to a un-employment wages will come down.

India is a developing country. Such a country needs a variety of national projects in social, economic and cultural spheres. The government could build up an army of unemployment people to implement such projects. Such kind of work would go on for a long time providing ample employment opportunities to millions of people all over the nation.

Presentation of the study

1) **Introduction**

   In this chapter overviews of industries and need for institution in industrial development in Aurangabad district has been and a taken in details and Scope of the study, limitations, research methodology, tools and techniques used.etc. Include in the same chapter.

2) **Review of literature**

In this chapter discussed in detailed about past and present reviews from different journals, magazines, reports , DIC planning report and Honorable expert speaker reviews is involved.

3) Profile of Aurangabad industrial area.

in the third chapter of this report describes profile of industrial areas and all background of Aurangabad that one who easily understand of position of industry and other thing which is important for the development of industry.

4) Profile of Maharashtra state and Aurangabad District industries with opportunities and infrastructure facilities for industrial development.

This chapter deals with the infrastructural facilities in Aurangabad and Maharashtra state profile with details of facilities available for industrial growth and opportunities in the same.

5) Foreign Direct investment in industries.

Chapter five includes, with foreign direct investment in Indian context and industries in Maharashtra and Aurangabad.

6) Impact of Global recession on Maharashtra and Aurangabad Industrial area

This chapter tries to judge impact of recession on Aurangabad industrial area and Maharashtra state, in detail.

7) Summery, Conclusion and Suggestion's.

This chapter includes major finding outputs, summary and effects and remedies in the period of the study and tries to overall suggest and recommend i.e. can be benefited to the DIC, MSME, industry holder, businessmen, related govt. of offices and officers and other related persons.

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CHAPTER 2

REVIEW OF LITERATURE

In Aurangabad district, the district industries center programmed was launched with a view to provide an integrated administrative framework at the district level to look after the problem of small scale industries. But before discussing the recession and its impact of industry it would be useful to review the studies made earlier relating to the different aspect of recession. It should however mention at this stage that the information on the different aspect of this recession in industries and impact on them is rather scanty.

Generally all the planning and programmed are designed and implemented in the local level is district industrial center (DIC). Small and medium size enterprises are also undertaken in this center. The second and main priority goes to Maharashtra Industrial Development Corporation (MIDC), state, and central government respectively.

Hence it is pertain to review of planning and implementation of DIC and SMSE and state and central government.

M.K. Bannarjee (1978) in his article yojana has made some comment on the management and organization aspect of these centers. He asks does the management pattern will assume development of industries. Will a person who trends to setup an industry have to approach all seven managers in a center not only for the formalities of his project but what is more important for its implementations who in this setup will be responsible for mundane but nevertheless essential activities of obtaining water requirement for the water board or electricity of the state and why should there be a functional manager responsible manager for KVLs when their existing not only a qualified KVI commission.[1]

NISIET Hydrabad in an article suggested that District Industries Centre may be modernized in terms of computer facilities and contacted to NISIET. NISIET terminals should be extended to all departments and agencies concerned with industrial approvals at state level. On the background of economic reforms and competition from other countries,

Express his positive view about DIC's. He says that DIC's are not only act as the instruments of industrial growth or as the coordinating agencies controlling different activities of

operation, but enhance the range and scope of operation. Thus the DIC scheme may be great benefit to the entrepreneurs.[2]

Evaluated the DIC programme in kerala, he concluded that ambitious DIC programme of the Government did not yield the expected result in kerala state. (But at the same time he says that the growth of SSI can not be clearly stated to be positive, negative or absolutely zero) to support his statement he has given growth rate of SSI in Kerala. That's why working and effectiveness of DIC's should be evaluated.[3]

The article has given the impact of globalization and domestic economic reforms on small industry he states that small industry has suffered in terms of growth of units employment, output and export, but the policy changes have also opened new opportunities and new market for the sector. That's why he suggest that focus must be turned to technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive to contribute to national income and employment.[4]

The Journal has given that the need for more transparent and supportive policy for SSI sector, they suggest that SSI's should restructure themselves with respect to technology up gradation, quality consciousness, cost and price competitiveness and professionalism in their routine matters.[5]

One of the research studies concluded that the contribution of DIC in the regional development of Marathwada region. The study period as well as 1992-2002, the study based on primary and secondary data. The results of study are quite satisfactory in case of increate in the number of small scale units. But the development of SSI is not even in the Marathwada region. There is imbalance in the development of SSI at urban and taluka level. Industrial development process has taken place after 1980's in the region mean we can not neglect the role of District Industries Centre in the development of SSI in Marathwada region. Lastly suggest that, promoting regional attractiveness and competitiveness and developing advanced some support services.[6]

One of the research studies concluded that the speed of setting up industries in the Jalana district is so slow, because of infrastructural deficiencies. Research is based on primary and

secondary data, secondary data collected through sample survey. Finally study concluded that the DIC, Jalna had shown better performance in implementation of the scheme.[7]

Foreign direct investment

Number of scholars have conducted studies on role of capital in economic development of the under development countries in general and NRI investment in particular. However there is still lot of scope to take up research on this particular aspect. With a view to understand the studies made on F.D.I. with reference to data base period to study technique used conclusions derived and suggestion made of any

Review of literature foreign direct investment

Number of scholar have conducted studies on role of capital in economic development of the under development countries in general and role of F.D.I. portfolio investment and NRI investment in particular. However there is still lot of scope to take up research on this particular aspect with a view to understand the studies made on F.D.I. with the reference to data base period of study technique used conclusions derived and suggestions made if any are taken up. After the review, effort are made to identify the gaps in the existing body of literature and it is explained as to how our study is going to fill these gaps and how our study is going to contribute for taking up appropriate policies regarding F.D.I.

Nagesh Kumar has stated that the focus of the F.D.I. policy in india should be maximization of its combination to india's development rather than on maximization of the magnitude of inflows by itself.

According to him MNC's should be forced to contribute to india's efforts in expanding her exports. So far MNC's have come to india only to exploit her large domestic market and have paid no attention to export.

Nagesh kumar in his concluding remarks says that the recent liberalization policy has not yet succeeded in attracting export oriented F.D.I. in considerable manner. In the current environment of intense competition among developing countries to attract such F.D.I.s Just the liberalization polices may not be adequate. More effective use of Indian's bargaining advantage with respect to MNE's such as her large domestic market abundant supply of skilled manpower

and technical professionals at how wages etc. is desirable to attract a greater magnitude of export-oriented F.D.I.[8]

Venupal Reddy deputy Governor, Reserve Bank of India states that the inflows of F.D.I. in india increased US $ 2-26 billion in 1998 which was among the 20 largest F.D.I. receiving countries (developing countries) the level of the inflow was still lower in countries like india in relation to Singapore (US $ 7.22billion) China (US $ 45.5 billion), mexico (US $ 10.24 billion)

He was of the opinion that simplifying the procedures, increased in the economic creativity and the competitiveness will attract more F.D.I. into india[9]

Khan N.A. mentioned that countries like China, the F.D.I. in india is not forth coming due to Indian policy and procedure system and red tapism. He says that to attract, F.D.I. in India political stability, attractive policies are required[10].

Prasad P states that the foreign direct investment in the developing countries is estimated to be around $30 billion with a projected growth rate of 10.3 percent (1990-95) which is higher than the growth rate of long term net inflows of external finance)(8.9%) to the developing countries ($105billion) and that of growth rate of official bilateral and multilateral (7.4-5.7%) loans ($ 25 billion) to these countries as per the world bank project F.D.I. of the developing countries is likely to accounts for a substantial share of the private net inflows (29%) of external finance of developing countries. F.D.I. has been projected to increase considerably registering a higher growth rate (12 to 15 percent for annum) in the 1990's in view of increasing tendancy in the globalization of world production and the increase of portfolio investment over time due to liberalization of capital market in developing countries the inflow of F.D.I. to developing countires highly concentrated (as 66% of F.D.I. flows went to ten largest host economies of these developing countries)[11]

A V.V.S.K. rao has tried to present a theoretical frame. He attempted to spell out the important factor involves in assessing F.D.I. was explained with the help of kindle Burger's model along with other models. Further, he says that, in the 1950's foreign investment was predominantly in the primary sector, over the period, the investment flows have shifted to manufacture and services. The policy of Govt. of India until1990 generally restricted foreign investment to

technology intensive branches of manufacturing plantations and services accounted for 9.5 less than 5 percent share of F.D.I. stock in 1990

He stress the need for policies that would maximize the linkages effort created foreign entrepreneurs i.e. we have to ensure the proper integration of indigenous entrepreneurs so as to present formation of a foreign enclave, which will help us to avoid a high degree of foreign dependant only then we can see the maximum advantages of F.D.I. be reaped.[12]

First view is our vulnerability to forign investment. Just a pull back of 1 billion dollars caused markets to crash 15%. It shows how much India degenerated since late 90s. During 96 asia melt down the whole of east asia collapsed but India was normal due to less dependence on forign investment. Or rather less dependence on forign hot money. Now we are in the hands of forign hot money just like other asian nations. Forign hot money has no long term views. Its so fluid, it moves in big volumes from nations in a way it brings down nations. Our markets can not tolerate a mere 1` billion dollar pullout in a month. That is the situation now. I remember just 3 months back there was a ht debate in financial circles to control forign hot money but our stupid finance minister was saying that we can manage the show even in worse situations. Now where is he hiding his face?

The second view is that irrespective of sudden fluctuations, Indian economy will grow due to the momentum created in massive projects.

I would like to mention three more factors here which can impact growth.

1) Scandals and effective governance : Nowadays scandals of massive proportions are happening almost on a weekly basis. It will influence forign investment in India. I am not just theorizing it. Last night I was watching BBC where forign experts were discussing the recurrence of scandals on massive scale in India. It creates negetive influence on forign long term investments. Not only govt not able to control scandals, but it itself is part of the scandals.

2) Trade balance : Though we are growing fast, our exports never beat imports since independence. We pay for our imports and we get paid for our exports. So if there is

dificit in trade, we end up paying more to world trade. Where do we get money to pay for the dificit? By loans. Look at China. It always has more exports than imports. It is earning money on trade unlike India borrowing money to pay for trade.

3) Our lethargy in moving massive projects from concept stage to licence stage : In any other country it takes just months to approve any project and give all clearances. In India not only our govt agencies have no idea of big projects but also corrupt. They give licences to projects which should not be considered in first place (mining rights to relatives of ministers) and hold licences to big projects which can improve national economy (POSCO, Mittal, Jindal, Tata steel projects)[14]

Think from point of view of investor industrialist:
When an investor with 10 billion dollars in his pocket wants to invest, he will look for opportunities in few countries. He applies for licenses/clearances to invest. If India keep sleeping on giving answer, the investor will not wait at India's doorsteps. He will look for other opportunities and move away. When you get up from sleep, start calling him to come back what he will do? Show his middle finger.

If we address the above three fundamental issues we are well off. Otherwise we will be like today, always crying about rising prices, rising petrol prices, unemployment, conflict of interests, political instability, corruption, scandals etc and etc.

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Chapter -III

Profile of Aurangabad Industrial area

Introduction

Aurangabad is one of the most important districts of Maharashtra with a rich historical background. The geographical area of the district sums up to a total of 10.100 sq km and has a population of 28,97,013. Agriculture is the leading contributor to Aurangabad's economy and cotton, bajara, jowar and wheat are the chief crops grown in the district. The potential of tourism in Auranagabad can be measured from the fact that it is home to the world famous tourist spots like Ajanta and Ellora, Bibi Ka Maqbara and Daulatabad Fort.

The original name of Aurangabad was Khadki (window), founded in 1610 by Malik Ambar. When Fateh Khan, Malik Ambar's son turned successor in 1626, he gave the city the name 'Fatehpur'. In 1653 when prince Aurangazeb was appointed Viceroy of the Deccan for the second time, he made Fatehpur his capital and called it 'Aurangabad' since then the city came to be known as Aurangabad.

To scholars and ancient art and culture lovers, the city is more familiar as the gateway to the ancient caves of Ajanta and Ellora, historical monument recognized by UNESCO about 100 kilo meters from Aurangabad city, both are famous as treasure houses of Indian Art and Sculpture. The Bibi-Ka-Maqbara (Moghul architecture in the Deccan plateau), tomb that was built in 1679 by Emperor Aurangazeb's son Azam Shah, in tribute to his mother, Begum Rabia Durani alias Dilres Banu Begam. It is the finest Mughal monument in the south and is called the 'Taj of the Deccan' for its close resemblance to the Taj Mahal of Agra.

The walls which enclose the central part of the city were added by Prince Aurangzeb in 1686. Most of the monuments in Aurangabad are of the Mughals and Maratha period. There are to 52 towering Darwazas (Gates), out of which very few are presently are in good condition, mostly constructed by Aurangzeb during his over-stay in the Deccan. There are four main Darwazas leading into the city, which along with nine secondary darwazas formed part of the defense systems of the city.

Maurya rule marked the arrival of Buddhism in Maharashtra. The earliest caves at Ajanta and Pitalkhora were excavated during the 2nd century B.C.). During the Chalukya reign, Buddhism continued to flourish, this resulted in several 'viharas' (monasteries) and ' chaityas' (chapels) being excavated at Aurangabad, Ajanta and Ellora.

The District of Aurangabad has over the centuries become a meeting place of life styles as it is centrally located on the map of India. It has witnessed the rise and fall of many dynastic such as the Setavachanas, the Vaustokas, the Chalukyas, the Rastrakutas, and the Yadavs spanning fifteen centuries till the advent of Muslim rule at the very end of the thirteenth century. The district has a long and undeterred history since the Jatava-period to the present day.

Today Aurangabad is a lively city of Maharashtra with various big and small industries, fine silken textiles, and wonderful hand woven brocades of silver and gold fabrics, Himroo of world frame.

Aurangabad is a success story of MIDCs efforts towards a balanced industrialization of the state. A city with no industrial background is today a thriving hub of industrial activity. Today Aurangabad has a renowned industrial area and is divided into four zones namely Chikalthana, Waluj, Chitegaon & Shendra. The industrialization in Aurangabad started in mid 70's with companies like Lupin, API, Nirlep & Garware. The major industry sectors in Aurangabad are Automotive, Auto Components, Pharmaceuticals, Breweries, White goods/Appliances and now going for fast paced IT industries.

Few major companies that have their unit in the city are Bajaj Auto, Wockhardt, Shreya Life Science, Orchid, Lupin, Atra, Videocon, Nirlep, Skoda Auto, Colgate Palmolive, Endress Hauser, Good Year and Siemens.

And now Aurangabad is a booming industrial zone and one of the fastest developing cities in the whole Asia!

The city of Aurangabad was founded by Malik Ambar, the Prime Minister of Murtaza Nizam Shah II, in 1610, on the site of a village called Khirki. When Fateh Khan, Malik Ambar's son succeeded the throne in 1626, he named the city 'Fatehpur'. In 1653, when Aurangzeb

became the Viceroy of the Deccan, he made it his capital and renamed it Aurangabad. Aregion that has been inhabited since the Stone Age, Aurangabad has seen several dynasties come and go, absorbing them culture of each into it self.

Maury rule heralded the advent of Buddhism in the state of Maharashtra. The earliest caves at Ajanta and Pithalkora were excavated in the 2nd century BC, during the Satvahana era. Paithan, then known as Pratishthana was an important trade centre at the time. Buddhism flowered during the Chalukya period, which consequently saw the mushrooming of many monastries and chaityas that were later excavated at Aurangabad, Ajanta and Ellora. Later, the Rashtrakutas built many temples, significantly the Kailasa temple at Ellora, an unparalleled piece of ancient Indian architecture.

Areas of Interest

- Aurangabad Caves
- Bibi-Ka-Maqbara
- Pan Chakki
- Ajanta
- Ellora

Aurangabad District is a District in Maharashtra, India. It is bordered by the districts of Nashik to the west, Jalgaon to the north, Jalna to the east, and Ahmednagar to the south. Aurangabad is the capital and principal city. The district is 37.53% urban as of 2001.

- Area: 10,106 km²
- Population: 2,897,013 (2001)
- Population density: 289/km² (2001)
- Literacy: 62.8% (2001)
- Urbanization: 37.53% (2001)

Aurangabad District is divided into 8 Talukas named Soygaon, Sillod, Kannad, Phulambri, Khultabad, Paithan, Vaijapur and Gangapur.

Location:

Aurangabad District is located mainly in Godavari Basin and its some part towards North West of Tapi River Basin. This District's general down level is towards South and East and North West part comes in Purna –Godavari river basin. The Aurangabad district's North Longitude (Degree) is 19 and 20 and East Longitude (Degree) is 74 to 76.

Forests:

In Aurangbad district total Forest Area is 135.75 Sq.Km. As compare to Maharashtra the forest area of Aurangabad is 9.03%.

Mountains:

There are three mountains namely

1) Antur – its height is 826 Mtr.

2) Satonda – 552 Mtr.

3) Abbasgad – 671 Mtr. and Ajintha 578 Mtrs. Average Height of Southern portion is 600 to 670 mtrs.

River:

The main rivers In Aurangabad district are Godavari and Tapi and also Purna, Shivna, Kham . Dudhna, Galhati and Girja rivers are the Sub Rivers of Godavari.

Area:

The Aurangabad District's total area is 10,100 Sq. Kilo Mtrs. Out of which 141.1 Sq. Km is urban area and 99,587 Sq. Km is Rural Area.

Climate:

In Aurangabad rainy season starts from the month of June to September- and October to February-Winter Season and March to May Summer Season. The Average rain fall of Aurangabad District is 734 mm and the Minimum Temperature is 5.6 D.C. Maximum Temperature is 45.9 D.C.

Languages:

In Aurangabad district as per the Census 2001 total population is 28,97,013 and peoples mainly speaks Marathi, Hindi, English and Urdu language.

Transportation:

Aurangabad is Divisional Headquarter of Revenue Department and centrally located in State of Maharashtra. The transportation facility such as Road, Railway and Air are available.

By Road:

1. Mumbai – Aurangabad,

2. Hyderabad- Aurangabad

3. Nagpur- Aurangabad

4. Pune- Aurangabad.

By Rail:

1. Mumbai- Aurangabad.

2. Hyderabad- Nanded- Aurangabad.

3. Secunderabad- Bangalor - Parbhani- Aurangabad.

By Air:

1. Delhi- Mumbai- Aurangabad.

2. Mumbai- Aurangabad.

The aggregate geographical area of Aurangabad district is 10,100 sq. km. as shown in table total population of Aurangabad district was (2001) 28,97,013, rural population was 18,09,863 and urban population was 10,87,150. Table: 2.1 shows the population of tashil wise in Aurangabad district, which is highest in Aurangabad tashil of total male and female tashil population of a district as 2001 census.

Table No. 3.1

FIGURES SHOWING LITERATES IN DISTRICT

SR. NO.	LITERATES								
	RURAL			URBAN			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1	633999	378614	1012612	433803	325244	759047	1067801	703858	1771659

Source: collector office Record of Aurangabad.

Table 3.1 reveals the details regarding literacy position in an Aurangabad district during the year 2001. It was 1067801 male literate populations out of total population 28, 97,013 of Aurangabad district. The aggregate literacy rate for Maharashtra state female literacy rate had been much less than male literacy rate over the year. There had been wider gap of literacy in rural area and urban area of Aurangabad district.

Table No. 3.2

AGRICULTURE - MAJOR KHARIP AND RABBI CROP (2004-2005)

KHARIP CROP - 503000 H.

SR NO	CROP NAME	AREA (Hector)
1	Cotton	144300
2	Bajara	143600
3	Maiz	63300
4	Tur	41700
5	Mung	150100
6	Udid	6090
7	Sun flower	6800
8	Soyabin	3100

Source: collector office Record of Aurangabad

Table No.3.3

RABBI CROP - 295800 H.

SR NO	**CROP NAME**	**AREA (Hector)**
1	Jawar	183800
2	Wheat	37000
3	Gram	40500
4	Sa flower	22000
5	Sun flower	5600

Source: collector office Record of Aurangabad

Agriculture is the main occupation of the people living in Aurangabad More than 78% of total population of Aurangabad district is engaged in Agriculture sector most of portion cotton 1.44 lakh hectors. The coton is main crop in kanned and vaijapur tahsils in other tahsils bajra is main kharip crop 1.43 lakh hectors in the district and rabbi crop jawar are 1.83 lakh hectors in the district, other crops are very limited product in the district.

Table: 3.4

LAND HOLDING IN DISTRICT

SR NO	LAND HOLDING HECTOR	TOTAL KHATEDAR	TOTAL HOLDING LAND	% TO TOTAL KHATEDAR	% TO TOTAL LAND
1	1.0 to 2.0	117719	172412	34.71	22.27
2	2.0 to 4.0	92322	252186	27.22	32.58
3	4.0 to 10.0	42095	241284	12.41	31.17
4	10.0 to 20.00 and more	4239	59327	1.25	7.66
TOTAL		**339184**	**774101**	**100.00**	**100.00**

Source: collector office Record of Aurangabad

Table 3.4 shows that total land holder in Aurangabad district, land holding hector 1.0 to 2.0 percentages are total khatedar very high 34.71% (117719) out of 339184 and total land percentage are 22.27% (172412) out of 774101. Land holding hector 2.0 to 4.0 percentages are total khatedar 27.22 (92322) out of 339184 and total land very high 32.58% (252186) out of 774101. Land holding 10.0 to 20.0 and more hectors percentage are total khatedar very less 1.25% (4239) out of 339184 and total land percentage only 7.66% (59327) out of 774101.

Table No. 3.5

CULTIVATED LAND & NOT CULTIVATED LAND

NOT CULTIVATED LAND (in Hector)			**CULTIVATED LAND (in Hector)**			
CURRENT PADIT	OTHER PADIT	TOTAL PADIT	CULTIVATED LAND	RE CULTIVATED	TOTAL CULTIVATED	CULTIVABLE LAND
25741	25367	51108	715609	137291	852900	775963

Source: collector office Record of Aurangabad.

It can be seen from table 3.5 that of the aggregate cultivatable 8.52 lakh hectors, 7.75 lakh hectors are under cultivation in the Aurangabad district. Table shows that aggregate total padit not cultivated land 0.51 lakh hectors.

Table: 3.6

Medium Projects for Ambadi, Giraja, Ajintha, Tembhapuri

SR NO	PARTICULARS	MEDIUM PROJECTS			
	PROJECT NAME	AMBADI PROJECT	GIRAJA PROJECT	AJINTHA PROJECT	TEMBHAPURI PROJECT
	PROJECT LOCATION	ANDHANER KANNAD	YESGAON KHULTABAD	ANDHARI SILLOD	TEMBHAPURI GANGAPUR
1	COMPLETION YEAR	1982	1989	1983	0
2	ESTIMATED HEIGHT (M)	19.28	19.10	21.20	17.77
3	COMPLETED HEIGHT (M)	19.28	19.10	21.20	17.77
4	TOTAL CANAL LENGTH (K.M.)	16.86	25.15	9.86	9.70
5	COMPLETED CANAL LENGTH (K.M.)	16.86	25.15	9.86	9.70
6	TOTAL STORAGE CAPACITY	11.78	24.50	8.53	21.27
7	ACTUAL STORAGE ON 31/3/04	3.95	9.48	2.65	0
8	TOTAL BENEFITED	3709	6220	2226	8504

	LAND (H)				
9	TOTAL CULTIVABLE LAND FROM TOTAL BENEFITED LAND (H)	2374	5628	1967	6378
10	LAND UNDER IRRIGATION (H)	2226	3595	1578	4784

Source: Irrigation official Records of Aurangabad.

Note: (M.-Miter), (K.M.- Kilo Miter), (H.- Hector)

Table 3.6 shows the details of big and medium dam in Aurangabad district. Paithan project are important to the district this are the main water supply of Aurangabad city and MIDC. They are completion year 1976, total canal length 30 km., actual storage capacity are 22.342 MMCM, total benefited land 9590 hectors and land under irrigation are 7620 hectors. Jayakwadi are big dam in Marathwada region. Dekhu medium dam (Bhatana) project are completion year 1962 in Vaijapur taluka. Water supply to Shvoor bangle, Garaj, pokhri and other village, Total canal length 25 km., actual storage capacity are 1.57 MMCM. Khelna medium project are completion year 1966 in Silod taluka, land under irrigation are 5071 hectors.

Table 3.6 shows the details are medium project are Ambadi (Kanned), Giraja (Khultabad), Ajintha (Sillod), and Tembhapuri (Gangapur), in completion the year 1992, 1989, 1983, nil. Total storage capacity are in MMCM 11.78, 24.50, 8.53 and 21.27 benefited land of 3709, 3595, 1578, and 4784 hectors and land of under irrigation 2226, 3595, 1578, and 4784 in hectors. This all the medium project are very important role urban and rural area water supply to agriculture of Kanned, Khultabad, Sillod, Gangapur all the talukas in rural area gaons.

Table no. 3.6 show the details in big and medium dam all the tahsil in Aurangabad district. This indicates that irrigation facilities in Phulambri and soegaon talukas are indequte there is no major irrigation and medium project in the talukas. It suggested that major and medium project should be constructed in a district to increase irrigated water supply.

In general in Aurangabad there is a good scope for the industry but there is need to proper planning, direction, organization, and control. In future there are great chances to growth in Aurangabad or helps to attract to businessmen in india and abroad and resulted FDI will grows directly.

Table No. 3.7
NO. OF MSME UNITS REGISTERED DURING LAST TEN YEARS.

Year	No. of units Registered.	NO. Of Employment Generated.	Investment made Rs. In lakhs.
2000-01	1615	14393	16093
2001-02	1793	16144	18315
2002-03	1938	17594	19441
2003-04	2109	19175	21475
2004-05	2284	19355	23958
2005-06	2504	21349	25936
2006-07	2785	23814	28604
2007-08	3059	25784	30619
2008-09	3233	35221	36311
2009-10	3405	36871	40486

Source: DIC office record

From the table No.3.7 it is clear that the curve of the industry is upward but it is not so satisfactory because of in Aurangabad there is available and atmosphere is very good for the small and medium size enterprises. Where in 2001-02 registered companies was 1793 and next year i.e. 2002-03 the enterprises was 1938 means only 145 companies included and same is going on last ten years (table No. 3.7)

Table No. 3.8

TOTAL NO. OF IEM.(LARGE ENTERPRISES), IN AURANGABAD DISTRICT.

Year	No. of units Registered.	NO. Of Employment Generated.	Investment made Rs. In lakhs.
2000-01	123	50645	4645.46
2001-02	131	58460	4975.23
2002-03	143	59085	5419.71
2003-04	150	62055	5692.13
2004-05	164	67526	6193.95
2005-06	170	69871	6409.02
2006-07	172	70652	6480.71
2007-08	179	73779	6767.47
2008-09	191	78624	7211.94
2009-10	195	80500	7384.00

Source: DIC office Aurangabad

From the above table No. 3.8 clear that here is also not very high growth as compared to small and medium size enterprises where in year 2000-01 123 large scale industries and after last ten year the digit is not so high i.e. 195 only and if we observed all the last ten years the growth was only 10 to 15 percentage respectively.

Table No. 3.9

DETAILS OF MSME AND LARGE ENTERPRISES AT A GLANCE

Type	Indicator	Aurangabad	Maharashtra
MSME	No	3405	151495
	Employment	36871	1188181
	Investment(lac)	40486	
Large	No.	525(195)	6627

Enterprises			
	Employment	80500	836265
	Investment (cr)	7384	147443

Source – compared to table No. 3.7 & 3.8

Note: the figures in the bracket showing registered digit/ enterprises

From the above table No. 3.9 shows that details of MSMEs and large enterprises in Aurangabad and also Maharashtra. Where according to table No. 3.9 3405 small and medium size enterprises in Aurangabad and in Maharashtra there is 151495 enterprises. The position of large enterprise is 595 in Aurangabad and in Maharashtra 6627 enterprises.

Table No. 3.10

SOCIO ECONOMIC INDICATORS

	FACTORY STATISTICS		**ECONOMIC CENSUS**					
	No of working factories per Lac population	Average daily factory employment per Lac population	No. Of establishment per Lac population			Employment in establishment per lac population		
			Rural	Urban	Total	Rural	Urban	Total
Aurangabad	25	1568	2575	5545	3739	5595	12872	8448
Maharashtra	29	1229	3629	4597	4055	7607	14964	10853

Source: Directorate of Industries, Maharashtra

Table No.3.11

Red category industries (54 categories)

Sr. No.	MIDC	No. of industries in red category
1	Shendra	**07**
2	Chikalthana	**24**
3	Waluj	**257**
4	Rly. Stn. MIDC	**5**
	Total	**293**

Source: industrial directory Maharashtra state

Table No. 3.12

Orange and Green category industries

Sr. No.	MIDC	Orange category	Green category	Total
1	Shendra	**04**	**15**	**19**
2	Chikalthana	**11**	**181**	**192**
3	Waluj	**181**	**962**	**1143**
4	Rly. Stn. MIDC	**05**	**14**	**19**
	Total	**201**	**1162**	**1363**

Source: DIC office Aurangabad

Table: 3.13

Large and Small Scale Industrial units set up in the district as on 31st March 2005

(Rs. In lakh)

Location	Large Scale Industries			Small Scale Industries			Total		
	No.	Investment	Emplo Yment	No.	Investment	Employment	No.	Investment	Empoyment
MIDC									
Chikalthana	53 [32.7 %]	585 [8.2%]	5640 [22.5 %]	360 [12.6 %]	94 [21.2 %]	4019 [18%]	413 [0.2%]	679 [9%]	9659 [20.4 %]
Waluj	64 [39.5 %]	3051 [42.8%]	11304 [45%]	721 [25.2 %]	296 [66.8 %]	9108 [40.8 %]	785 [26%]	3347 [44.2 %]	20412 [43%]
Station Road	Nil [0%]	- [0%]	- [0%]	39 [1.3%]	6 [1.4%]	411 [1.8%]	39 [1.3%]	6 [0.8%]	411 [0.9%]
Paithan	8 [4.9%]	79 [1.1%]	645 [2.5%]	15 [0.5%]	3 [0.7%]	141 [0.6%]	23 [0.7%]	82 [1.1%]	786 [1.7%]
Shendra	1 [0.6%]	156 [2.20%]	178 [0.7%]	- [0%]	- [0%]	- [0%]	1 [0.03 %]	156 [2.06 %]	178 [0.4%]
Other than MIDC area	36 [22.2 %]	3254 [42.6%]	7345 [29.2 %]	1719 [60.2 %]	44 [9.9%]	8622 [38.6 %]	1755 [58.2 %]	3298 [43.6 %]	15967 [33.7 %]
Total in the District	**162** [100%]	**7125** [100%]	**25112** [100%]	**2854** [100%]	**443** [100%]	**22301** [100%]	**3016** [100%]	**7568** [100%]	**47413** [100%]

Source: potential linked credit plan 2006-07 NABARD.

Note: Figures shows in brackets indicate percentages to out of total MIDC in the district.

It may be observed from the above table 5.1 that there were 3016 registered unit in the district providing employment to as many as 47413 people, as on 31st March 2005. The industrial units were mainly metal based, chemical based, agro based, forest based, and those engaged in manufacturing of food and beverage and plastic. Big industrial like Bajaj, Lupin, Garware, Colgate-Palmolive etc., have unit in the industrial estate of Aurangabad. As on 31st March 2005, 364 Industrial Entrepreneurship Memorandum [IEM] were in different stages of setting up of unit. These units, when fully set up and functional, will create additional employment opportunities for 28400 people. 69 Large scale industrial units and 1428 small scale industrial units registered with the DIC had been closed down as on 31st March 2005. It may be observed table that waluj MIDC highest unit than other industries large and small industries are 64 (39.5%) and 171 (25.2%). Station road and shendra are very less MIDC set up here in compare to other MIDC area.

INDUSTRIAL EXPANSION

Regional Office, Aurangabad encompassing 19 MIDC areas. Out of these Sub-

Regional Office, Aurangabad-I includes Chikalthana, Waluj and Paithan MIDC area. These areas are industrially well developed and situated nearby Aurangabad. In Aurangabad city,

MIDC – Shendra is emerging as Five Star industrial estates. The industries are rapidly developing and occupying private lands including Aurangabad – Paithan high-way. These industries produces medicines, beverages, cold-drinks, chemicals etc. other places occupied by sugar industries.

In the area of Sub-Regional Office, Aurangabad-II, major industrial estates are

situated mainly in Jalna, prominently Iron (Steel), engineering, oil, ginning and pressing and sugar industries. In addition to these some places in Bhokardan & Beed also having some industrial estates. Regional Office, Aurangabad also covers 8 to 9 industrial estates on the co-operative basis.

Sub-Regional Office, Latur comprises Latur and Osmanabad districts. Mainly found oil, engineering units and other small industries with Sugar Industries and Stone Crushers.

Sub-Regional Office, Nanded covers mainly two MIDC estates sequentially MIDC – Nanded and MIDC Krushnur. Degloor area is also having small industrial estate. In Nanded and Dharmabad is having their industrial estates working on the co-operative basis. No. of Agro-production based seasonal industries occurred in the Nanded district.There are industrial estates existing in the area of Parbhani, Hingoli, Wasmat, Gangakhed, Jintur, Selu and Parli area in the jurisdiction of Sub-Region Office, Parbhani.

There are less pollution generating industries like ginning and pressing which is the specialty of this area. In this area a Thermal Power Station is also in working condition which is only one in the Marathwada.

Maharashtra Pollution Control Board issued 4937 consents to the industries. The

details are as follows:

Large Scale Industries - 125

Medium Scale Industries - 140

Small Scale Industries - 4672

Table No. 3.14

Industries at industrial area Glance in Aurangabad.

Sr.No	Name of Industrial are	Total no of Industri	Total No of Employees
1	Chikalthana MIDC	794	28050
2	Waluj MIDC	3032	43821
3	Paithan MIDC	76	23400
4	Railway Station MIDC	128	16300
5	Shendra MIDC	35	5800
total		4065	117371

Source: Directorate of Industries, GOM

(Economic Survey of Maharashtra 2009-10)

Chapter IV

Aurangabad district and industrial development.

Infrastructure plays the most crucial role in the industrial development of any region. Avaliability of additional infrastructure ensures fast development of industries and economic growth. Efficient communication system and sufficient power supply forms the most important locational infridients.

- Power supply
- Water supply
- Roads
- Railways
- Banking
- Soil
- Climate
- Industry and commerce

The opening of Hyderabad Godavari Railway in 1900 stimulated trading activities in the state. The state used to import yerns,salt,chemicals,manufactures, of iron and steel, petrol, sugar, automobilies, brass manufactures, rubber etc. The state levied import export duty. Till the year 1920 there a no separate department of industry. Revenues department of Nizam was considered as department of industry till the year 1948 industral sector was only nominal in the economy of Hyderabad state. The main export from the states was only an agricultural raw material. The people of Marathawada got acquainted with industrial culture only after police action.

- Agriculture
- Education

- Survive class people
- Socio economic aspect of Marathawada region.
- Industrial Development of Maharashtra.

Existing industrial structures

The district has been declared as an industrially backward 1975 by the Govt. of Maharashtra. The lack of infrastructural facilities, inadequate local market, skilled laborers, immobility of local person and lack of entrepreneurial talents/environment were the major constraints for the rapid industrialization of the district. The industries were facing the major problem of frequent power cut-off, water shortage and inadequate railways transport facility. An immediate action in this direction was necessary. Since 1980 the efforts have been made by MDC and the state Govt. to remove some of the infrastructural obstacles. The MIDC industrial estates have been estimated and they were declared as growth center so also the MDC assisted number of SIUs and LSIUs for their start up and promotions. Besides these other industrial development organizations are conducting numerous training programmers, thereby developing the entrepreneurship quality. The MCED, MCD and DIC has been conducting the following training courses since 2000

i) Market development programme for self Employment

ii) General Entrepreneurship Development programme

iii) Prime Minister's Rojgar Yojana

iv) Incentitives and facilities available

The Govt. of Maharashtra announced its industrial policy on 22nd april 1993 which was last extended upto 31st march 2001, excluding the erstwhile sale tax benefits in pursuance on national consensus. It was reviewed and modified subsequently. The most outstanding features of the industrial policy are television of the region permitting non-polluting, high-tech industries with in the rationalized municipal zones of greater Mumbai.

Highlights of the Industrial Policy 2001 which has set land mark for industrial development of the district

1) Exemption electricity duty.
2) Waiver of stamp duty and registration fees.
3) Refund of octri duty.
4) Special capital incentivies.
5) Interest subsidy new textile, hosiery and knit wear SSI units.
6) Development of non-conventional energy.
7) Financing of capital incentives and refund under the package scheme.
8) Exception from sale tax for Khadi and Village industries
9) Sales tax on IT products.
10) Nursing of sick SSI units.
11) Stamp duty on corporate restructuring.
12) Establishment of IT BT units on textile mill lands in groups in greater Mumbai.
13) Floor space index (FSI) for IT units.
14) Establishment of independent industrial township
15) Establishment of special economic zones.
16) Development of specialized industrialized units.
17) Promotion of education and research institutes.
18) Permission of captive power generation for industries throughout the state.
19) Gas cooperation Agreement.

20) Review of labour laws and provedures.

21) Industry status to film sector.

While considering the major factor and infrastructure facilities it is easy to start following MSME in Aurangabad.

New industrial Possibilities.

1) Dairy based products
2) Fly ash bricks.
3) Bio-coal Briquettes from cotton steam.
4) Cold drinks and beverages.
5) Processing of Mosambi (sweet orange) Fruit.
6) General purpose machine shop.
7) Absorbent cotton.
8) Computer stationery.
9) Cold storage unit.
10) Solar unit.
11) Starch from Jowar.

Agro based.

1) Surgical bandage and cotton.
2) Sanitary napkins.
3) Extraction of starch from Jowar.
4) Oil mills.

5) Bio-coal brequettes from cotton steam.
6) 100% wood free particle board from agro-industries.
7) Mushroom cultivation.
8) Industrial alcohol from Jawar
9) Gobargas.
10) Confectionery.
11) Machanised bakery.
12) Dal mill.
13) Chill and Masala powder.
14) Neem seed oil
15) Seed processing unit.
16) Absorbent cotton.
17) Mango-jam, pickles, juice,jelly etc.
18) Mosambi-juice, confectionery items.etc.
19) Pomegranate auurvedic medicine.
20) Bio-fertilizers.

Forest based

1) Saw mill
2) Wooden furniture.
3) Packing boxes
4) Electrical switch boards

Animal based

1) Blanket, carpets,etc. from sheep wools.
2) Dairy based products.
3) Cattle/poultry feed.
4) Leather goods like purse, belts, footwears.
5) Bone fertilizer.
6) Poultry farming.

Minierl-based

1) Stone crushers
2) Fly ash bricks
3) R.C.C. pipes
4) Mosaic tiles.

Demand based

1) Cold storage
2) Washing soap detergent.
3) Pvc pipe fitting.
4) Agricultural equipment
5) Jutes bags
6) Paper bags
7) Solvent extraction

8) Hatcheries
9) Tyre re-treading
10) Tractor trollies

And some more….

Service industries

1) Computer training
2) Xerox, fax, typing.
3) Desk top publishing
4) Screen painting
5) Automobile service unit
6) Tailoring and embroidery
7) Repairing of TV/AC etc.
8) Hotel and restaurant.
9) Advertising media.

Advanced Infrastructure in Maharashtra

Latest power generation capacity: 15210 MW and 14000 MW being added.
One of the leader renewable, non-conventional energy.
Road length: 2613 Km.
Rail length: 5527 Km.
34% of international passengers.
34% of international cargo handled by the airports.
56% of container traffic handled by JNPT.
4 international airports, 4 major domestic airports.
Leading exporter from India with a 25% share.

Largest number of approved SEZ (141) and 43 notified.

_ World Class Human Resources

High literacy rate of 77%.

Network of educational institutions.

12% of country's universities.

13% of engineering colleges.

19% of management institutes.

2,21,000 + technical manpower per annum.

MAHARASHTRA INDUSTRIAL

DEVELOPMENT CORPORATION

32 billion USD investments are envisaged in 39 mega projects during the current fiscal year.

Business World survey 2009 ranks Maharashtra at numero uno position in India.

Maharashtra has the highest planned projects investment with increasing implementation

Rate of 52%.

Maharashtra contributes to 25% of FDI, the highest ever.

Highly skilled workforce

Progressive government

Enterprising entrepreneurs

World Class infrastructure

2nd largest state of India

Maharashtra's population is 108 million (Rural at 57% and

Urban at 43%).

67% share of younger population (below 34 years).

Economy growing at 9.2%.

Highest number of factory employment at 14%.

21% of India's industrial output.

Maharashtra contributes to 40% of fiscal receipts of India.

Maharashtra ranks 1st in terms of GDP accounting to 13%

of the national income.

Per capita income is more than 44% and higher than the

national average.

The tertiary (service) sector is the largest contributor
(61%) to the states economy.

MIDC has acquired 34.95 hectares of land on Satara Village road for industrial development. The land, in the heart of Aurangabad city, lies near the railway station. Skilled and unskilled manpower is amply available at Aurangabad.

Land Rates

Industrial Plots per sq. mtr	:	400
Residential Plots per sq. mtr	:	600
Commercial Plots per sq. mtr	:	1000

NOTE:

1. MIDC reserves the right to revise the rates without prior notice.

2. If the plot is facing State Highway/National Highway or the service road parallel to highways, then 15% additional premium will have to be paid.

3. If the plot is having the more frontage than the standard size, then additional frontage charges will have to be paid for the excess frontage per running meter decided by the corporation time to time.

4. If the plot is situated at the junction as stated at 1) above or having the excess frontage as stated at 3) above, in that case the additional premium will have to be recovered which will be on higher side

Considering Maharashtra's strengths in terms of human resources, connectivity and infrastructure, and the special significance of Information Technology (IT) for generating employment, increasing efficiency and improving the quality of life, the State Government announced its first IT Policy in 1998. It was followed by the IT and IT Enabled Services (ITES) Policy in 2003 which provided comprehensive support for the further development of this sector in Maharashtra. These Policies have been highly successful. Among other achievements, and in

addition to the specialized infrastructure provided by public agencies such as MIDC and CIDCO, 369 private IT Parks are being established in Maharashtra. 55 of these Parks have already been set up, generating employment for 1.27 lakh persons. When they are completed, the remaining IT parks will provide more than 6.62 lakh new jobs. Since the 2003 Policy, IT exports from Maharashtra have increased by 135%, positioning Maharashtra among the top three States. The growth rate of FDI in the State's IT sector has been the highest in the country. Maharashtra is also a leader in the telecommunications sector, and is home to over 20% of the broadband subscribers in India.

The Government of Maharashtra now intends to consolidate and build upon the earlier initiatives through a new IT Policy. New strengths have developed in the State in fields such as Animation, Visual Effects and Gaming (AVGC) which can provide considerable value addition. Certain other areas such as IT hardware and Telecom manufacturing require further focused attention in order to strengthen synergies in the ICT sector. The new Policy addresses these areas.

According to the recent NASSCOM - AT Kearney report, 90% of the IT-BPO industry in India is concentrated in and around 7 cities in India, including Mumbai and Pune in Maharashtra. The report has identified Aurangabad, Nagpur and Nashik as the emerging new areas with high potential for the IT sector. The Government also intends to further promote its development across the State, and particularly in districts which are low in the Human Development Index (HDI) in the interest of balanced regional growth and to provide local skills and entrepreneurial talent with greater opportunities. For this purpose, the Policy provides additional benefits to IT units and infrastructure around cities with high potential as well as the most backward regions of Maharashtra, while continuing to support investment in the leading areas. A large, trained workforce with enhanced skill levels is a sine qua non for the continued growth and value addition in the IT sector, and its spread to other areas in the State. The new Policy therefore places emphasis on innovative measures to promote capacity building, largely through public-private initiatives. Maharashtra is the largest market for IT hardware and internet in India. IT continues to transform daily life for the better. It has become necessary to address the environmental consequences of the rapid increase in IT users. The Policy proposes pathbreaking initiatives to promote 'green' IT and electronic hardware, as well as e-waste recycling

IT & ITES POLICY 2009

1. Strategic Drivers of the Policy

2.1.1 Promotion of Nagpur, Nashik, Aurangabad and low HDI Districts: To attract IT investments across the State, and particularly in Nagpur, Nashik, Aurangabad and Low HDI districts so as to build on their potential and generate employment.

2.1.2 Promotion of Focus Sectors: To promote the development of special fields such as AVGC (Animation, Visual effects, Gaming and Comics) in which the State has particular strengths.

2.1.3 Promotion of 'Green IT': To ensure growth of the IT sector in an environmentally sustainable and responsible manner.

2.1.4 Promotion of Entrepreneurship and Innovation: To promote the establishment of Knowledge/Resource Centres and Incubation Centres across the State.

2.1.5 Promotion of Brand Maharashtra: To position Maharashtra as a rewarding destination for IT investment

Infrastructural and fiscal benefits

1. Additional FSI and other benefits for IT Parks

1) 100% additional FSI shall be made available to all registered IT/ITES units (including Telecom manufacturing units) in Public and Private IT/ITES Parks approved by the Directorate of Industries, with or without premium as follows:

a) With 10% premium in Nashik, Aurangabad and Nagpur Districts and without premium in Low HDI Districts

b) With premium as determined by the Empowered Committee in other areas of the State.

2) Recreational, residential and other support facilities are necessary to service IT-ITES Parks and provide a suitable environment. The area used for such services shall not exceed:

a) 20% in A & B areas as classified under PSI 2007

b) 40% in all other areas in the State including Nashik, Aurangabad and Nagpur districts.

3) 100% additional FSI shall be made available for support facilities in Public and Private IT/ITES Parks with or without premium as follows:

a) With premium of 10 % in Nashik, Aurangabad and Nagpur Districts

and without premium in Low HDI Districts

b) With premium in private IT Parks in other areas of the State, to be determined by the Empowered Committee such that a significantly higher premium is levied in A and B areas

Excluding parking space, the following support facilities will be permitted in IT/ITES Parks

:-

Banking Services

- Medical Stores
- Convenience Shopping outlets
- Communication Centre
- Conference and Meeting Halls.
- Travel Agencies
- Food Services, including cafeterias, food courts, coffee shops, etc.
- Dispensaries
- Recreational facilities including gymnasiums, club houses etc.
- Guest Houses
- Vehicles Service Centres for Automobiles (In Nashik, Aurangabad, Nagpur and Low HDI districts)
- Accommodation facilities including Hotels/ Service Apartments (in Nashik, Aurangabad, Nagpur and Low HDI districts)

Promotion of Nashik, Aurangabad, Nagpur and Low HDI Districts

1. Additional FSI and other benefits will be provided to encourage the establishment of IT Parks in these areas, as specified elsewhere in this Policy. Other sections of this Policy also provide for support to human resource development and other requirements.
2. IT Units setting up in MIDC area in Low-HDI Districts will be provided land at 25% of the prevailing rates.
3. New IT-ITES units setting up facilities in the Low HDI Districts will be provided reimbursement of 75% of th expenditure on account of contribution towards

Employees State Insurance (ESI) and Employees Provident Fund (EPF) Scheme for a period of 5 years under the provisions of PSI 2007 and the criteria of local employment under that scheme. However, this benefit will be limited to 25% of the fixed capital investment. The reimbursement will be made annually based on the minimum statutory requirement subject to the condition that the unit has paid its contribution towards ESI and EPF by the due dates.

4. City internet portals for Nashik, Aurangabad and Nagpur will be standardized and provide comprehensive information, including about private and public social and other infrastructure, State and local initiatives, etc

Promotion of Brand Maharashtra

1) The Government will facilitate and support international and national-level professional conferences, exhibitions and other events in Maharashtra relating to the IT sector generally, and to AVGC in particular.

2) 50% of the expenditure incurred for certification of CMM Level 2 upwards, IS0 27001 for security and COPC and eSCM certification, limited to a maximum of Rs. 5 lakhs, will be reimbursed to micro amd small-scale IT units under PSI.

3) The State's Information Technology Day will continue to be celebrated on 20th August of every year, when awards will be presented to IT-ITES units for outstanding contribution and performance.

Physical Infrastructure of Aurangabad city

Infrastructure plays the most crucial role in the industrial development of any region. Availability of adequate infrastructure ensures fast development of industries and economic growth. Efficient communication system and sufficient power supply forms the most important locational ingrendients.

Power supply

Power supply in Aurangabad district is on par with the growing demand for industrial consumption. At present chikalthana and Waluj industrial area are receiving power from 22.5 Hydel station at Eldari, 180 km. south of Aurangabad. Maharashtra electricity board's 30 MVA

sub-station in the industrial area is connected with the state grid via Jalgaon, puras and Khaparkheda Korali.

The major consumer of electricity in the Aurangabad districts are the industries, in fact, the development of industries in the Aurangabad districts has increased electricity consumption demand for electricity is going to increase in the years to come.

Water supply

Aurangabad and Waluj areas received sufficient water supply, because MIDC has constructed 8 reservoirs into which water from Jayakwadi and Sukhna Dam in pumped.

Road

The total length in the district in 2006 was 5865 km. average road length per lakh of population in the district was 268 km. against the state average of 260 and the average length per thousand hectares of geographical area was 5.39% against the state average of 8.8 this reflects of a poor development of road system.

Railways

Rail communication is not all at developed in the district. Total railway length in the districts is 119 kms. The small rail strip prohibits the fast movement of goods and road materials. Most of the industrial units in Aurangabad. Chikalthana, Waluj and other areas of the district depend on the road transportation, which is somewhat better railway transportation in Aurangabad district is imperative. Unless the road transportation system improves the district in Aurangabad which suffer from high transport cost which will reduce their competitive capacity with industrial units at Mumbai and pune belt.

Banking

Average number of commercial banks per lakh of population in Aurangabad district in 2006 was 511 as an against the state average of 4.8 in 1995-96 As per the data provided by bank of Maharashtra, which is the lead bank for Aurangabad district, there were 139 branches commercial and 185 branches of district central co-operative banks as on 31.12.2007

Soil

The soil of the district is black and considerable variation in texture and depth and caw be classified as light, medium and heavy soil, light soil is observed in north and west part of Soegaon, Kannad, Kultabad and sillod taluka. Soil on back Godavari is black and source to rich agriculture raising the income of farmers.

Climate

The Climate is moderately warm to moist during june to September, Dry and cold during October to February and dry and hot during March to May. The maximum temperature is 42^0C while minium is 22^0C. The average rainfall of Aurangabad district was 555.10 min. during the year (2009-10)

Land utilization pattern

The total geographical area of the district is 10.10 lakh hectares of which 7.91 lakh is cultivable area. The area under kharif crop was 5.16 lakh and under Rabi crops the area was 2.81 lakh hectors. The block wise and crop wise position as on 2005-06 is shown herewith.

The details of Industrial Estates are given below

Table No 3.1

Industrial estate

Sr.No	Particulars	Chikalthana	Paithan	Waluj	MIDC Rly.stn.road	MIDC Shendra
1	Land i. Acquired	719.68	285.51	1578.47	34.45	860.12
	ii. Plots developed	677	199	1358	80	46
	iii plots allotted	643	128	1275	75	42
	iv land rares (rs.per sq.)	200	30	150	200	N.A.
2	Sheds:-	93	5	100	6	N.A.

	i. Constructed					
	ii.allotted	93	5	100	6	N.A.

New five industrial state industries estates in aurangabad is proposed to be established at shendra on land admeasuring 907.29 hectares and waluj –sharanpur 1077.22 hectares.

Details of the Co-operative industrial estates are as under.

Table No. 3.2

Co-operative industrial estates

Sr.No.	Particulars	Land Hec.	Plots developed	Plots allotted	Unit allotted	Unit functioning
1	Aurangabad industrial co.op.estate a.g.MIDC a'bad	2..44	34	34	34	28
2	Udyog mitra co.op.ind.est.chittegaon. Tq.paithan	4.22	41	41	41	10
3	Shankar swami co.op.est.shivoor tq.vaijapur	6.92	43	23	23	2
4	Siddheswar coop.ind. est. tq. Sillod	7.93	86	--	--	--
5	Kankawati coop. ind.est. kannad	10.52	--	--	--	--
6	Vaijapur coop. est.vaijapur	11.25	--	--	--	--
7	Gujanan coop.ind.est.lasur station tq.gangapur	--	--	--	--	--

Industrial profile of Aurangabad

The city was a major silk and cotton textile production centre. A fine blend of silk with locally grown cotton was developed as Himroo textile. Much of the silk Industry has vanished over time, but some manufacturers have managed to keep the tradition alive. Paithani silk saris are also made in Aurangabad. The name of this cloth is derived from Paithan town.

In 1889 a cotton-spinning and weaving mill was erected in Aurangabad city, which employed 700 people. With the opening of the Hyderabad-Godavari Valley Railways in the year 1900 several ginning factories were started. In the Jalna alone there were 9 cotton-ginning factories and 5 cotton-presses, besides two ginning factories at Aurangabad and Kannad, and one oil-press at Aurangabad. The total number of people employed in the cotton-presses and ginning factories in the year 1901 was 1,016. Until 1960, Aurangabad languished as a city, remaining as industrially backward. In 1960, the region of Marathwada was merged with Maharashtra. This was the time when the industrial development of the Marathwada region began, propelled through designated backward area benefits. And it was only when the Maharashtra Industrial Development Corporation (MIDC) began acquiring land and setting up industrial estates that it began to grow. Aurangabad is now classic example of efforts of state government towards balanced industrialization of state. Some of the well known names are: Videocon, Garware, Ajanta Pharma, AMRI, Glenmark, Lupin, wipro, orchid pharma, Endurance systems, Rucha Eng, Indo German Tool Room, Ceekay daikin Ltd, Csmos Films, NRB bearings, Hindalco-Almex Aerospace, Can-pack India, Varroc, Dagerforst , FriogoriFico Allana, Nath Seeds. Many firms have their manufacturing bases in Aurangabad in the sectors of automotive and auto components pharmaceuticals and breweries, consumer durables, plastic processing, aluminum processing, agriculture and biotech Among Pharmaceutical there is Recombinant Insulin Manufacturing plant of Wockhards (Wockhardt Biotech Park) in Aurangabad, which is Largest Biopharmaceutical plant in India. Aurangabad also has 5 star hotels like ITC Welcomgroup's The Rama International, The Ajanta Ambassador, The Taj Residence, The Lemontree (formerly the president Park) and the Aurangabad Gymkhana, Vits etc.

The Shendra, Chikalthana and Waluj MIDC Industrial Areas are prominent

industrial zones on the outskirts of the city, with various major multinational groups having set up manufacturing or processing plant in and around the city.

LOCAL ARTS

Paithani Textiles: The Paithani saris from Paithan are considered to be priced

possession by one and all. One can get an opportunity to witness this age old art of

weaving Paithani saris. The yarn used is of pure silk and the zari or gold threads drown from pure gold.

Mashru and Himroo:

Aurangabad is famous for Mashru and Himroo fabrics made of cotton and silk

with the luster of satin. Himru is an age-old weaving craft, and was originally known as kum khuab.

OPPORTUNITIES :

MIDC has plan to develop Additional MIDC's in the region which creates good opportunities for industries. Cluster development programme of Central Govt. boost for creation of jobs / skilled & unskilled man power. Expansion project of CIPET is playing vital role for plastics mfg in the region. DMIC Project develops the Region. In Aurangabad there is good Scope for tourism due to Historical background.

Major Investment & Job creation due to State Govt. Mega Project policy.

Wide Scope for retail sector.

VISION OF THE DISTRIC

"TO DEVELOP A DISTRICT AS A WORLD CLASS INDUSTRIAL HUB BY DEVELOPING GLOBALLY COMPETATOVE AND QUALITY PRODUCT THROUGH MSME AND EMPLOYMENT OPPORTUNITIES MAY BE PROVIDED THROUTH ENHANCING THE QUALITY INDUSTRIEAL PRODUCT AT PAR WITH WORLD STANDARDS & THERBY CONTRIBUTE TO THE SOCIAL, ECONOMICAL AND PROFESSIONAL GROWTH & OVERALL INDUSTRIAL DEVELOPMENT OF THE DISTRICT AURANGABAD."

Developmental Objectives

INDUSTRIAL GROWTH

i. The widest possible dissemination of Industrial development to the young Entrepreneurs of the district

ii. To match the quality products and standard to the National and international norms

iii. To design courses in consonance with newer developments in various disciplines as also the needs of business and industry

iv. To equip institutions of higher education with latest tools, apparatus and infrastructural facilities

v. To encourage quality research at par with international standards

vi. To provide overall facilities to development of industrialists so as to enable them to meet a variety of challenges in all walks of life and competitive word.

vii. To provide common facilities through various schemes of Govt. of India like ICDP,

viii. As a whole total economical growth of the industrialist, new young entrepreneurs.

Table No. 3.3

1. NO. OF MSME UNITS REGISTERED DURING LAST TEN YEARS.

Year	No. of units Registered.	NO. Of Employment Generated.	Investment made Rs. In lakhs.
2000-01	1615	14393	16093
2001-02	1793	16144	18315
2002-03	1938	17594	19441
2003-04	2109	19175	21475
2004-05	2284	19355	23958
2005-06	2504	21349	25936
2006-07	2785	23814	28604
2007-08	3059	25784	30619
2008-09	3233	35221	36311
2009-10	3405	36871	40486

Table No. 3.4

TOTAL NO. OF IEM.(LARGE ENTERPRISES), IN AURANGABAD DISTRICT.

Year	No. of units Registered.	NO. Of Employment Generated.	Investment made Rs. In lakhs.
2000-01	123	50645	4645.46
2001-02	131	58460	4975.23
2002-03	143	59085	5419.71
2003-04	150	62055	5692.13
2004-05	164	67526	6193.95
2005-06	170	69871	6409.02
2006-07	172	70652	6480.71
2007-08	179	73779	6767.47
2008-09	191	78624	7211.94
2009-10	195	80500	7384.00

Table No. 3.5

DETAILS OF MSME AND LARGE ENTERPRISES AT A GLANCE

Type	Indicator	Aurangabad	Maharashtra
MSME	No	3405	151495
	Employment	36871	1188181
	Investment(lac)	40486	
Large Enterprises	No.	525(195)	6627
	Employment	80500	836265
	Investment (cr)	7384	147443

Table No. 3.6
SOCIO ECONOMIC INDICATORS

	FACTORY STATISTICS		ECONOMIC CENSUS					
	No of working factories per Lac population	Average daily factory employment per Lac population	No. Of establishment per Lac population			Employment in establishment per lac population		
			Rural	Urban	Total	Rural	Urban	Total
Aurangabad	25	1568	2575	5545	3739	5595	12872	8448
Maharashtra	29	1229	3629	4597	4055	7607	14964	10853

Table No. 3.6

Red category industries (54 categories)

Sr. No.	MIDC	No. of industries in red category
1	Shendra	**07**
2	Chikalthana	**24**

3	Waluj	**257**
4	Rly. Stn. MIDC	**5**
	Total	**293**

Table No. 3.7

Orange and Green category industries

Sr. No.	MIDC	Orange category	Green category	Total
1	Shendra	04	15	19
2	Chikalthana	11	181	192
3	Waluj	181	962	1143
4	Rly. Stn. MIDC	05	14	19
	Total	201	1162	1363

Industrial expansion

Regional Office, Aurangabad encompassing 19 MIDC areas. Out of these Sub-

Regional Office, Aurangabad-I includes Chikalthana, Waluj and Paithan MIDC area. These areas are industrially well developed and situated nearby Aurangabad. In Aurangabad city,

MIDC – Shendra is emerging as Five Star industrial estates. The industries are rapidly developing and occupying private lands including Aurangabad – Paithan high-way. These industries produces medicines, beverages, cold-drinks, chemicals etc. other places occupied by sugar industries.

In the area of Sub-Regional Office, Aurangabad-II, major industrial estates are

situated mainly in Jalna, prominently Iron (Steel), engineering, oil, ginning and pressing and sugar industries. In addition to these some places in Bhokardan & Beed also having some industrial estates. Regional Office, Aurangabad also covers 8 to 9 industrial estates on the co-operative basis.

Sub-Regional Office, Latur comprises Latur and Osmanabad districts. Mainly found oil, engineering units and other small industries with Sugar Industries and Stone Crushers.

Sub-Regional Office, Nanded covers mainly two MIDC estates sequentially MIDC – Nanded and MIDC Krushnur. Degloor area is also having small industrial estate. In Nanded and Dharmabad is having their industrial estates working on the co-operative basis. No. of Agro-production based seasonal industries occurred in the Nanded district.There are industrial estates existing in the area of Parbhani, Hingoli, Wasmat, Gangakhed, Jintur, Selu and Parli area in the jurisdiction of Sub-Region Office, Parbhani.

There are less pollution generating industries like ginning and pressing which is the specialty of this area. In this area a Thermal Power Station is also in working condition which is only one in the Marathwada.

Maharashtra Pollution Control Board issued 4937 consents to the industries. The

details are as follows:

Large Scale Industries - 125

Medium Scale Industries - 140

Small Scale Industries - 4672

Table No. 3.7

Industries at industrial area Glance in Aurangabad.

Sr.No	Name of Industrial are	Total no of Industri	Total No of Employees
1	Chikalthana MIDC	794	28050
2	Waluj MIDC	3032	43821
3	Paithan MIDC	76	23400
4	Railway Station MIDC	128	16300

5	Shendra MIDC	35	5800
total		4065	117371

Source: Directorate of Industries, GoM

(Economic Survey of Maharashtra 2009-10)

Table No. 3.8

Industries at industrial area Glance in Aurangabad.

Sr.No	Name of Industrial are	Total no of Industri	Total No of Employees
1	Chikalthana MIDC	794	28050
2	Waluj MIDC	3032	43821
3	Paithan MIDC	76	23400
4	Railway Station MIDC	128	16300
5	Shendra MIDC	35	5800
total		4065	117371

Source: Directorate of Industries, GoM

(Economic Survey of Maharashtra 2009-10)

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CHAPTER-V

Foreign Direct investment in industries

Introduction

Foreign Direct Investment (FDI) is now recognized as an important driver of growth in the country.

Government is, therefore, making all efforts to attract and facilitate FDI and investment from none Resident (NRIs) including Overseas Corporate Bodies (OCBs) that are predominantly owned by them, to complement and supplement domestic investment. To make the investment in India attractive, investment and returns on them are freely repatriable, except where the approval is subject to specific conditions such as lock -in period on original investment, dividend cap, foreign exchange neutrality, etc. as per the notified sectoral policy. The condition of dividend balancing that was applicable to FDI in 22 specified consumer goods industries stands withdrawn for dividends declared after 14th July 2000, the date on which Press Note No. 7 of 2000 series was issued.

Foreign direct investment is freely allowed in all sectors including the services sector, except a few sectors where the existing and notified sectoral policy does not permit FDI beyond a ceiling. FDI for virtually all items/activities can be brought in through the Automatic Route under powers delegated to the Reserve Bank of India (RBI), and for the remaining items/activities through Government approval. Government approvals are accorded on the recommendation of the Foreign Investment Promotion Board (FIPB). Foreign direct investment

Foreign capital plays very important role in the process of economic development of any country. This is more so in the care of Indian economy. In the British economic development, capital supplied by Holland played an important role. So far as USAs economic development is concerned. It borrowed capital form European countries; foreign capital brings technology along with it. Foreign capital is classified broadly in two categories.

1) Foreign direct investment
2) Portfolio investment

Foreign direct investment also comes from NRIs (for Indian's) this is also sizeable the Indians who migrated various countries for jobs or for business also invest their native places. For example india is getting sizable NRI investment from oil countries as well as USA and some other countries.

The FDI carries no interest payment but it involves share in the profits in proporation oth the share owed by the foreign companies. The foreign capital also is classified as long term capital whose maturity is more than one year. Short term capital whose maturity is one year or less and external assistance, that is foreign aid and grants, which is available an concession term. This means i.e. available at a relatively how rate of interest (below the market rate of interest). The maturity period is long as spans decades. Sometimes the grace period is given. That is the period after which repayment stops. This is generally the case with institutions funding given by foreign government and international and financial institutions such as world bank (IBRD) IMF asian development band (ADB) etc. generally this given to governments and part of the internal assistance is given by in the form of grants or gifts. It involves no repayment neither principal nor interest. Now and then commercial banks also borrow from the international capita market when the raw of interest in the domestic countries is higher than the internal borrowing and repayment period is short. Sometimes some other private companies in india raised funds in the international market by pushing of bonds. Indians mutual funds such as U.T.I and SBI also raise loans in the international capital market. Before 1991 in india generally foreign equity capital was relaxed in 1991 with the introduction of economic reform.

FOREIGN DIRECT INVESTMENT

The FDI was less significant in india upto 1985, in fact, its flow was actually started from second five year plan onwards. The important countries which provide FDI to India are U.K. U.S.A. France, Germany, Japan, Canada, Netherland, Sweden, Switzerland, Australia and some oil and petroleum exporting countries. These countries have their own establishment in India. Some foreign companies have collaboration with Indian companies some are mutual companies, which have their establishment in many countries. From the beginning all countries of world are attracting F.D.I. in 1968 foreign colonial capital was floated. In 1914 the British owed 27% of equity in U.S. market upto 1980 F.D.I. was restricted to develop economies only but today F.D.I. is welcomed by many countries particularly developing countries on a large scale vis-à-vis the

opening up of the economics. Such as China, Indonesia, Taiwan, South Korea, Hong Kong, Singapore, India, Polond, Portugal and Brazil. The F.D.I. has considerably increased this countries. Pundit Nehru, the Ist prime minister of india who is known as architect of modern india has stated in the parliament in the year. 1948 that India is not Shy of foreign capital, it welcomes foreign investment, technology and the skills which are not available in india, where it did not have the capabilities. This means that he was not in favour of giving open invitation to foreign for F.D.I. as he was the firm believer in the achievement of socialistic pattern of society with the development of public sector. Almost after the two decades of his death his grant son Mr. Rajiv Gandhi who was the prime minister in 1980's reversed the policy of his grandfather. He welcomed F.D.I. by playing an important role in the Indian economy since 1980s.

ROLE OF F.D.I. ON LDC'S (less developed countries) in general in India in particular:

Foreign direct Investment (F.D.I.) plays a crucial role in achieving economic development in the less developed countries (LCDs) are taking definite policy steps to facilitate an increase role for F.D.I in their economies. F.D.I. can make an affective contribution to LCD's in their efforts to modernize their industries make them more competitive internationally and give them marketing links in highly competitive world markets government of LDC's generally regulate and flow of F.D.I. with the objective of ensuring that the foreign investor makes the maximum contribution to the fulfillment of national development objectives.

Need for foreign investment

The impact of foreign direct investment on India's economics development

1) Foreign aid has helped to raise the level of investment. The rate investment has substantially increased from the annual level of over 10% of the national income.
2) It is used to stabilize food prices and import and materials of the total aid utilized a significant proportion represented and in kind of commodity. The bulk of which has utilized to import food grain prices.
3) Used for enlargement of irrigation and power potential.
4) Used for improving transport

5) Used for building up steel industry

6) To developed petro –chemical and electronic industry.

7) Used to enlarge technical resources.

Introduction:

Inflow of capital from abroad in the form of private investment is essential for the growth of a developing economy. Foreign investment has beneficial effects in terms of encouragement to the development of technology, managerial expertise, exports and higher growth. Foreign nvestment can take the form of Foreign Direct Investment (FDI). The World Trade Organization defines FDI as: "FDI occurs when an investor based in one country (the home country) acquires an asset in another country (the host country) with the intent to manage the asset. The management dimension is what distinguishes FDI from portfolio investment in foreign stock, bonds and other financial instruments," There are three main categories of FDI namely (i) Equity Capital (ii) Reinvested earnings (iii) Other Capital. FDI can be classified into (i) Horizontal FDI, (ii) Vertical FDI and (iii) Conglomerate FDI.

Foreign Direct Investment (FDI) is now recognized as an important driver of growth in the country. Government is, therefore, making all efforts to attract and facilitate FDI and investment from Non Resident (NRIs) including Overseas Corporate Bodies (OCBs), to complement and supplement domestic investment. To make the investment in India attractive, investment and returns on them are freely repatriable, except where the approval is subject to specific conditions.

FDI is freely allowed in all sectors including the services sector, except a few sectors where the existing and notified sectoral policy does not permit FDI beyond a ceiling. FDI for virtually all items\activities can be brought in through the Automatic Route under powers delegated to the Reserve Bank of India (RBI), and for the remaining items\activities through Government approval.Government approvals are accorded on the recommendation of the ForeignInvestment Promotion Board (FIPB). VVimp information for introduction

Foreign investment is a subject of topical interest. Countries of the world particularly developing economics, are vying with each other to attract foreign capital to boost their domestic

rates of investment and also to acquire new technology and managerial skills. Intense competition is taking place among the fund starved less developed countries to lure foreign investors by offering repartition facilities, tax concessions and other incentives. However, foreign investment is not an unmixed blessing. Governments in developing countries have to be very careful while deciding the magnitude, pattern and conditions of private foreign investment.

The wave of liberlisation and globalization swepping across the world has opened many national markets for international business. Global private investment, in most part, is now made by multinational corporations (MNC'S) also referred to as transnational corporations (TNC's) clearly, these transnational organizational play a major role in world trade and investment because of their demonstrated management skills, technology, financial resources and related advantages. Recent developments in global market are indicative of the rapidly growing international business. The beginning of the 21st century has already marked a tremendous growth of international investment, trade and financial transactions along with the integration and openness of international markets

Foreign direct investment (FDI) verses Portfolio investment

Investment in a country by individuals and organizations from countries is an important aspect of international finance. This flow of international finance may take the form of direct investment (creation of productive facilities) or portfolio investment (acquisition of securities).FDI is the outcome of the mutual interest of multinational interests of multinational firms and host countries.

FDI in Maharashtra:

Maharashtra has a strong and diversified industrial base coupled with fairly adequate infrastructure services. With the significant modifications in the state's Policy-framework (1993 and 1995) envisaging further liberalization of rules and procedures and emphasis on private sector participation in key areas, it is hardly a wonder that the state of Maharashtra is a permanent home- not only to the bulk of domestic investment but also to a significant (and one of the largest) share of the aggregate FDI approved in the country. Maharashtra is the most dominant Industrial State in the country. What distinguish the State from the others are the

availability of highly skilled and technically qualified labour force, relatively efficient financial and physical infrastructure as well as the existence of an efficient and a business friendly administration. It is therefore not surprising to find that the State leads the pack on the FDI front. The State of Maharashtra has for years, occupied the pre-eminent position in the economic development of the nation in general and in India's industrial development, in particular. Even within the industrial sector, Maharashtra's share or her contribution in the core \ critical industries like metals, transport equipment, chemicals, non-electrical machinery, etc., speaks volumes for the diversified base and composition of the state's industrial sector. It would be meaningful to state the FDI Survey by FICCI (March 2002) over here. FICCI conducted an annual study on FDI in India by gathering feedback from 385 foreign investors operating from India. The study covered a wide range of companies with turnover from Rs. 10 crores to Rs. 850 crores.

FICCI studied the actual performance of various Indian States in terms of attracting FDI and also the investor perception about the states. To gauge investor perception, foreign investors were asked to rank the states in terms of having a positive investment climate. It was found that the ranking according to investor perceptions is different from ranking in terms of FDI approved. Significantly, Maharashtra, is the No. 1 State in terms of FDI approvals, and also No. 1 on investor perception. Ranking by Investors Ranking according to FDI approvals Maharashtra

1 Maharashtra

1 Karnataka

2 Delhi

2 Andhra Pradesh

3 Tamil Nadu

4 Karnataka

5 Gujarat

6 Haryana

7 Andhra Pradesh

8 Madhya Pradesh

9 Madhya Pradesh

10 West Bengal

11 West Bengal

12 Uttar Pradesh

13 Orissa

14 Uttar Pradesh

15 Haryana

Maharashtra tops the chart because Maharashtra has a clear edge on all Infrastructural metric

-Efficient Ports

-Good road connectivity

-Proximity to Markets

-The biggest financial center

-People who are both industrious and enterprising.

The Gallup Survey 2003 has revealed that Maharashtra is the hottest State for business in India because it ranks number one on following parameters.

-Power Availability

-Availability of Raw materials

-Labour availability

-Quality of power

-Proximity of Markets

-Connectivity to International cities

-Flexibility of State Govt. on Policies.

-Banking Sector-Advanced banking facilities.

-Telecom facilities.

On the eve of the 1991 reforms, Maharashtra was very well placed to attract a further spate of fresh investment both domestically, as well as from abroad. This part of the study tries to analysis the trends of FDI in Maharashtra.

Table No. 5.1

Statement showing inflow of FDI into India since 1950-51 to 2001-2002

Sr. No.	Year	Amount inflow of FDI (Rs in crores)	Index Number
1	1950-51	88	100
2	1951-52	122	145
3	1952-53	84	100
4	1953-54	63	75
5	1954-55	73	87
6	1955-56	86	102
7	1956-57	215	256
8	1957-58	365	435
9	1958-59	419	499
10	1959-60	431	523
11	1960-61	499	594
12	1961-62	611	727
13	1962-63	561	668
14	1963-64	630	750
15	1964-65	856	1019
16	1965-66	988	1176
17	1966-67	1495	1780
18	1967-68	1686	2007
19	1968-69	1218	1450
20	1969-70	1041	1239
21	1970-71	1194	1421
22	1971-72	1174	1398
23	1972-73	1132	1348
24	1973-74	1625	1935

25	1974-75	2529	3011
26	1975-76	2709	3225
27	1976-77	2626	3126
28	1977-78	2433	2896
29	1978-79	2473	2944
30	1979-80	2731	3251
31	1980-81	4225	5030
32	1981-82	3668	4367
33	1982-83	6545	7292
34	1983-84	7437	8854
35	1984-85	6137	7306
36	1985-86	8064	9600
37	1986-87	11960	14238
38	1987-88	17149	20415
39	1988-89	21284	25338
40	1989-90	27810	33107
41	1990-91	44185	52601
42	1991-92	60505	72030
43	1992-93	70275	83661
44	1993-94	91827	109318
45	1994-95	81360	46857
46	1995-96	81642	97193
47	1996-97	128554	153046
48	1997-98	146102	173931
49	1998-99	143561	170906
50	1999-00	175822	209312
51	2000-01	247552	294705
52	2001-02	213744	254457

Source (1) SIA News Letter of various year

(2) Trade and Balance of payment for monitoring Indian Economy various issues

When we consider the terms in inflow of F.D.I. into india, The growth is Commendable for e.g. in terms of index number when we take 1950-51 as the base period it is increased by 2544 times it is a remarkable achievement by any standard.

Table No. 5.2

Inflow of FDI in India

Sr. No.	Year	Inflow of FDI in Rs. Cores	Index number	Rate of inflow of FDI
1	1950-51	84	100	4.9
2	1960-61	499	594	1.4
3	1970-71	1194	1421	2.5
4	1980-81	4225	5030	9.5
5	1990-91	44185	52601	4.6
6	2000-01	247552	294705	--

Source complied from table no.

Table No. 5.3

Statement showing the percentage inflow of FDI into india by various countries during the period 1991-95

Sr. No.	Country	Amount inflow of FDI in Rs. Million	Percentage
1	USA	154216.60	25.9
2	MAURITUS	24674.70	4.1
3	U.K.	37975.10	6.4
4	JAPAN	28355.30	4.8
5	KOREA SOUTH	4959.20	0.8
6	GERMANY	22128.50	3.7
7	NETHERLANDS	16477.80	2.8
8	AUSTRALIA	20024.60	3.4

Source (1) Industrial Finance Corporation on india (IFCI)

(2) Industrial development bank of India (IDBI)

Table No. 5.4

Foreign investment flows to india

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Direct Investment(I.II.III.)	8961	22826	34835	35180	37182
Equity (I)	5975	16481	26834	27995	27141
Re-invested earning(II)	2760	5828	7679	6428	8080
Other capital(III)	226	517	295	757	1953

Source- RBI Monthly bulletin, August. 2010

Table No. 5.4

FDI EQUITY INFLOWS (MONTH-WISE) DURING THE FINANCIAL YEAR 2010-11:

Financial Year 2010-11 ***(April-March)***		***Amount of FDI inflows****	
		(In Rs. Crore)	***(In US$ mn)***
1.	April 2010	9,697	**2,179**
2.	May 2010	10,135	**2,213**
3.	June 2010	6,429	**1,380**
4.	July 2010	8,359	**1,785**
5.	August 2010	6,196	**1,330**

6.	September 2010	9,754	**2,118**
7.	October 2010	6,185	**1,392**
8.	November 2010	7,328	**1,628**
9.	December 2010	9,094	**2,014**
10.	January 2011	4,725	**1,042**
11.	February 2011	5,785	**1,274**
12.	March 2011	4,833	**1,074**
2010-11 (up to March 2011) #		88,520	**19,427**
2009-10 (up to March 2010)		123,120	25,834
%age growth over last year		**(-) 28 %**	**(-) 25 %**

Table No. 5.5

FDI EQUITY INFLOWS (MONTH-WISE) DURING THE CALENDAR YEAR 2011:

Calendar Year 2011 (Jan.-Dec.)	***Amount of FDI inflows****		
	(In Rs. Crore)		***(In US$ mn)***
1.	January 2011	4,725	**1,042**
2.	February 2011	5,785	**1,274**
3.	March 2011	4,833	**1,074**
Year 2011 (Up to March 2011) #		**15,343**	**3,390**

Year 2010 (Up to March 2010)	22,838	4,968
%age growth over last year	**(-) 33 %**	**(-) 32 %**

Note: (i) ^ On the basis of clarification received from RBI, the amount of Stock Swap & Advance pending for issue of shares has been deleted from FDI data.

(ii) # Figures are provisional, subject to reconciliation with RBI, Mumbai.

(iii) Country & Sector specific analysis from the year 2000 onwards available, as Company-wise details are provided by RBI from January 2000 onwards only.

Table No. 5.6

SHARE OF TOP INVESTING COUNTRIES FDI EQUITY INFLOWS

(Financial years):

Amount Rupees in crores (US$ in million)

Ranks	***Country***	***2008-09 (April-March)***	***2009-10 (April-March)***	***2010-11 (April-March)***	***Cumulative Inflows (April '00 - March '11)***	***%age to total Inflows (in terms of US $)***
1.	**MAURITIUS**	50,899 **(11,229)**	49,633 **(10,376)**	31,855 **(6,987)**	242,761 **(54,227)**	**42 %**

2.	**SINGAPORE**	15,727 **(3,454)**	11,295 **(2,379)**	7,730 **(1,705)**	52,876 **(11,895)**	**9 %**
3.	**U.S.A.**	8,002 **(1,802)**	9,230 **(1,943)**	5,353 **(1,170)**	42,542 **(9,449)**	**7 %**
4.	**U.K.**	3,840 **(864)**	3,094 **(657)**	3,434 **(755)**	29,433 **(6,639)**	**5 %**
5.	**NETHERLANDS**	3,922 **(883)**	4,283 **(899)**	5,501 **(1,213)**	25,627 **(5,700)**	**4 %**
6.	**JAPAN**	1,889 **(405)**	5,670 **(1,183)**	7,063 **(1,562)**	23,958 **(5,276)**	**4 %**
7.	**CYPRUS**	5,983 **(1,287)**	7,728 **(1,627)**	4,171 **(913)**	21,948 **(4,812)**	**4 %**
8.	**GERMANY**	2,750 **(629)**	2,980 **(626)**	908 **(200)**	13,376 **(2,999)**	**2 %**
9	**FRANCE**	2,098 **(467)**	1,437 **(303)**	3,349 **(734)**	10,267 **(2,264)**	**2 %**
10.	**U.A.E.**	1,133 **(257)**	3,017 **(629)**	1,569 **(341)**	8,592 **(1,890)**	**1 %**
TOTAL FDI INFLOWS *		**123,025** **(27,331)**	**123,120** **(25,834)**	**88,520** **(19,427)**	**580,722** **(129,716)**	-

*Note: (i) *Includes inflows under NRI Schemes of RBI.*

(ii) Cumulative country-wise FDI equity inflows (from April 2000 to February 2011) – Annex-'A'.

(iii) %age worked out in US$ terms & FDI inflows received through FIPB/SIA+ RBI's Automatic Route+ acquisition of existing shares only.

Table No. 5.7

SECTORS ATTRACTING HIGHEST FDI EQUITY INFLOWS:

Ranks	***Sector***	***2008-09 (April-March)***	***2009-10 (April-March)***	***2010-11 (April-March)***	***Cumulative Inflows (April '00 - March '11)***	***% age to total Inflows (In terms of US$)***
1.	**SERVICES SECTOR** (financial & non-financial)	28,516 **(6,138)**	20,776 **(4,353)**	15,539 **(3,403)**	120,771 **(27,007)**	**21 %**
2.	**COMPUTER SOFTWARE &**	7,329 **(1,677)**	4,351 **(919)**	3,571 **(784)**	47,700 **(10,723)**	**8 %**

	HARDWARE					
3.	**TELECOMMUNICATIONS** (radio paging, cellular mobile, basic telephone services)	11,727 **(2,558)**	12,338 **(2,554)**	7,546 **(1,665)**	48,220 **(10,589)**	**8 %**
4.	**HOUSING & REAL ESTATE**	12,621 **(2,801)**	13,586 **(2,844)**	5,149 **(1,127)**	43,192 **(9,632)**	**7 %**
5.	**CONSTRUCTION ACTIVITIES** (including roads & highways)	8,792 **(2,028)**	13,516 **(2,862)**	5,077 **(1,125)**	40,770 **(9,178)**	**7 %**
6.	**AUTOMOBILE INDUSTRY**	5,212 **(1,152)**	5,754 **(1,208)**	6,008 **(1,331)**	26,831 **(5,927)**	**5 %**

7.	**POWER**	4,382 **(985)**	6,908 **(1,437)**	5,709 **(1,252)**	26,712 **(5,900)**	**5 %**
8.	**METALLURGICAL INDUSTRIES**	4,157 **(961)**	1,935 **(407)**	5,055 **(1,105)**	18,495 **(4,235)**	**3 %**
9.	**PETROLEUM & NATURAL GAS**	1,931 **(412)**	1,328 **(272)**	2,621 **(574)**	13,735 **(3,153)**	**2 %**
10.	**CHEMICALS** (other than fertilizers)	3,427 **(749)**	1,707 **(362)**	1,810 **(398)**	13,078 **(2,892)**	**2 %**

Amount inRs. crores (US$ in million)

Note: ***Cumulative Sector- wise FDI equity inflows (from April 2000 to March 2011)***

Table No. 5.7

STATEMENT ON RBI'S REGIONAL OFFICES (WITH STATE COVERED) RECEIVED FDI EQUITY INFLOWS1 *(from April 2000 to March 2011):*

Amount Rupees in crores (US$ in million)

S. No.	***RBI's - Regional Office2***	***State covered***	***2008-09 (Apr. - Mar.)***	***2009-10 (Apr.- Mar.)***	***2010-11 (Apr.- March)***	***Cumulative Inflows (April '00 – March '11)***	***%age to total Inflows (in terms of US$)***
1	MUMBAI	**MAHARASHTRA, DADRA & NAGAR HAVELI, DAMAN & DIU**	57,066 **(12,431)**	39,409 **(8,249)**	27,669 **(6,097)**	201,471 **(45,068)**	35
2	NEW DELHI	**DELHI, PART OF UP AND HARYANA**	7,943 **(1,868)**	46,197 **(9,695)**	12,184 **(2,677)**	113,689 **(25,088)**	19
3	BANGALORE	**KARNATAKA**	9,143 **(2,026)**	4,852 **(1,029)**	6,133 **(1,332)**	36,657 **(8,229)**	6
4	AHMEDABAD	**GUJARAT**	12,747 **(2,826)**	3,876 **(807)**	3,294 **(724)**	31,693 **(7,156)**	6
5	CHENNAI	**TAMIL NADU, PONDICHE**	7,757 **(1,724)**	3,653 **(774)**	6,115 **(1,352)**	30,848 **(6,851)**	5

		RRY					
6	HYDERABAD	**ANDHRA PRADESH**	5,406 **(1,238)**	5,710 **(1,203)**	5,753 **(1,262)**	26,562 **(5,961)**	5
7	KOLKATA	**WEST BENGAL, SIKKIM, ANDAMAN & NICOBAR ISLANDS**	2,089 **(489)**	531 **(115)**	426 **(95)**	6,368 **(1,488)**	1
8	CHANDIGARH`	**CHANDIGARH, PUNJAB, HARYANA, HIMACHAL PRADESH**	-	1,038 **(224)**	1,892 **(416)**	4,685 **(1,024)**	1
9	PANAJI	**GOA**	134 **(29)**	808 **(169)**	1,376 **(302)**	3,326 **(725)**	1
10	BHOPAL	**MADHYA PRADESH, CHATTISGARH**	209 **(44)**	255 **(54)**	2,093 **(451)**	3,009 **(654)**	0.5
11	JAIPUR	**RAJASTHAN**	1,656 **(343)**	149 **(31)**	230 **(51)**	2,450 **(520)**	0.4
12	KOCHI	**KERALA, LAKSHAD**	355 **(82)**	606 **(128)**	167 **(37)**	1,658 **(368)**	0.3

		WEEP					
13	BHUBANESHWAR	**ORISSA**	42 **(9)**	702 **(149)**	68 **(15)**	1,207 **(261)**	0.2
14	KANPUR	**UTTAR PRADESH, UTTRANCHAL**	-	227 **(48)**	514 **(112)**	812 **(177)**	0.1
15	GUWAHATI	**ASSAM, ARUNACHAL PRADESH, MANIPUR, MEGHALAYA, MIZORAM, NAGALAND, TRIPURA**	176 **(42)**	51 **(11)**	37 **(8)**	316 **(72)**	0.1
16	PATNA	**BIHAR, JHARKHAND**	-	-	25 **(5)**	27 **(6)**	0
17	REGION NOT INDICATED3		18,300 **(4,181)**	15,056 **(3,148)**	20,543 **(4,491)**	115,943 **(26,070)**	20
Sub. Total			**123,025** **(27,331)**	**123,120** **(25,834)**	**88,520** **(19,427)**	**580,722** **(129,716)**	**100**
18	**RBI'S-NRI**		0	0	0	533	-

	SCHEMES *(from 2000 to 2002)*				**(121)**	
GRAND TOTAL 4		**123,025** **(27,331)**	**123,120** **(25,834)**	**88,520** **(19,427)**	**581,255** **(129,837)**	**-**

[1] Includes 'equity capital components' only.

[2] The Region-wise FDI inflows are classified as per RBI's – Regional Office received FDI inflows, furnished by RBI, Mumbai.

[3] Represents, FDI inflows through acquisition of existing shares by transfer from residents to non residents. For this, RBI Regional wise information is not provided by Reserve Bank of India.

[4] On the basis of clarification received from RBI, the amount of Stock Swap & advance pending for issue of shares has been deleted *from FDI data.*

Table No. 5.8

FINANCIAL YEAR-WISE FDI INFLOWS DATA:

AS PER INTERNATIONAL BEST PRACTICES:

(Data on FDI have been revised since 2000-01 with expended coverage to approach International Best Practices)

(Amount US$ million)

S. No	Financial Year (April-March)	FOREIGN DIRECT INVESTMENT (FDI)						
		Equity		Re-invested earnin	Other capital +	FDI FLOWS INTO INDIA		Investment by FII's Foreign Institutio
		FIPB Route/	Equity capital of unincorpora			Total FDI	%age growth over	

		RBI's Automatic Route/ Acquisition Route	ted bodies #	gs +		inflows	previous year (in US$ terms	nal Investors Fund(net)
FINANCIAL YEARS 2000-2011								
1.	2000-01	2,339	61	1,350	279	4,029	-	1,847
2.	2001-02	3,904	191	1,645	390	6,130	(+) 52 %	1,505
3.	2002-03	2,574	190	1,833	438	5,035	(-) 18 %	377
4.	2003-04	2,197	32	1,460	633	4,322	(-) 14 %	10,918
5.	2004-05	3,250	528	1,904	369	6,051	(+) 40 %	8,686
6.	2005-06	5,540	435	2,760	226	8,961	(+) 48 %	9,926
7.	2006-07	15,585	896	5,828	517	22,826	(+) 146 %	3,225
8.	2007-08	24,573	2,291	7,679	292	34,835	(+) 53 %	20,328
9.	2008-09	27,329	702	9,030	777	37,838	(+) 09 %	(-) 15,017
10.	2009-10 (P)	25,609	1,540	8,669	1,94	37,763	(-) 0.2	29,048

	(+)(++)				5		%	
11.	2010-11 (P) (+)	19,430	657	6,703	234	27,024	4	(-) 28 %
CUMULATIVE TOTAL	(from April 2000 to March 2011)	132,330	7,523	48,861	6,100	194,814	-	100,265

Source: *(i) RBI's Bulletin May 2011 dt. 11.05 .2011 (Table No. 44 - FOREIGN INVESTMENT INFLOWS).*

(ii) '#' Figures for equity capital of unincorporated bodies for 2009-10 are estimates.

(iii) "+" (P) All figures are provisional & data in respect of 'Re-invested earnings' & 'Other capital' for the years 2009-10 & 2010-11 are estimated as average of previous two years.

(iv) During December 2006, include Swap of Shares US$ 3.1 billion.

(v) Monthly data on components of FDI as per expend coverage are not available.

(vi) ++ Data on equity capital of unincorporated bodies, reinvested earnings and other capital are pertains to the period from April 2009 to December 2009.

(vii) Updated by RBI up to March 2011.

Table No. 5.8

STATEMENT ON COUNTRY-WISE FDI INFLOWS FROM APRIL 2000 TO MARCH 2011

Amount of Foreign Direct Investment Inflows

S.No	Name	(In Rs crore)	(In US$ million)	%age with total FDI Inflows (+)
1	MAURITIUS	242,760.72	54,227.06	41.80
2	SINGAPORE	52,876.29	11,895.19	9.17
3	U.S.A	42,542.24	9,448.61	7.28
4	UNITED KINGDOM	29,432.68	6,639.00	5.12
5	NETHERLANDS	25,626.89	5,700.43	4.39
6	JAPAN	23,957.92	5,276.23	4.07
7	CYPRUS	21,947.94	4,812.37	3.71
8	GERMANY	13,376.18	2,998.73	2.31
9	FRANCE	10,267.31	2,264.18	1.75
10	UAE	8,592.18	1,889.81	1.46
11	SWITZERLAND	8,323.87	1,838.52	1.42
12	ITALY	4,106.23	936.99	0.72
13	SPAIN	3,540.91	797.31	0.61
14	SWEDEN	3,615.37	796.27	0.61
15	CAYMEN ISLANDS	3,292.63	782.95	0.60
16	SOUTH KOREA	3,417.65	762.76	0.59
17	BRITISH VIRGINIA	3,141.63	702.71	0.54
18	HONG KONG	3,113.07	693.88	0.53
19	INDONESIA	2,798.41	605.31	0.47
20	THE BERMUDAS	2,251.01	501.81	0.39
21	RUSSIA	2,230.74	467.00	0.36
22	AUSTRALIA	2,010.96	442.69	0.34

23	BELGIUM	1,605.36	354.80	0.27
24	CANADA	1,532.00	343.85	0.27
25	LUXEMBOURG	1,501.15	334.06	0.26
26	OMAN	1,521.03	331.98	0.26
27	MALAYSIA	1,346.88	293.36	0.23
28	DENMARK	1,031.59	228.42	0.18
29	FINLAND	874.36	184.96	0.14
30	IRELAND	594.29	135.88	0.10
31	AUSTRIA	569.51	125.39	0.10
32	SOUTH AFRICA	506.16	109.92	0.08
33	CHILE	487.80	104.59	0.08
34	THAILAND	379.16	84.90	0.07
35	WEST INDIES	343.00	77.24	0.06
36	NORWAY	263.79	59.20	0.05
37	CHINA	257.59	53.77	0.04
38	ISRAEL	234.69	53.14	0.04
39	BRITISH ISLES	207.08	45.37	0.03
40	TAIWAN	193.03	42.72	0.03
41	TURKEY	193.41	42.49	0.03
42	POLAND	198.81	42.23	0.03
43	PANAMA	170.72	37.65	0.03
44	SAINT KITTS & NEVIS	147.88	33.53	0.03
45	SAUDI ARABIA	150.83	33.10	0.03
46	NEW ZEALAND	127.87	29.15	0.02
47	BAHARAIN	118.28	25.96	0.02
48	BAHAMAS	112.19	24.75	0.02
49	MOROCCO	98.39	21.29	0.02
50	ICELAND	90.79	20.56	0.02
51	GIBRALTAR	82.31	19.23	0.01

52	KENYA	85.91	18.68	0.01
53	KAZAKHSTAN	81.11	17.42	0.01
54	CZECH REPUBLIC	74.01	17.19	0.01
55	SEYCHELLES	81.36	17.13	0.01
56	SRI LANKA	74.54	16.82	0.01
57	KUWAIT	79.08	16.80	0.01
58	LIBERIA	64.54	14.56	0.01
59	PORTUGAL	50.89	12.01	0.01
60	BELARUS	47.41	11.66	0.01
61	CHANNEL ISLANDS	47.84	10.73	0.01
62	MEXICO	49.11	10.66	0.01
63	ARGENTINA	46.23	10.15	0.01
64	HUNGARY	45.50	9.82	0.01
65	MALTA	42.30	9.49	0.01
66	MYANMAR	35.75	8.96	0.01
67	KOREA(NORTH)	41.51	8.82	0.01
68	SLOVENIA	39.07	8.24	0.01
69	ST. VINCENT	35.35	8.16	0.01
70	ISLE OF MAN	34.22	7.76	0.01
71	VIRGIN ISLANDS(US)	34.08	7.41	0.01
72	NIGERIA	30.73	6.50	0.01
73	LIECHTENSTEIN	26.35	5.77	0.00
74	MALDIVES	24.72	5.49	0.00
75	SLOVAKIA	22.62	5.22	0.00
76	REP. OF FIJI ISLANDS	22.30	5.07	0.00
77	BRAZIL	19.88	4.55	0.00
78	TUNISIA	19.84	4.31	0.00
79	URUGUAY	16.05	3.63	0.00

80	GHANA	13.56	3.08	0.00
81	SCOTLAND	11.92	2.69	0.00
82	NEPAL	9.07	1.92	0.00
83	YEMEN	7.74	1.87	0.00
84	GREECE	7.00	1.52	0.00
85	QATAR	6.60	1.43	0.00
86	TANZANIA	6.31	1.41	0.00
87	PHILIPPINES	6.30	1.40	0.00
88	UKRAINE	4.72	1.05	0.00
89	CUBA	4.73	1.04	0.00
90	JORDAN	5.03	1.03	0.00
91	COLOMBIA	4.44	1.00	0.00
92	GUYANA	4.60	1.00	0.00
93	VANUATU	4.41	0.94	0.00
94	UGANDA	3.69	0.84	0.00
95	MONACO	3.68	0.79	0.00
96	WEST AFRICA	2.46	0.55	0.00
97	EGYPT	2.49	0.54	0.00
98	CROATIA	2.29	0.52	0.00
99	ARUBA	1.96	0.43	0.00
100	BULGARIA	1.31	0.28	0.00
101	ESTONIA	1.07	0.25	0.00
102	YUGOSLAVIA	1.13	0.24	0.00
103	LEBANON	1.12	0.24	0.00
104	JAMAICA	1.00	0.22	0.00
105	TOGOLESE REPUBLIC	0.99	0.22	0.00
106	ROMANIA	1.00	0.21	0.00
107	CONGO (DR)	0.89	0.21	0.00
108	IRAQ	0.85	0.19	0.00

109	ZAMBIA	0.67	0.15	0.00
110	VIETNAM	0.55	0.13	0.00
111	IRAN	0.47	0.10	0.00
112	LIBYA	0.26	0.06	0.00
113	LATVIA	0.27	0.06	0.00
114	MONGOLIA	0.27	0.06	0.00
115	SUDAN	0.22	0.04	0.00
116	PERU	0.20	0.04	0.00
117	GUERSNEY	0.14	0.03	0.00
118	GEORGIA	0.01	0.00	0.00
119	COSTA RICA	0.01	0.00	0.00
120	KYRGYZSTAN	0.01	0.00	0.00
121	AFGHANISTAN	0.01	0.00	0.00
122	EAST AFRICA	0.01	0.00	0.00
123	DJIBOUTI	0.00	0.00	0.00
124	VENEZUELA	0.00	0.00	0.00
125	MUSCAT	0.00	0.00	0.00
126	FII'S	0.25	0.06	0.00
127	NRI(AS INDIVIDUAL INVESTOR)	20,383.66	4,684.25	3.61
128	COUNTRY DETAILS AWAITED	30,777.94	6,946.83	5.39
Sub. Total		580,722.39	129,715.23	100.00
129	RBI'S- NRI SCHEMES	533.06	121.33	-
GRAND TOTAL ^	**581,255.45**	**129,836.56**	-	

Note: (i) ^ On the basis of clarification received from RBI, the amount of Stock Swap & Advance pending for issue of Shares has been deleted from FDI data.

Table No. 5.8

STATEMENT ON SECTOR-WISE FDI INFLOWS FROM APRIL 2000 TO MARCH 2011

No	Sector	**Amount of FDI Inflows**		**%age with total FDI Inflows (+)**
		(In Rs crore)	**(In US$ million)**	
1	SERVICES SECTOR	120,771.06	27,007.22	20.82
2	COMPUTER SOFTWARE & HARDWARE	47,700.06	10,723.20	8.27
3	TELECOMMUNICATIONS	48,220.49	10,589.27	8.16
4	HOUSING & REAL ESTATE(INCLUDING CINEPLEX,MULTIPLEX, INTEGRATED TOWNSHIPS & COMMERCIAL COMPLEXES ETC.)	43,191.56	9,632.39	7.43
5	CONSTRUCTION ACTIVITIES	40,770.04	9,177.66	7.08
6	AUTOMOBILE INDUSTRY	26,830.59	5,927.07	4.57
7	POWER	26,712.28	5,899.74	4.55
8	METALLURGICAL INDUSTRIES	18,494.54	4,234.56	3.26
9	PETROLEUM & NATURAL GAS	13,734.87	3,152.88	2.43
10	CHEMICALS		13,077.58	2,891.99
11	TRADING	12,256.57	2,771.65	2.14
12	HOTEL & TOURISM	10,690.27	2,372.29	1.83
13	ELECTRICAL EQUIPMENTS	10,716.12	2,368.99	1.83
14	CEMENT AND GYPSUM PRODUCTS	10,417.50	2,346.36	1.81
15	INFORMATION & BROADCASTING	(INCLUDING PRINT MEDIA)	9,858.18	2,170.35
16	DRUGS &	8,395.40	1,882.76	1.45

	PHARMACEUTICALS			
17	CONSULTANCY SERVICES	8,235.02	1,825.11	1.41
18	PORTS	6,717.36	1,635.08	1.26
19	AGRICULTURE SERVICES	6,671.72	1,392.85	1.07
20	INDUSTRIAL MACHINERY	5,688.27	1,259.09	0.97
21	FOOD PROCESSING INDUSTRIES	5,628.71	1,232.26	0.95
22	HOSPITAL & DIAGNOSTIC CENTRES	4,483.10	1,022.48	0.79
23	SEA TRANSPORT	4,502.59	991.68	0.76
24	TEXTILES (INCLUDING DYED,PRINTED)	4,314.48	956.97	0.74
25	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	4,036.20	904.67	0.70
26	ELECTRONICS	4,073.27	895.98	0.69
27	NON-CONVENTIONAL ENERGY	3,802.59	828.95	0.64
28	FERMENTATION INDUSTRIES	3,573.71	827.86	0.64
29	MINING	3,416.62	799.21	0.62
30	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	1,973.15	453.10	0.35
31	CERAMICS	1,841.78	430.81	0.33
32	EDUCATION	1,891.44	405.53	0.31
33	MACHINE TOOLS	1,792.41	394.14	0.30
34	MEDICAL AND SURGICAL APPLIANCES	1,806.05	390.09	0.30
35	AIR TRANSPORT (INCLUDING AIR FREIGHT)	1,650.41	370.16	0.29

36	RUBBER GOODS	1,404.49	303.43	0.23
37	DIAMOND,GOLD ORNAMENTS	1,352.08	301.90	0.23
38	SOAPS, COSMETICS & TOILET PREPARATIONS	1,146.79	255.17	0.20
39	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	1,086.82	241.05	0.19
40	VEGETABLE OILS AND VANASPATI	982.56	211.54	0.16
41	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	951.66	209.98	0.16
42	AGRICULTRUAL MACHINERY	675.83	150.74	0.12
43	GLASS	658.60	145.35	0.11
44	EARTH-MOVING MACHINERY	575.62	134.37	0.10
45	RAILWAY RELATED COMPONENTS	593.81	132.82	0.10
46	FERTILIZERS	572.97	127.54	0.10
47	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	429.69	95.60	0.07
48	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	340.95	74.94	0.06
49	PHOTOGRAPHIC RAW FILM AND PAPER	270.13	66.73	0.05
50	RETAIL TRADING (SINGLE BRAND)	304.85	66.43	0.05
51	INDUSTRIAL INSTRUMENTS	287.93	62.27	0.05

52	LEATHER,LEATHER GOODS AND PICKERS	234.68	52.43	0.04
53	SUGAR	154.69	35.12	0.03
54	TIMBER PRODUCTS	97.78	20.38	0.02
55	DYE-STUFFS	84.42	18.92	0.01
56	COAL PRODUCTION	62.48	15.64	0.01
57	SCIENTIFIC INSTRUMENTS	62.32	14.13	0.01
58	BOILERS AND STEAM GENERATING PLANTS	45.22	9.98	0.01
59	GLUE AND GELATIN	39.88	8.71	0.01
60	COIR	6.67	1.47	0.00
61	MATHEMATICAL,SURVEHING AND DRAWING INSTRUMENTS	5.04	1.27	0.00
62	DEFENCE INDUSTRIES	0.24	0.05	0.00
63	MISCELLANEOUS INDUSTRIES	30,358.16	6,793.93	5.23
Sub. Total		580,722.35	129,716.29	100.00
64 RBI'S- NRI SCHEMES		533.06	121.33	-
GRAND TOTAL ^		**581,255.41**	**129,837.62**	**-**

Note: *(i) ^ On the basis of clarification received from RBI, the amount of Stock Swap & Advance pending for issue of shares has been deleted from FDI data.*

(ii) Sector-wise FDI inflows data re-classified, as per segregation of data from April 2000 onwards.

(iii) '+' Percentage of inflows worked out in terms of US$ & the above amount of inflows received through FIPB/SIA route, RBI's automatic route & acquisition of existing shares only.

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chapter -VI

Global recession and its impact on Aurangabad Industrial area

The word “Recession’ denotes a temporary period of economic decline during which trade and individual activity are reduced. Till date, the world has witnessed a number of economic recessions that brought the trade market to a standstill and left the economists and analysts with valuable lessons to be learnt for future. This research paper will try to explain the term „Recession" in a comprehensive manner and will bring to light the past recessions that affected the world and created history. Globalization and liberalization have contributed a lot in making the entire world a close knit economic unit. In an interconnected global economy, recession and economic turbulence in one part of the world has the potential to disrupt the economies of other countries in a major way. The economic slowdown in US economy in 2008 caused by the burst of housing bubble engulfed the entire world in its grip.

Although Recession is a part of normal economic cycle, the consequences are always beyond normal for economies and individuals. The economic slowdown that started in US in 2007 soon spread into a global shock and turned out to be called „The Second Great Depression". It did hit the Indian economy as well but an evolving business strategy called „Rural Marketing" came to the rescue of Indian entrepreneurs who used their resources to tap the rural potential. As a result the recession that shook the economic equilibrium of a major super power like US could not cripple the Indian economy.

„Recession" can be defined as a period of general economic decline; typically defined as a decline in GDP for two or more consecutive quarters. A recession is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market. A recession is generally considered less severe than a depression, and if a recession continues long Enough it is often then classified as a depression. Recessions are generally believed to be caused by a widespread drop in spending. Governments usually respond to recessions by adopting Expansionary macroeconomic policies, such as increasing money supply, increasing government Spending and decreasing taxation.

WHAT CAUSES RECESSION?

An economy which grows over a period of time tends to slow down as a part of the normal economic cycle. An economy typically expands for 6-10 years and tends to go into a recession for about six months to 2 years. A recession normally takes place when consumers lose confidence in the growth of the economy and spend less. This leads to a decreased demand for goods and services, which in turn leads to a decrease in production, lay-offs and a sharp rise in unemployment. Investors spend less as they fear stock values will fall and thus stock markets fall on negative sentiment.

HISTORY OF RECESSIONS

Global Recessions

The IMF estimates that global recessions seem to occur over a cycle lasting between 8 and 10 years. During what the IMF terms the past three global recessions of the last three decades, global per capita output growth was zero or negative. Economists at the International Monetary Fund (IMF) state that a global recession would take a slowdown in global growth to three percent or less. By this measure, four periods since 1985 qualify: 1990-1993, 1998, 2001-2002 and 2008-2009.

The Great Depression

The Great Depression was a severe worldwide economic slowdown, from 1930-1939. It was a decade of high unemployment, low profits, low prices of goods and high poverty. The trade market was brought to a standstill, which consequently affected the world markets in the 1930s. Industries that suffered the most included agriculture, mining and logging. The timing of the Great Depression varied across nations, but in most countries it started in about 1929 and lasted until the late 1930s or early 1940s. It was the longest, most widespread, and deepest depression of the 20th century, and is used in the 21st century as an example of how far the world"s economy
can decline.

The depression originated in the United States, starting with the stock market crash of October 29, 1929 (known as Black Tuesday), but quickly spread to almost every country in the world. The Great Depression had devastating effects in virtually every country, rich and poor. Personal

income, tax revenue, profits and prices dropped, and international trade plunged by a half to two thirds.

Unemployment in the United States rose to 25% and in some countries rose as high as 33%. Farming and rural areas suffered as crop prices fell by approximately 60 percent. Countries started to recover by the mid-1930s, but in many countries the negative effects of the Great Depression lasted until the start of World War II. The US economy has suffered 10 recessions since the end of World War II.

US RECESSION-2008

The **financial crisis of 2008–present** is a crisis triggered by an insolvent United States banking system. It has resulted in the collapse of large financial institutions, the bailout of banks by national governments and downturns in stock markets around the world. In many areas, the housing market has also suffered, resulting in numerous evictions, foreclosures and prolonged vacancies. It is considered by many economists to be the worst financial crisis since the Great Depression of the 1930s. It contributed to the failure of key businesses, declines in consumer wealth estimated in the trillions of U.S. dollars, substantial financial commitments incurred by governments, and a significant decline in economic activity. The collapse of a global housing bubble, which peaked in the U.S. in 2006, caused the values of securities tied to real estate pricing to plummet thereafter, damaging financial institutions globally. Questions regarding bank solvency, declines in credit availability, and damaged investor confidence had an impact on global stock markets, where securities suffered large losses during late 2008 and early 2009. Economies worldwide slowed during this period as credit tightened and international trade declined.

Major Cause

The immediate cause or trigger of the crisis was the bursting of the United States housing bubble which peaked in approximately 2005-2006. High default rates on “subprime” and adjustable rate mortgages (ARM) began to increase quickly thereafter. An increase in loan packaging, marketing and incentives such as easy initial terms and a long-term trend of rising housing prices had encouraged borrowers to assume difficult mortgages in the belief they would be able to quickly refinance at more favorable terms. However, once interest rates began to rise and housing prices started to drop moderately in 2006-2007 in many parts of the U.S., refinancing

became more difficult. As housing prices declined, major global financial institutions that had borrowed and invested heavily in subprime MBS reported significant losses. Falling prices also resulted in homes worth less than the mortgage loan, providing a financial incentive to enter foreclosure. Defaults and foreclosure activity increased dramatically as easy initial terms expired, home prices failed to go up as anticipated, and ARM interest rates reset higher. The ongoing foreclosure epidemic that began in late 2006 in the U.S. continued to drain wealth from consumers and eroded the financial strength of banking institutions. Defaults and losses on other loan types also increased significantly as the crisis expanded from the housing market to other parts of the economy.

IMPACT ON INDIA

Since US is one of the major super powers, a recession–mild or deeper will have eventual global

consequences? The crisis rapidly developed and spread into a global economic shock, resulting in a number of European bank failures, declines in various stock indices, and large reductions in the market value of equities and commodities

A slowdown in the US economy was definitely a bad news for India because Indian companies have major outsourcing deals from the US. India's exports to the US have also grown substantially over the years. But inspite of all this India has successfully weathered the great financial crisis of September 2008. Indian gross domestic product (GDP) has grown around 6%

in every quarter of the most difficult 12 months in recent history.

Global economic meltdown has affected almost all countries. Strongest of American, European and Japanese companies are facing severe crisis of liquidity and credit. India is not insulated, either. However, India’s cautious approach towards reforms has saved it from possibly disastrous implications. The truth is, Indian economy is also facing a kind of slowdown. The prime reason being, world trade does not functions in isolation. All the economies are interlinked to each other and any major fluctuation in trade balance and economic conditions causes numerous problems for all other economies.

According to official data, industrial growth in august has plummeted to mere 1.3% compared to the same month in 2007. That definitely is cause of concern for policy makers and industries. This data also raised fear of low GDP growth of India. It is being suspected that, our country will

face huge problems in achieving even 7.5% growth rate in this fiscal.

1.3 percent industrial growth is the lowest IIP (index of industrial production) data ever registered since last ten years. April-august industrial growth rate is 4.9% which is also the lowest for the first five months of a financial year in 14-year period except 1998 and 2001. To make matters worst, a member of the PM's economic advisory council and director of the National Institute of Public Finance and Policy have confessed that India is going through industrial recession.

Several crucial sectors of Indian economy are likely to face serious problems in coming months. Foremost among them is real estate sector. The demand for houses have reduced significantly and property prices across India has registered 15-20% fall. Things are likely to get worst as another 20 percent drop in prices is quite possible in coming six months. The woes of real estate have spread to construction industry as well. Because of less demand for houses, construction companies are going to suffer big time. Financial services segment is also likely to be a major victim of economic slowdown because of less demand for credit and reduced liquidity in market. These three segments account for almost one third of services GDP and because of their current and impending plight, attaining 7.5% GDP growth in this current year is quite improbable. Industrial slowdown will also affect transport services. Transport companies are likely to witness drastic fall in their business and profits. Global recession will also lead to less tourists coming to India. That will negatively affect tours and travels industry

Recessions are the result of reduction in the demand of products in the global market. Recession can also be associated with falling prices known as deflation due to lack of demand of products. Again, it could be the result of inflation or a combination of increasing prices and stagnant economic growth in the west.

Recession in the West, specially the United States, is a very bad news for our country. Our companies in India have most outsourcing deals from the US. Even our exports to US have increased over the years. Exports for January have declined by 22 per cent. There is a decline in the employment market due to the recession in the West. There has been a significant drop in the new hiring which is a cause of great concern for us. Some companies have laid off their employees and there have been cut in promotions, compensation and perks of the employees.

Companies in the private sector and government sector are hesitant to take up new projects. And they are working on existing projects only. Projections indicate that up to one crore persons could lose their jobs in the correct fiscal ending March. The one crore figure has been compiled by Federation of Indian Export Organisations (FIEO), which says that it has carried out an intensive survey. The textile, garment and handicraft industry are worse effected. Together, they are going to lose four million jobs by April 2009, according to the FIEO survey. There has also been a decline in the tourist inflow lately. The real estate has also a problem of tight liquidity situations, where the developers are finding it hard to raise finances.

IT industries, financial sectors, real estate owners, car industry, investment banking and other industries as well are confronting heavy loss due to the fall down of global economy. Federation of Indian chambers of Commerce and Industry (FICCI) found that faced with the global recession, inventories industries like garment, gems, textiles, chemicals and jewellery had cut production by 10 per cent to 50 per cent.

As every business sector is affected by present global crisis and everybody is talking of slow down in business, still in India there are few sectors which will grow in this adverse situation.

Really it’s interesting and marvelous and it’s a nice deal with Indian magic economy lets have a review on them sector.

1. Food

No one can survive without basic food material like milk, vegetables and drinking water. Food processing companies will not be affected much and rather will earn profits by increasing the prices. These are the basic needs which we as a common man can not produce by our self.

According to MFPI, the food processing industry in India was seeing growth even as the world was facing economic recession. According to the minister, the industry is presently growing at 14 per cent against 6-7 per cent growth in 2003-04.The Indian food market is estimated at over US$ 182 billion, and accounts for about two thirds of the total Indian retail market. Further, the retail food sector in India is likely to grow from around US$ 70 billion in 2008 to US$ 150 billion by 2025

2. Railway

As the aviation sector has been affect much badly and resulting in sharp rise in the air ticket rates the frequent travelers will prefer railways to cut the cost of traveling and this will result in increased traffic in railways and long queues at railway booking counters. The freight traffic of Indian Railways has continued to grow in the last few months, albeit at slow pace, indicating only marginal impact of the global recession on the Indian economy.

The Railways registered 13.87% growth in revenue to Rs 57,863.90 crore in the first nine months ended December 31, 2008. While total earnings from freight increased by 14.53% at Rs 39,085.22 crore during the period, passenger revenue earnings were up 11.81% at Rs 16,242.44 crore. The Railways have enhanced freight revenue by increasing its axle loading, improving customer services and adopting an innovative pricing strategy.

3. PSU Banks

As seen in the private sector much of the job cuts due to global slowdown, its the PSU sector Banks which gained much confidence due to job safety and security. More and more people are likely to turn towards government institutions, particularly banks in the quest for safety and security.

A report "Opportunities in Indian Banking Sector", by market research company, RNCOS, forecasts that the Indian banking sector will grow at a healthy compound annual growth rate (CAGR) of around 23.3 per cent till 2011.

4. Education

As Education is considered as the basic necessity and in India it is seen as a long term investment by parents and with respect to the demand still there is a huge supply gap. The craze to study in foreign university among the Indian youth still alive which will prompt foreign education institute to target India provided vast young population willing to join. We will see more and more foreign educational institutions to come up in India in recent coming years.

Huge government as well as private investment is likely to flow into the Indian educational system. D E Shaw, a US$ 36 billion, global private equity firm is planning to invest around US$ 200 million in the Indian education sector.

5. Telecom

People will not stop to communicate with each other due to global crises rather it has been seen that it will increase much particularly with mobile communication. With cheap cell phones available in the Indian market and cheaper call rates, the sector has become the necessity and primary need of everyday life

telecom sector, according to industry estimates, year 2008 started with a subscriber base of 228 million and will likely to end with a subscriber base of 332 million - a full century ! The Telecom industry expects to add at least another 90 million subscribers in 2009 despite of recession. The Indian telecommunications industry is one of the fastest growing in the world and India is projected to become the second largest telecom market globally by 2010.

6. IT

Recent news shown that Indian IT sector will grow 30-40% next year. And on the other side to survive in current slowdown, industries have to decrease the cost and for that they will resort to customized IT solutions which will further boost up the software solution demand.

India is fast becoming a hot destination for outsourced e-publishing work. As per a Confederation of Indian Industry (CII) report, the industry is growing at an annual rate of 35 per cent and India's outsourcing opportunities in the value-added and core services such as copy editing, project management, indexing, media services and content deployment will help make the publishing BPO industry worth US$ 1.46 billion by 2010.

7. Health care

India in case of health care facilities still lakes the adequate supply. In Health care sector also there is huge gape between demand and supply at all the levels of society. Still there are so many urban areas were you could hardly find any multi specialty hospital. And in case of metros the market sentiments itself created a need of psychological consultation.

Healthcare, which is a US$ 35 billion industry in India, is expected to reach over US$ 75 billion by 2012 and US$ 150 billion by 2017. The healthcare industry is interestingly poised as it strives

to emerge as a global hub due to the distinct advantages it enjoys in clinical excellence and low costs.

8. Luxury products

The high and affluent class of society will not be affected much by this global crises even if their worth is reduced significantly. They will not change their life style and will not stop spending on luxurious goods. So luxurious product market will not be affected and in fact to maintain the lifestyle those affluent will spend more for it. Luxury car makers are pouring in to woo the nouveau riche (Audi, BMW are the most recent entrants).

According to recent research on luxury trends, the number of families with annual incomes of more than $230,000 will have more than doubled from 20,000 in 2002 to 53,000 by the end of 2005 and will grow to 140,000 by 2010.

9. M&A & Marketing Consultants

As in the current business slow down survival will be the main focus, the marketing and management consultants will be called for to reduce the costs and to show the ways to survive and stay in market. Others may join hands to fight with this situation together will call for the Marketing & M&A consultants. In a booming market there are growth strategies and M&A opportunities to advise on. When businesses are cutting back, consultancies will be right there to help clients decide where to wield the axe.

According to Ministry of Commerce and Industry's estimation, the current size of consulting industry in India is about Rs.10000/- crores including exports and is expected to grow further at a CAGR of aprox. 25% in next few years

10. Media and Entertainment

In current bad times, where people are losing jobs and getting enough time to watch TV, they will seek entertainment at home and hence advertising revenues will increase for the commercial channels. Also businesses like production of religious texts and religious materials, religious channels will do well. The TRP of religious channels will increase compare to the other entertaining/commercial channels.

Unemployment

The full impact of a recession on employment may not be felt for several quarters. Generally low-skilled, low-educated workers and the young are most vulnerable to unemployment in a downturn.

Business

Productivity tends to fall in the early stages of a recession, and then rises again as weaker firms close shop. The variation in profitability between firms rises sharply.

Social effects

The living standard of people dependent on wages and salaries is more affected by recession than those who rely on fixed income or welfare benefits. The loss of a job is known to have a negative impact on the stability of families, and individuals" health and well-being.

According to a report published by the Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian M&E industry is expected to grow at a compound annual growth rate (CAGR) of 18 per cent to reach US$ 23.81 billion by 2012. According to the PWC report, the television industry was worth US$ 5. 48 billion in 2007, recording a growth of 18 per cent over 2006. It is further likely to grow by 22 per cent over the next five years and be worth US$ 12. 34 billion by 2012.

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The current global economic slowdown has its epicenter in the United States (US) but the contagion is being witnessed in all major economies of the world. Several countries are experiencing rapid contraction in their Global Domestic Product, rising unemployment levels and an overall slowdown in the pace of investment activity. What started as a shock in the financial markets has spread to all sectors of the world economy and the exact depth and breadth of the impact is still unclear. India's economy has been fuelled by the growth in the technology sector in the recent past. A large part of this growth is dependent on the "outsourcing" or "off shoring" of key business processes and software development activity (and related services) by large global corporations and other organizations. Hence, the global slowdown has also affected the business climate within India and the growth rate of the Information Technology (IT) and

Information Technology Enabled Services (ITES) sector is also experiencing the tremors of the global recession. The Indian IT software and services industry which has seen a Compounded Annual Growth Rate (CAGR) of around 30% over the last three or four years is now projected to grow at 20%. Indian IT sector's derives approximately 61% revenues from the US based clients. The revenue contribution from US clients to the top five Indian IT companies (who account for 46% of the IT industry's revenues) is approximately 58%. Hence, the impact of the slowdown in the US is likely to have a deep impact on the prospects of the Indian IT sector.

Impact of global financial meltdown on employment in MSMEs

A survey was conducted by the Ministry of Labour and Employment, Government of India to assess the impact of economic slowdown on employment during October-December, 2008. The sample was drawn from 20 centres covering 11 States/UT. Important sectors, viz. Mining, Textiles, Metals, Gems & Jewellery, Automobile, Transport and IT/BPO were covered in the survey. These sectors contributed more than 60% to the GDP in the year 2007-08. A sample of 2581 units was covered in the survey. The survey found that about half a million workers lost their jobs during October-December, 2008. The total estimated employment in all the sectors covered by the survey went down from 16.2 million during September, 2008 to 15.7 million during December, 2008 resulting in job loss of about half a million. It is seen that the employment declined every month during this period. It has also been observed that the employment in all the sectors/industries studied went up significantly over the period from March, 2008 to September, 2008. Beyond September, 2008, it however, decelerated at all industries/sectors level at an average rate of 1.01 per cent per month. The major impact of the slowdown is noticed in the export oriented units. Though India's export sector accounts for less than 20 percent of the its gross domestic product (GDP), decline in exports would affect the employment in this sector. A comparison of employment data of export and non-export units indicates that employment declined at an average monthly rate of 1.13 per cent in case of former whereas in case of latter, it declined by 0.81 per cent. The reason for decline in employment in export units of textile sector at Chennai was that the workers left these units due to declining wages and insecurity and seeking better employment avenues in other sectors. In Tiruppur (Tamil Nadu), many of the units informed that the orders from foreign buyers were either not coming or their value had declined. The decrease in employment has been experienced in all the sectors, except the IT/BPO sectors, wherein it has gone up marginally during the

October-December, 2008 period. The average monthly decline in employment was highest (8.58 percent) in Gems & Jewellery followed by Transport (4.03 percent), Automobiles (2.42 percent), Metals (1.91 percent), Textiles (0.91 percent) and Mining (0.33 percent). Under the contract category, the most affected sector is Automobiles where the employment has decreased by 12.37 per cent followed by 9.93 per cent in Transport sector. For the direct category of workers the most affected sector is Gems & Jewellery-9.27 percent followed by Textiles-1.11 per cent. The overall decline in the direct and contract category of workers is 0.63 percent and 3.88 percent respectively. The average earnings have declined at the rate of 3.45 per cent per month during the period of study.

Present and past review of Indian IT sector

The IT-ITES industry in India has today become a growth engine for the economy, contributing substantially to increases in the GDP, urban employment and exports, to achieve the vision of a powerful and resilient India. While the Indian economy has been impacted by the global slowdown, the IT-ITES industry has displayed resilience and tenacity in countering the unpredictable conditions and reiterating the viability of India's fundamental value proposition.

Value proposition

The main reasons for the successful establishment of software companies in India and its strong performance can be attributed to the following:

• Cost advantage Given the labor market conditions in India, there exists substantial scope of cost arbitrage for performing services from India. This, along with a large pool of talented and English people labor force, was the genesis of the IT sector's dominance in the world IT services industry • Breadth of service offering and innovation Service offerings have evolved from low-end application development to high-end integrated IT solutions • Quality / maturity of process Having made its mark as a center of low-cost and wide range of service offerings, the Indian IT / ITES sector has also proved its mettle in the quality of the service offerings, as demonstrated by the fact that it hosts more than 55% of SEI CMM level five firms and the highest number of ISO certified companies

• Ease of scalability The vast and trained labor pool of technically competent, English speaking people has made it easy for the Indian companies to enter and exit this industry. Moreover, the

ease with which a company can scale its operations (up or down) has been a great value driver for the success of the Indian IT / ITES service sectors growth story

Performance of the Indian IT-ITES industry

The information technology sector has been playing a key role in fuelling the Indian economic performance which has been stellar with robust GDP growth. India's total IT industry's (including hardware) share in the global market stands at 7%; in the IT segment the share is 4% while in the ITES space the share is 2%.

The industry is dominated by large integrated players consisting of both Indian and international service providers. During the year, the share of Indian providers
went up to 65-70% due to the emerging trend of monetisation of captives. MNCs however, continued to make deeper inroads into the industry and strengthened
their Indian delivery centres during 2008. The continuing contribution of this sector to the Indian economy is evident from the fact that revenue generated from this sector has grown from 1.2% in FY 1998 to an estimated 5.8% in the FY 2009. The net value added by this sector to the economy is estimated at 3.5-4.1% for FY 2009.

Some of the key highlights2 of the Indian IT / ITES
industry for FY 2009 are enumerated below:

• The export revenues are estimated to gross USD 47.3 billion in FY 2009, accounting for 66% of the total IT-ITES industry revenues • IT services exports grew substantially on account of increasing traction of the industry in emerging markets such as remote infrastructure management and traditional segments such as application management • Domestic market continued to gain momentum,
growing at 26% in INR terms on account of the overall positive economic climate, increased adoption of technology and outsourcing • Engineering services and software product exports increased by 29% (USD) • Direct employment reached nearly 2 million – with 1.5 million in the exports segment, a YoY increase
of 26% in 2008. The indirect employment multiplier suggested that the industry created between 6-8 million additional jobs • US and UK together constituted 79% of the global exports in FY 2008 thereby dominating the export markets
• BFSI remained the largest market followed by Hitech / Telecom which together accounted for more than 60% of exports

Global IT and Indian IT offshore

Today's escalating, competitive and demanding environments have forced companies to be more efficient, operate leaner and continuously create new
procedures to keep ahead of competitors - adding final consumer value to a product or service in the form of lower prices, quality and better service has become an essential requirement in the global marketplace. Corporations are trying to adapt with increasing competitors' innovations to find global opportunities and resources, focusing on core competencies and mutually beneficial relationships, and finally, outsourcing those activities which can be performed more quickly and at lower costs by subcontractors. In a globally integrated economy, outsourcing is leading to overall benefits for the source economies, providing significant monetary and employment benefits. India has become a target destination for multinationals to back end their IT operations in India owing to its strong value proposition. global and European outsourcers, and the emphasis on productivity and delivering value by select Indian players. The Indian IT / ITES sector can be viewed from two perspectives - Indian global IT and Indian IT offshorer. The globally IT companies are increasingly looking inwards and focusing on process benchmarking, enhanced utilisation of infrastructure and talent, increasing productivity and greater customer engagement. global companies with roots in India are increasingly 'offshoring' work in order to cut cost, as a result of which India is witnessing a revenue growth. On the other hand, as the offshore market is getting tighter, the Indian IT offshorers are facing hard times in getting contracts or replenishing their orders. The crisis in the U.S. financial services sector will have an impact in the short term on Indian outsourcers, as new projects may get delayed. This has impacted the revenue flows and would need a substantial increase in SG&A to
ramp up their volumes.

As a percentage of total revenue; BFSI contribution sourced from company reports ,BFSI clients from equity analysts

• Infosys - The revenues from BFSI that were at 37% in June 2003 have stayed more or less unchanged as a percentage of total revenues. In the December 2007 quarter, Infosys got close to 37% of its revenues from BFSI. This slipped to 34% of revenues in the March 2008 quarter. In the quarter ending December 2008, BFSI showed a sequential growth of 4% in volume • Wipro - India's third-biggest software exporter, and Cognizant, ranked sixth, have seen revenue from the key Banking, Financial Services and Insurance (BFSI) vertical rise by about a fifth between Oct-

Dec 2007 and July-Sept 2008 • April-June 2008, Cognizant recorded the highest growth from in ancial services vertical among the offshore peers. This was mainly due to the type of financial services clients in the portfolio and the multiple operating levels

• Tata Consultancy Services, for example, earned 42% of its revenue in the second quarter of CY 2008 from the BFSI

Impact of exchange rate on revenues

In IT sector, the margins are likely to be challenged on account of the slowing growth in the US. Rupee depreciation seems to be the only tailwind that the sector enjoys. This can be evident from the fact that the out of the increase in the IT export revenues for FY 2008 over FY 2007, almost half of the increase could be attributed to the rupee depreciation during the same period.

The impact of global slowdown on India's economy is impacting the employment scenario in India. In fact the rising joblessness in India has assumed worrisome proportions. With overall economic growth sharply slowing down, the ranks of those without work are growing by the day. Five hundred thousand people were rendered jobless between October and December 2008, according to a first of its kind survey conducted by the Ministry of Labour and Employment. With the global slump, the fortunes of those who work in the export industry have become equally bleak. India could lose up to 1.5 million jobs in this sector in the six months to March 2009.

The Labour ministry's numbers are based on a survey of 2,581 units covering 20 centres across 11 states. Eight major sectors like the textiles and garment industry, metals and metal products, information technology and business process outsourcing, automobiles, gems and jewellery, transportation, construction and mining industries were included. The total employment in these sectors had come down from 16.2 million in September 2008 to 15.7 million by December 2008 due to the Rword stalking Indian industry.

India's exports, too, have been contracting every month since October 2008 due to falling demand in the US and Europe. Many units have downed their shutters and laid off staff. If these projections continue, it is quite likely that one can expect another 500,000 job losses before March 31, stated G.K. Pillai, Commerce Secretary, after announcing earlier that 1 million jobs had gone since August.

Interestingly, more up-to-date economy wide estimates of unemployment — based on extrapolations from recent trends — are consistent with the above numbers for job losses this year as growth is likely to decline to 7 per cent as compared to 8.8 per cent per annum during the last five years. But with India's g rowth expected to plunge to 5 per cent next year, the incidence of joblessness will be more severe than before.

A disturbing trend of India's economic performance is a deceleration in employment growth to 1.92 per cent per annum from 1993-94 to 2006-07 from 2.61 per cent between 1983-1993-94 although growth in terms of gross domestic product (GDP) was rapid. Clearly, there has been a decline in employment per unit of GDP growth or employment elasticity to 0.28 from 1993-94 to 2006-07 from 0.52 over the years 1983-1993-94.

Applying this elasticity to the likely GDP growth of 7 per cent in 2008-09 and 5 per cent in 2009-10 to project the generation of employment provides an aver age of 8 million work opportunities this year and 6 million the next. This is much short of the 10 million opportunities generated during each of the last five years. In other words, there will be 2 million fewer jobs than before this year and 4 mil lion fewer jobs next year.

Official number crunchers might suggest that a better measure is to focus only on non-agriculture. Even on this basis, the economy would turn out 1 million fewer non-agricultural opportunities this year and 2 million fewer the next than the average of 5.6 million jobs per annum during the growth boom of the last five years. This striking shrinkage of employment opportunities when 9 to 10 million people join the labour force each year looking for work will certainly result in a spike upwards in unemployment and exacerbate social tensions

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years. This striking shrinkage of employment opportunities when 9 to 10 million people join the labour force each year looking for work will certainly result in a spike upwards in unemployment and exacerbate social tensions.

After overlooking all the facts and figure the attempt is that to look changes and impact of world recession on Aurangabad industries specially.

Table No. 6.1
NO. OF MSME UNITS REGISTERED DURING LAST TEN YEARS.

Year	No. of units Registered.	NO. Of Employment Generated.	Investment made Rs. In lakhs.
2000-01	1615	14393	16093
2001-02	1793	16144	18315
2002-03	1938	17594	19441
2003-04	2109	19175	21475
2004-05	2284	19355	23958
2005-06	2504	21349	25936
2006-07	2785	23814	28604
2007-08	3059	25784	30619
2008-09	3233	35221	36311
2009-10	3405	36871	40486

Source: DIC office Aurangabad.

Form the table No.6.1 it is clear that in year 2000-01 No. of MSME was 1615 registered and 14393 was the employment generated, after ten years the upward curve is not so satisfied due to less infrastructure, non availability of skilled labour and foreign direct investment.

Table NO.6.2

IEM.(LARGE ENTERPRISES), IN AURANGABAD DISTRICT.

Year	No. of units Registered.	NO. Of Employment Generated.	Investment made Rs. In lakhs.
2000-01	123	50645	4645.46
2001-02	131	58460	4975.23
2002-03	143	59085	5419.71
2003-04	150	62055	5692.13
2004-05	164	67526	6193.95
2005-06	170	69871	6409.02
2006-07	172	70652	6480.71
2007-08	179	73779	6767.47
2008-09	191	78624	7211.94
2009-10	195	80500	7384.00

Source: Official records of DIC Aurangabad.

From the table no. 6.2 easily states that the 123 enterprises registered in year 2000-01 and in year 2001-02 there was the digit is 131 enterprises means here Per annum growth is 8% than the previous year. In the next year i.e. 2002-03 the growth is 12% the curve the is upward to year 2005 to 2007 but in 2007 to 1010 the curve and percentage not grow as compared to last ten years. In the year 2006-07 the numbers is 172 and the next year i.e. 2007-08 enterprises only 179 means the growth is only 7% hence it can easily proved here Aurangabad industrial upward curve down due to impact of world recession.

Table No. 6.3

DETAILS OF MSME AND LARGE ENTERPRISES AT A GLANCE

Type	**Indicator**	**Aurangabad**	**Maharashtra**
MSME	No	3405	151495
	Employment	36871	1188181
	Investment(lac)	40486	
Large Enterprises	No.	525(195)	6627
	Employment	80500	836265
	Investment (cr)	7384	147443

Table No. 6.4

SOCIO ECONOMIC INDICATORS

	FACTORY STATISTICS		**ECONOMIC CENSUS**					
	No of working factories per Lac population	Average daily factory employment per Lac population	No. Of establishment per Lac population			Employment in establishment per lac population		
			Rural	Urban	Total	Rural	Urban	Total
Aurangabad	25	1568	2575	5545	3739	5595	12872	8448
Maharashtra	29	1229	3629	4597	4055	7607	14964	10853

Source: potential linked credit plan NABARD

The scope of present study is limited but the investigator tries to judge overall factors of the subject very well for the kind information of researcher, academician, student and all citizen the attempted maid in the table No. 6.3 and 6.4 to detail information of industries and social and economic changes in present era.

Table No. 6.5

Red category industries (54 categories)

Sr. No.	MIDC	No. of industries in red category
1	Shendra	**07**
2	Chikalthana	**24**
3	Waluj	**257**
4	Rly. Stn. MIDC	**5**
	Total	**293**

Directorate of Industries Govt. of Maharashtra

Table No. 6.6

Orange and Green category industries

Sr. No.	MIDC	Orange category	Green category	Total
1	Shendra	**04**	**15**	**19**
2	Chikalthana	**11**	**181**	**192**
3	Waluj	**181**	**962**	**1143**
4	Rly. Stn. MIDC	**05**	**14**	**19**
	Total	**201**	**1162**	**1363**

Source: potential linked credit plan NABARD

Table No. 6.5 and 6.6 shows the details of enterprises which in red, orange and green category in Aurangabad industrial area.

From above tables it is clear that the world recession clearly impacted on small and medium with large scale industries also. It directly resulted on Aurangabad and Maharashtra socio and economical conditions. As compared to Maharashtra Aurangabad is not so affected for the recession because of the major factor is that there is no IT sector (IT parks, BPO, KPO units), developed in Aurangabad industrial area and economy and people of Aurangabad is saving minded.

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Chapter VII

Summary, Conclusion and Suggestion's

Summary

The city was a major silk and cotton textile production centre. A fine blend of silk with locally grown cotton was developed as Himroo textile. Much of the silk Industry has vanished over time, but some manufacturers have managed to keep the tradition alive. Paithani silk saris are also made in Aurangabad. The name of this cloth is derived from Paithan town.

In 1889 a cotton-spinning and weaving mill was erected in Aurangabad city, which employed 700 people. With the opening of the Hyderabad-Godavari Valley Railways in the year 1900 several ginning factories were started. In the Jalna alone there were 9 cotton-ginning factories and 5 cotton-presses, besides two ginning factories at Aurangabad and Kannad, and one oil-press at Aurangabad. The total number of people employed in the cotton-presses and ginning factories in the year 1901 was 1,016. Until 1960, Aurangabad languished as a city, remaining as industrially backward. In 1960, the region of Marathwada was merged with Maharashtra. This was the time when the industrial development of the Marathwada region began, propelled through designated backward area benefits. And it was only when the Maharashtra Industrial Development Corporation (MIDC) began acquiring land and setting up industrial estates that it began to grow. Aurangabad is now classic example of efforts of state government towards balanced industrialization of state. Some of the well known names are: Videocon, Garware, Ajanta Pharma, AMRI, Glenmark, Lupin, wipro, orchid pharma, Endurance systems, Rucha Eng, Indo German Tool Room, Ceekay daikin Ltd, Csmos Films, NRB bearings, Hindalco-Almex Aerospace, Can-pack India, Varroc, Dagerforst , FriogoriFico Allana, Nath Seeds. Many firms have their manufacturing bases in Aurangabad in the sectors of automotive and auto components pharmaceuticals and breweries, consumer durables, plastic processing, aluminum processing, agriculture and biotech Among Pharmaceutical there is Recombinant Insulin Manufacturing plant of Wockhards (Wockhardt Biotech Park) in Aurangabad, which is Largest Biopharmaceutical plant in India. Aurangabad

also has 5 star hotels like ITC Welcomgroup's The Rama International, The Ajanta

Ambassador, The Taj Residence, The Lemontree (formerly the president Park) and the Aurangabad Gymkhana, Vits etc.

The Shendra, Chikalthana and Waluj MIDC Industrial Areas are prominent

industrial zones on the outskirts of the city, with various major multinational groups having set up manufacturing or processing plant in and around the city.

Strangeness of the city from the point of view indusrty

LOCAL ARTS

Paithani Textiles: The Paithani saris from Paithan are considered to be priced

possession by one and all. One can get an opportunity to witness this age old art of

weaving Paithani saris. The yarn used is of pure silk and the zari or gold threads drown from pure gold.

Mashru and Himroo:

Aurangabad is famous for Mashru and Himroo fabrics made of cotton and silk

with the luster of satin. Himru is an age-old weaving craft, and was originally known as kum khuab.

There is need to developed the same product and purchase the patient for same product its affected to growth of the city and state also.

OPPORTUNITIES : for Maharashtra MIDC

MIDC will have to plan to develop Additional MIDC's in the region which creates good Opportunities for industries.

Cluster development programmed of Central Govt. boost for creation of jobs / skilled & unskilled man power.

Expansion project of CIPET is playing vital role for plastics mfg in the region.

DMIC Project develops the Region.

There is a great Scope for tourism due to Historical background.

Major Investment & Job creation there is need to adopt State Govt. Mega Project policy.
There is Wide Scope for retail sector.

Suggestions

Possible factors and suggestions which will help to developed Aurangabad and Maharashtra state

i. The widest possible dissemination of Industrial development to

There is need to promote the young Entrepreneurs of the district

ii. There should be match the quality products and standard to the National and

International norms

iii. There should be design courses in consonance with newer developments in

Various disciplines as also the needs of business and industry

iv. The suggestion maid there must be equip institutions of higher education with latest tools, apparatus and infrastructural facilities

v. there should be encourage quality research at par with international standards

vi. there should be provide overall facilities to development of industrialists so as

to enable them to meet a variety of challenges in all walks of life

and competitive word.

vii. There should be providing common facilities through various schemes of Govt.

of India like ICDP,

viii. As a whole total economical growth of the industrialist, new

young entrepreneurs need to promote.

Regional Office, Aurangabad encompassing 19 MIDC areas. Out of these Sub-

Regional Office, Aurangabad-I includes Chikalthana, Waluj and Paithan MIDC area. These areas are industrially well developed and situated nearby Aurangabad. In Aurangabad city,

MIDC – Shendra is emerging as Five Star industrial estates. The industries are rapidly developing and occupying private lands including Aurangabad – Paithan high-way. These industries produces medicines, beverages, cold-drinks, chemicals etc. other places occupied by sugar industries.

In the area of Sub-Regional Office, Aurangabad-II, major industrial estates are

situated mainly in Jalna, prominently Iron (Steel), engineering, oil, ginning and pressing and sugar industries. In addition to these some places in Bhokardan & Beed also having some industrial estates. Regional Office, Aurangabad also covers 8 to 9 industrial estates on the co-operative basis.

Sub-Regional Office, Latur comprises Latur and Osmanabad districts. Mainly found oil, engineering units and other small industries with Sugar Industries and Stone Crushers.

Sub-Regional Office, Nanded covers mainly two MIDC estates sequentially MIDC – Nanded and MIDC Krushnur. Degloor area is also having small industrial estate. In Nanded and Dharmabad is having their industrial estates working on the co-operative basis. No. of Agro-production based seasonal industries occurred in the Nanded district.There are industrial estates existing in the area of Parbhani, Hingoli, Wasmat, Gangakhed, Jintur, Selu and Parli area in the jurisdiction of Sub-Region Office, Parbhani.

There are should be less pollution generating industries like ginning and pressing which is the specialty of this area. In this area a Thermal Power Station is also in working condition which is only one in the Marathwada.

Maharashtra Pollution Control Board issued 4937 consents to the industries. The

details are as follows:

Large Scale Industries - 125

Medium Scale Industries - 140

Small Scale Industries - 4672

Considering above infrastructure this industry will be getting good scope and well set up in Aurangabad

New industrial Possibilities.

12) Dairy based products

13) Fly ash bricks.

14) Bio-coal Briquettes from cotton steam.

15) Cold drinks and beverages.

16) Processing of Mosambi (sweet orange) Fruit.

17) General purpose machine shop.

18) Absorbent cotton.

19) Computer stationery.

20) Cold storage unit.

21) Solar unit.

22) Starch from Jowar.

The list of most potential industries has been identified based on the discussion with several states central Government offices and other industrial development organization during field visit.

Agro based.

21) Surgical bandage and cotton.

22) Sanitary napkins.

23) Extraction of starch from Jowar.

24) Oil mills.

25) Bio-coal brequettes from cotton steam.

26) 100% wood free particle board from agro-industries.

27) Mushroom cultivation.

28) Industrial alcohol from Jawar

29) Gobargas.

30) Confectionery.

31) Machanised bakery.

32) Dal mill.

33) Chill and Masala powder.

34) Neem seed oil

35) Seed processing unit.

36) Absorbent cotton.

37) Mango-jam, pickles, juice,jelly etc.

38) Mosambi-juice, confectionery items.etc.

39) Pomegranate auurvedic medicine.

40) Bio-fertilizers.

Forest based

5) Saw mill

6) Wooden furniture.

7) Packing boxes

8) Electrical switch boards

Animal based

7) Blanket, carpets,etc. from sheep wools.

8) Dairy based products.

9) Cattle/poultry feed.

10) Leather goods like purse, belts, footwears.

11) Bone fertilizer.

12) Poultry farming.

Minierl-based

5) Stone crushers

6) Fly ash bricks

7) R.C.C. pipes

8) Mosaic tiles.

Demand based

11) Cold storage

12) Washing soap detergent.

13) Pvc pipe fitting.

14) Agricultural equipment

15) Jutes bags

16) Paper bags

17) Solvent extraction

18) Hatcheries

19) Tyre re-treading

20) Tractor trollies

And some more….

Service industries

10) Computer training

11) Xerox, fax, typing.

12) Desk top publishing

13) Screen painting

14) Automobile service unit

15) Tailoring and embroidery

16) Repairing of TV/AC etc.

17) Hotel and restaurant.

18) Advertising media.

conclusions

1) Huge quality of cottion, jawar and bajara is grown in Aurangabad, there is need of proper and effective utilization should be made through establishing processing units.
2) Similarly, pulses like Mug, Udid, Tur and Gram are grown in ample quality.
3) Fly ash coming out of thermal power station situated at parli, parbahni districts should be utilized for making bricks.
4) Efforts should be made to utilize agro-residuals like wastage coming from sugar mills, cotton stims shells of groundnut etc. for manufacturing bio-coal briquetters, handmade papers particle board etc.
5) Tremendous scope exists for exploring horticulture, fisheries, milk, poultry farming and hatcheries.
6) No specific plan for development of waste land for fodder cultivation of forestry has been chalked out.
7) Railway transport facility exist in Aurangabad district is inadequate. Similarly other infrastructural facilities like communication/electricity, roads etc. needs further improvement.

8) Medium or big industrial projects in the field of defense railway or automobiles can be started in Aurangabad districts.

9) Engg. College, poly technic and computer training center to be started in Aurangabad.

10) Entrepreneurship needs to be developed in Aurangabad city. This can be done through conducting motivational –cum awareness programmed, especially in rural areas.

11) Establishment of mini industrial area in each taluka of Aurangabad district will change the industrial scenario of Aurangabad district in future.

"Our economy is shrinking, unemployment rolls are growing, businesses and families can't get credit and small businesses can't secure the loans they need to create jobs and get their products to market,"

Recession is an unavoidable phenomenon. In recent days economically unified world, its Consequences can be far reaching. The downturn caused largely by the financial crisis in the US sharply declared the global economy. Despite the worsening climate in rich countries the Developing countries continued to be pioneers of the global economy and big developing Economies like China, India and Brazil grew at an impressive rate and will continue to do so.

The Indian states showing considerable interest in attracting the FDI to improve industrially and generate employment opportunities for the unemployed. Thus leads to reduction in the level of poverty the state government are trying to attract F.D.I. from private foreign investors as well as NRIs in the following sector electricity water information technology most of the states are having shortage of electricity. Especially Andra Pradesh which is unable meets the demands of the factors. Water has become the scare commodity in all the amount all states of the country. People fetch water from long distances particularly in rural areas. Similarly, the water and getting ones in a two days at a time. Though the state and central government are making effort to attract more F.D.I. but due to the following reasons could not attract higher level of F.D.I. into the country.

1) Corruption
2) Red Tapism
3) Lack of Co-ordination

4) Terrorism

5) Economic Stability in the state

6) Infrastructure

Due to that reason it is proved that it is not easy to face recession for the developed and largely developing countries and India also one of them.

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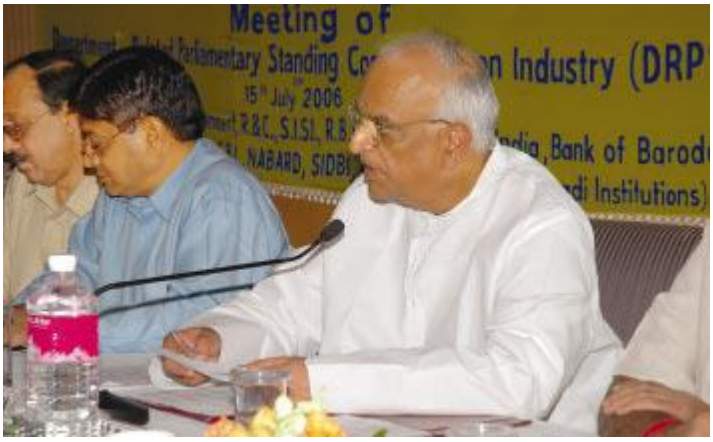

Shri Santosh Bagrodia, Chairman of Department Related Parliamentary Standing Committee on Industry is seen addressing representatives of Small Industries Service Institute, Reserve Bank of India, Bank of India, Bank of Baroda, NABARD, SIDBI & Khadi institutions in Mumbai

Union Minister of State (Commerce & Industry) Shri Jairam Ramesh delivering the lecture during the conference organised to assess the potential of coir sector

Shri Pranab Mukherjee, the then Hon'ble Defence Minister and Shri Mahabir Prasad, Hon'ble Union Minister of SSI & ARI giving away prize to a successful woman entrepreneur