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CERTIFICATE

This is to certify that Mr. Jacob V.L. Awmpuia, M. Phil Scholar under Registration no. MZU/M.Phil/152 of 16.05.2014 in the Department of Public Administration, Mizoram University worked under my supervision on the topic 'District Industries Centres and Small Scale Industries: A Case Study of Aizawl, Mizoram' for the award of the Degree of Master of Philosophy in Public Administration. The dissertation is the product of his own original research work and does not form any part of any other dissertation. He is permitted to submit the dissertation for examination.

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DECLARATION

I, Jacob V.L. Awmpuia hereby declare that the subject matter of this dissertation entitled “**District Industries Centres and Small Scale Industries: A Case Study of Aizawl, Mizoram**” is the research work done by me, and that the contents of this dissertation did not form the basis for the award of any previous degree to me, or to the best of my knowledge, to anybody else, and that the dissertation has not been submitted by me for any research degree in any other University/Institutions.

This dissertation is being submitted to Mizoram University for the Degree of Master of Philosophy in Public Administration, School of Social Science.

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(JACOB V.L. AWMPUIA)

ABBREVIATIONS

LSI	:	Large Scale Industry
MSI	:	Medium Scale Industry
SSI	:	Small Scale Industry
DIC	:	District Industries Centre
WTO	:	World Trade Organisation
SSIDO	:	Small Scale Industries Development Organisation
SMSS	:	Small and Medium Scale Sector
GDP	:	Gross Domestic Product
SMC	:	State Marketing Corporation
PSU	:	Public Sector Undertakings
LPG	:	Liberalization, Privatization and Globalization
SPIO	:	State Public Information Officer
IA	:	Industrial Area
PMEGP	:	Prime Minister's Employment Generation Programme
NLUP	:	New Land Use Policy
SME	:	Special Micro- Enterprise
UN	:	United Nations

MSMED	:	Micro, Small and Medium Enterprise Development
IP	:	Industrial Policy
SSSBE	:	Small Scale Service Business Enterprises
IID	:	Integrated Infrastructural Development
ITC	:	Information Technology Centre
TQM	:	Total Quality Management
TBSE	:	Technology Bureau for Small Enterprise
SIDBI	:	Small Industries Development Bank of India
RBI	:	Reserve Bank of India
SICDP	:	Small Industries Cluster Development Programme
MSECDP	:	Micro and Small Enterprises Cluster Development Programme
CFC	:	Common Facility Centres
MSME	:	Micro, Small and Medium Enterprises
PPP	:	Public Private Partnership
SIS	:	State Incentive Schemes
IIE	:	Indian Institute of Entrepreneurship
NISC	:	National Information Solutions Cooperatives
EDII	:	Entrepreneurship Development Institute of India
NISIET	:	National Institute for Small Industries Extension Training

PMRY	:	Prime Minister's Rojger Yojana
REGP	:	Rural Employment Generation Programme
MoMSME	:	Ministry of Micro, Small and Medium Enterprises
KVIC	:	Khadi & Village Industries Commission
KVIBs	:	Khadi & Village Industries Boards
SHG	:	Self Help Group
NISC	:	National Small Industries Corporation
RGUMY	:	Rajiv Gandhi Udyami Mitra Yojana
CSS	:	Centrally Sponsored Schemes

GLOSSARY

Khawnbawl Upa	:	Village Elder
Lal	:	Chief of Mizo
Mizo	:	Name of Tribe
Mizoram	:	Land of Mizo
Pathian	:	God
Phawngpui	:	Name of Peak
Zawlbuk	:	Mizo Bachelors' Dormitory

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PREFACE

The first chapter is the introductory chapter. It starts with the profile of Mizoram including its history, population, location etc. It also highlights the administration of Mizoram from District to the statehood administration. It indicates the status of Mizo. It gives important of industry for the future occupation and emphasized the importance of industry. The meaning and importance of industrialisation, meaning, role and importance of Small Scale Industry (SSI) are also indicated. It also highlights about the District Industries Centre. The introductory parts also consist of Review of literature, Statement of the problems, Objectives of the study, Research Questions, Chapterisation and Research Methodology.

The second chapter deals with the concept of Industrialisation which consist of meaning, definition, importance etc. It also stated the categorisation of industry. Different important roles of the industrialisation are also discussed in this chapter. This chapter focuses on the meaning and growth of Small Scale Industries. This chapter also stated about the categorisation, roles and importance of Small Scale Industries for economic growth and development of the country. This chapter highlights the different Industrial Policies. This chapter also indicates the Small Scale Industries in Aizawl District by focusing the three Industrial Areas (IA) of Aizawl District.

Chapter three consists of the District Industries Centre by highlighting its origin, purpose and importance. The status of DIC in Mizoram is also highlighted that there are five (5) DICs. This chapter deals with the origin, organizational structure of DIC, Aizawl including staff position and status, hierarchy of the personnel etc. This chapter also stated about the functions of the DIC, Aizawl. This chapter discussed about Trusted Areas of Industry for promotion of industry. The working section including Establishment Section, Account Section and General Section are highlighted in this chapter. In this chapter, the

different types of training conducted by DIC are also indicated. The subsidies given to the SSIs are also studied.

Chapter four focuses the programmes and schemes implemented by the DIC, Aizawl by highlighting their purpose, importance, terms and conditions, trades etc. This chapter also consists of the assessment of effectiveness of the Programmes and Schemes imparted and implemented by District Industries Centre (DIC), Aizawl. This assessment indicates the status of Industrial Area of Aizawl District. For this assessment, structured interview is used and the questions were answered by 25 respondents of the Small Scale Industrial Unit from the three Industrial Areas of Aizawl District, Mizoram.

Last chapter is divided in to two parts of Part – I and Part – II. The summary of the study is indicated in the first part. The second part stated about the major findings and suggestions along with answers of the research questions.

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CHAPTER 1

INTRODUCTION

Mizoram became the 23rd State of the Indian Union in February 20, 1987. It was one of the districts of Assam till becoming Union Territory in the year of 1972. It covers an area of 21,087 sq km with a population of 10, 91,014 as per the Census of India, 2011.¹ It has a total of 722 Km. boundary with Myanmar and Bangladesh. Mizoram has an extensive highway network of 927 km with a road density of 43.97 km.² The literacy rate of India stands at 74.04% in 2011 and Mizoram is in the third position of literacy rate in India with 91.58%.³

Mizoram (previously known as Lushai Hills), the land of highlanders, an extension of the Himalayas consisted of unformed young rocks with steep, rugged hills with an average height of about 900 meters, very little flat lands and plateaus. The highest peak in Mizoram is the Blue Mountain (Phawngpui) with a height of 2210 meters. It is a mountainous region situated in the southern part of North-East India and is sandwiched between the Chin Hills of Myanmar on the east and south, Chittagong Hill Tracts of Bangladesh and Tripura on the West, with its northern frontier touching Cachar (Assam) and Manipur.⁴

Mizoram has a moderate climate. It is generally not very hot in summer and not very cold in winter. During winter, the temperature varies from 11°C to 21°C and in summer it varies between 20°C to 30°C. The entire area is under the direct

¹ Bahrul Islam Laskar, *Industrialisation in Mizoram – Problems and Prospects*, Kolkata: New Central Book Agency (P) Ltd., 2010, p.20

² http://en.m.wikipedia.org/wiki/list_of_state_highways_in_Mizoram (as on 09/10/2014)

³ <http://www.indiaonlinpages.com/population/literacy-rate-in-india.html> (as on 09/10/2014)

⁴ K.C. Kabra, *Economic Growth of Mizoram – Role of Business and Industry*, New Delhi: Concept Publishing Company, 2008, p.3

influence of the monsoon. It rains heavily from May to September and the average rainfall is 254 cm/annum.⁵ Winter in Mizoram is rain-free and is very pleasant. Mizoram has a great natural beauty and endless variety of landscape and is also very rich in flora and fauna. As compared with other parts of India, there are a lot of bamboos in Mizoram. Almost all kinds of tropical trees and plants succeed in Mizoram.

The people living in Mizoram are called 'Mizo'. The Mizo were a distinct community and the social unit was the village. Mizo villages were usually set on top of a hill with the chief's house at the centre and the bachelors' dormitory called '*Zawlbuk*' prominently located in the central place. *Zawlbuk* was the training ground, and indeed, the cradle wherein the Mizo youths were shaped into a responsible adult member of the society. The administration of villages was in the hands of the '*Lal*' (Chief) with the help of his '*Khawnbawl Upa*' (Village Elders). The institution of chieftainship was strongly embedded in the early history of the Mizo people. The position of the Chief was an unenviable one. He was the guardian of his people, leader and defender in times of attack by the enemy and above all, giver of food in time of scarcity.⁶ The first Chief of Mizo was Zahmuaka. All the bachelors were the members of a defence party of the village. The Mizo in the past were called 'headhunter'. But, after the advent of the Christianity in Mizoram in 1894, which changed the life style of Mizo in which they believed in '*Pathian*' (God). The Christian Missionaries introduced the Roman script for the Mizo language and formal education among the Mizo. The fabric of social life in the Mizo society has undergone tremendous change over the year.

⁵ <http://aizawl.nic.in/mizoram.htm> (as on 09/10/2014)

⁶ Lianzela, *Economic Development of Mizoram*, Guwahati-Delhi: Spectrum Publications, 1994, p.12

When Mizoram became a Union Territory, Mizoram was divided into three district including Aizawl District, Lunglei District and Chhimituipui District. Later, five more districts were carved out of the already existing three districts. Now, there are eight districts including Aizawl District, Kolasib District, Lawngtlai District, Lunglei District, Mamit District, Saiha District, Champhai District and Serchhip District. A district of Mizoram is headed by Deputy Commissioner who is overall in charge of the administration in the district. He is also known as District Commissioner, District Collector, District Magistrate etc. Aizawl city is also the capital of Mizoram.

In Mizoram, the main occupation is agriculture through Jhum Cultivation till date. More than 70% of its total population is directly or indirectly depend upon agriculture.⁷ But, adequate food grains succession cannot be produced through jhuming. This also causes environmental degradation. Government also imparted different programmes and schemes for economic improvement and eradication of jhum cultivation. Different technologies and machineries are also imparted. Among those, industrial development is one of the most important for economic growth and development.

Industrial development is one of the most important factors for economic growth and development of the country. It also helps to increase the Gross Domestic Product (GDP), Industrial production, employment generation and exports. For the promotion of the welfare state, it has become highly essential and to achieve self-sufficiency not only in matters of food but also in other aspects.⁸ In a developing

⁷ Baharul Islam Laskar, *Op. Cit.*, 2010, p.37

⁸ Rabi N. Misra, Sudhansu Sekhar Nayak, *Industrial sickness in Small Scale Sector*, New Delhi: Discovery Publishing House Pvt. Ltd., 2008, p.1

country like India, unemployment is a major problem due to the rapid growth of population. For solution of this problem, promotion of industries is very important.

Industrialisation is the process of social and economic change that transforms a human group from agrarian society into an industrial one. Industrialisation is the process of manufacturing consumer goods and capital goods and of building infrastructure in order to provide goods and services to both individuals and businesses. As such Industrialisation plays a major role in the economic development of the country.⁹

In India, industries can be mainly classified into three types – Large Scale Industries (LSI), Medium Scale Industries (MSI) and Small Scale Industries (SSI).

Promotion of investment, liberalization of policies and regulations, simplification of procedures are very important for promotion of small scale sector. To safeguard the Small Scale industries from large scale industries, some measures like concessions, subsidised finance, marketing support, machinery on hire purchase basis, reservation of certain items for exclusive production, consultancy services etc. have been taken by the Government. Different Industrial Policies including Industrial Policy Resolution of 1948, Industrial Policy Resolution of 1956, Industrial Policy Statement of 1977, Industrial Policy Statement of 1980, Industrial Policy Statement of 1990, Industrial Policy Statement of 1991, Comprehensive Policy Package for Small Scale Industries and Tiny sector of 2000, Policy Package for Promotion of Micro and Small Enterprises of 2007 etc. are formulated from time to time for the administration of industries which covers all those procedures, principles, policies, rules and regulations, which control the industrial undertakings of a country and shape pattern

⁹ <http://wikipedia.org/wiki/industrialisation> (as on 22/11/2014)

of industrialisation. These Industrial Policies gives priority to the small scale industries laid many incentives for the promotion of small scale industries. As a result, the District Industries Centre was launched throughout the country with the purpose of providing all the necessary services at the centre.

Since Mizoram is a hilly area, setting up of Large Scale Industries (LSIs) became a problem. So, Small Scale Industry is vogue for the state of Mizoram. Accordingly, for the first time in Mizoram, District Industries Centre was setup in the year of 1979. Presently, there are five DICs in Mizoram in the state namely Aizawl District, Lunglei District, Kolasib District, Saiha District and Champhai District. Implementation of programmes and schemes of the centrally sponsored and state sponsored government schemes are the main responsibility of the District Industries Centres. Small scale industries have been promoted through finance, machinery, training, subsidy, motivation and encouragement etc. Monitoring, strengthening and evaluation of Small Scale Industries are also the responsibilities of the DICs.

Review of Literature

A thorough review of literatures forms an important part of research and which helps in the success of the research. Some of the books which are important for the studies are reviewed as follows:

K.K. Upadhyaya (1980), in his book *Financing of Industrial Growth in A Developing Region* aims to examine the problems connected with financing of industrial growth in the typically underdeveloped area of Uttar Pradesh in the period of 1951-61 including the amount and structure of capital employed by different industries, their future capital requirements, the cost of financing, the relative

contribution of agencies and institutions. The study is limited to private and cooperative sectors. This is a pioneering study of methods of financing industrialization of a developing region in a period when the institutional set up for the purpose was just being laid up. It poses the question whether the channeling of saving has been a problem aside from that of generation of savings and the answer is in negative except for the small industry sector. It has been concluded that the region has a developed capital market for the large and medium units and all that is required is to make suitable arrangement for making adequate finance available for small units. It presents the results of author's analysis of the financial reports of a sample of larger units, a sample survey of handlooms and some case-studies.

Vasant Desai (1983), in his book *Problems and Prospects of Small Scale Industries in India* discussed about the problems of Small Scale Industries in India faced from selection of a production to marketing of goods and resolution of returns. It also analyses the problem of Small Scale Industries including shortages of raw materials, inadequate technical knowledge and lacks of technical counsel, inadequate infrastructure, inadequate capital and credit, inadequate distribution system, inadequate management training and planning, lack of facilities for market analysis and lack of scientific management etc. It stated that they are also weak in shop layout and in marketing their goods beyond their localities, particularly in international markets. The study raised two important problems of adequacy of technology and management of small scale industries in the future. The book also stated the unique role of industrial estate and District Industries Centre in furthering rapid growth of small scale sector. It also highlights the contribution and important role of the small scale industries as well as the important role in development of rural and backward areas.

N.A Khan (1990), in his book of *Sickness in Industrial Units* stated about the industrial sickness that the industrial sickness is not only damaging the Indian industry, but also affecting the industrial atmosphere of the world. This book says that the industrial sickness restricted the economic growth of the country. This book suggested some important points for solution of industrial sickness. It suggested that the sick unit should be nationalised or Government should take actions for revival from their sickness. This book also emphasised training, marketing assistance, financial assistance, legal provision and effective administration for solution of industrial sickness. It also stated that the importance of good manager to look after the day to day administration of industry.

Khursheed Ahmad Bhat (2000), in his book *Modern Small Scale Industries and Industrial sickness* focused mainly on Industrial sickness. It analyses the interdisciplinary character of sickness and examines the causes of sickness in multi-dimensional angles. The study stated that the sickness is a multi-factorial to industry process and differs from industry to industry, unit to unit and region to region, but there are also some factors which in general have caused sickness and identify the major factors that are crucially responsible for sickness in SSI sectors. This book also analyzed about the Small Scale Industries and its importance for economic development of the country. The study also brought out measures for prevention of sickness, forewarning system of arrest sickness at its incipient stage and the methodology for habilitation, addressing all the policy decisions regarding rehabilitation. The subject matter of this book has been divided into six chapters. First chapter presents the various conceptual issues of industrial sickness. Second chapter reviews perspectives from the review of available literature on different aspects of sickness in small scale Industries. In third chapter, research objectives, hypothesis and

the research methodologies used to test the hypothesis laid down for the study has been spelled out. The survey results regarding the factors of sickness etc. have been presented in chapter four in three sections. Chapter five examines the role of performance of different organizations operating in the environment of Modern small Scale Industries. It summarised the study and put forth the suggestive measures for combating sickness in Modern Small Scale Industries and to rejuvenate this sector of a crucial importance methodology for the rehabilitation of sick small scale units has also been elaborated in chapter six.

M.L. Narasaiah (2003), in his book *Industrialization in Backward Areas* mentioned that India is developing country and government plans emphasize industrialization for the economic development of the country. It discussed about the importance of industry. The book stated that both the Central and State Government have implemented many programmes and schemes for promotion of Small Scale Industries and the effective implementation of those programmes and policies depend deeply upon planning, execution and operation of programmes. This book focused that the benefits and significance of Small Scale Industries including lesser investment, concession, subsidies finance etc. and also stated important role of the Small Scale Industries for economic development of the country.

Syed Vazith Husain (2003), in his book *Small Scale Industries in the New Millennium* discussed about the role of industry for economic development of any country. The book strongly focused on the Small Scale Industries including its importance, contribution, role, organizational structure etc. It stated about the Government policies on promotional and protective policies for small scale industries from large scale industries like concessions, subsidy of finance, marketing support, machinery on hire purchase basis, consultancy services etc. The book stated the

importance of WTO regulations and removal of Quantitative Restriction which will mitigate the problems of Small Scale Industries. The book is divided into eight chapters. The first chapter is devoted for the growth and performance of Small Scale Sector in India. A brief analysis of various industrial policies and Small Scale Industries under Five Year Plan is given in chapter two. Chapter three deals with the organisational structure of Small Scale Industries Development Organisation (SSIDO). State government Policies and support structure are discussed in chapter four. The institutional credit framework is discussed in fifth chapter. The six chapters devoted for Industrial sickness and problems of small scale industries. The impact of World Trade Organization on small scale industries are given in chapter seven. The last chapter deals with case studies of leadership styles and Development of Small Scale Industries. This book is useful for students, research scholar, Planner, Industrialists etc.

M.L. Narasaiah (2004), in his book *Employment Generation in Industrial Sector* introduced that unemployment is the burning problem faced by India and which has assumed serious dimension. It pointed out the increasing rate of the unemployment and which is because of increasing population. He discussed that the needs and significance of industrialization in general and it focused on the role and contribution of the Small Scale Industries for economic development of the country. It also analyze the growth of Small Scale Industries is important for generation of employment. It also pointed out the socio-economic conditions of the sampled entrepreneurs.

Gajendra singh (2006), in his book *Marketing Strategies of Small and Medium Scale Industry* discussed about the importance of small and medium scale industries as well as the role played for economic growth of the country. The book emphasized

that Small and Medium Scale Sector (SMSS) has contributed to the overall growth to the GDP as well as in terms of employment generation and export. It also stated different problems faced by small and medium scale industry including lack of demand of small and medium scale industrial product, lack of fund needed for market augmentation, competition with large scale industries etc. This book highlights the emerging issues of marketing strategies of small and medium scale industries. This book containing industrialization in India, significance of marketing function in Small and Medium Scale Industry, growth and performance of small and medium scale industries, survey of Marketing strategies in product , pricing , promotional, distribution. It also highlights Institutional framework for promotion of products of Small and Medium Scale Industry, policy perspective of the government and others. In the section of conclusion and suggestion in this book, some of the various important suggestions are created that the State Government should setup State Marketing Corporation (SMC) for marketing the products manufactured in the Small Sector. It also suggested that a marketing consortium may be constituted either as a company or as a registered society under the sponsored and supported of the state government. The suggestions in this book give very important role to the State government for the success of Small Scale Industries. This book would be helpful to entrepreneurs, business manager, students and researchers.

Neetu Bala (2007), in her book *Economic Reforms and Growth of Small Scale Industries* introducing nature and concentrate on the importance of industrialization in general and Small Scale Industries in particulars in the development process of developing countries like India. This book defined Small Scale Industries in detail. This book also defined the state policies and programmes since independence to promote and protect Small Scale Industries. The book discussed about the detail

Institutions and Organisations responsible for promotion of Small Scale Industries in India. It concentrates on the critical evaluation of development strategies for promoting Small Scale Industries in India. It pointed out that the growth of Small Scale sector has been regarded as one of the most significant features of the planned economic development. It stated the impact of economic reforms on growth and productivity of Small Scale Industries. It discussed that the government provide many incentives like subsidy, concessional finance, techno-economic support for modernization etc. to promote and motive the small scale Industries including poor management, absence of coordination with other development programmes, hurdles in getting financial support from various agencies etc. It aims to analyse the relative efficiency of the Small Scale Sector using time service data for the period of 1973-74 to 1996-1997. It delineates some pertinent challenges emerged in the post-liberalization business environment in India. The process of liberalization and globalization of Indian economy and emergence to World Trade Organization (WTO) regime has thrown some daunting challenges.

K.C Kabra (2008), in his book *Economic Growth of Mizoram – Role of Business and Industry* mainly focused on the role of business and industry in the economic growth of the state of Mizoram. The book acknowledged the status of Mizoram in different conditions. The book stated the importance and role of business and industry for economic growth of Mizoram. The book also analyses the role of government in the promotion and regulation of business and industry. It also emphasised the role played by financial institutions and Public Sector Undertakings (PSU) in the development of industry in Mizoram. The different policies are also highlighted in this book. The problems faced by industries of Mizoram are also stated in this book. This book is very useful for students, teacher, research scholar etc.

Vijay Nagesh Gumma (2009), in his book *The Impact of Globalization on Small-Scale Industries* started with the study of Rajgad District from different corner including historical background, population, literacy level, its geographical status, infrastructure, growth of tourism and mainly focused (in the introductory part) on the status of industry and industrial growth of the Rajgad District. The book stated about the concepts and definitions of Small Scale Industries and its sickness, Industrial Estate, Globalization, Liberalization, and Privatization (LPG). It discussed about the importance of SSI that it is expected to play an important/ crucial role in the economic upliftment of the country. The book pointed out the industrial policy created by Government of India and the importance of policies and programmes in different points including reflecting the direction and pattern of Small Scale Industries, helps in achieving the economic, social and political objectives of development of the country and the policy environment could accelerate the growth of Small Scale Industries. The book stated the impact of Globalization and Liberalization on Small Scale Industries that the SSIs are facing global competition from giants in the world trade and the very existence of this sector is now in danger. So that, the book pointed out some important points for protection of SSI including Government should make special provision in its budget, the Legislation system should be made simple and easily operative to enable the small entrepreneurs to work without hurdles, training should be given to the small entrepreneurs to face the global challenges and good monitoring and evaluation should be given by Government in effective manner. This book is very useful for administrator, teacher, research scholar, students and others.

Arun Maira (2014) in his article 'Jobs, Growth and Industrial Policy' in *Economic & Political Weekly* discussed that employment, jobs and good livelihoods are the principal means for ensuring the inclusion of people in the economic growth of

the country. The article stated that India's policy makers must stay focused very clear headedly on the creation of more opportunities for employment and livelihood. He emphasised that opportunities for employment and livelihoods must arise from the formation and growth of more enterprises, especially in the Micro, Small and Medium sector. He also analysed that the process of consultation between policymakers and producers must be improved with more systematic analyses and less ideology based arguments. This article discussed that multi-stakeholders dialogues must be strengthened to convert contentions into collaboration and confusion into coordination so that agreements can be reached and implementation of policies and projects expedited. This article is very useful and important.

Statement of the Problem

Mizoram is not a developed state and depends mainly on the Central Government's financial support. The condition of the economic in Mizoram is very low. There are many reasons for low economic status, among those; low growth rate of industrialization is one of the most important reasons. In Mizoram, District Industries Centre, Aizawl was set up in 1979 to promote Small Scale Industries (SSIs) for economic growth and development of the region. It aims to generate employment, uplift the backward people through small scale industries; it aims to increase industrial production. For these purposes, many programmes and schemes are implemented. Many other assistance and subsidies are also given for promotion of small scale industries. District Industries Centre also organised many training and guidance for promotion of small scale industries.

Even after three decades of the establishment of District Industries Centre in Mizoram, the small scale industries sector has a long way to go in terms of contributing towards economic development of the State. As various steps and schemes were implemented for industrial improvement due to which some progressions and improvements were made. At the same time, landmark achievement in the promotion of small scale industries is still un-heard of. The pace of development in this sector is slow and seems to be lagging far behind other States of the country in terms of socio-economic development, infrastructure, machinery, technology, skills and knowledge, public awareness etc. The District Industries Centre established for the promotion of this sector seems to have significant bearing for the present status of small scale industries in Mizoram.

It is at the backdrop of this fact that the present research proposal is taken.

Objectives of the Study

The main objectives of the proposed study are as follows:

- To study the concepts, importance and roles of Small Scale Industries in promoting economic growth and development
- To study the origin, organizational structure and functions of District Industries Centre, Aizawl
- To study the schemes and programmes of the District Industries Centre for promotion of Small Scale Industries and
- To study problems faced by District Industries Centre, Aizawl and Small Scale Industries within the Industrial Areas and to find out suitable solution in the process of development of Small Scale Industries.

Scope of the Study

The study starts with the concept of industrialisation. This includes the meaning, categorisation, importance, role, etc. The conceptual study of small scale industries also stated in this chapter. The study focuses mainly on the functions and workings of District Industries Centre, Aizawl for promotion of Small Scale Industries in the Industrial Area of Aizawl. The origin and organisational setup and the problems faced by District Industries Centre, Aizawl has been studied. The programmes and schemes implemented as well as their impact in the promotion and development of small scale industries in Mizoram has also been studied. The status of small scale industries in the Industrial Area of Aizawl has been highlighted. The study also covered the Industrial Policy for promotion of small scale industries. It also highlights the trusted industrial areas of Mizoram. In Mizoram, District Industries Centre was set up in 1979 for promotion of Small Scale Industries in different districts and the study focuses on the District of Aizawl.

Research Questions

The following research questions have been formulated for the present study.

- 1) Are the workings and functioning of District Industries Centre, Aizawl effective to promote and accelerate the Small Scale Industries?
- 2) What are the problems and challenges faced by District Industries Centre, Aizawl and Small Scale Industries in the Industrial area?
- 3) What are the suggested remedial measures of the problems faced by District Industries Centre, Aizawl and Small Scale Industries in Aizawl District?

Research Methodology

Primary and secondary methods of data collection have been used for the present study.

The study is based on primary data collected from the General Manager (SPIO) and functionaries of the District Industries Centre, Aizawl and from the Small Scale Industries (from Industrial Area) through structured interview as well as field observation.

The Secondary have been collected from the relevant book, journals, newspapers, handbook and printed records of District Industries Centre. The relevant documents of the Small Scale Industries and Industrial Area Welfare Committee have been used for collection of data. The official website and related websites have also been used for the present study.

Chapterisation

The present study is divided into five chapters to highlight the study as follows:

CHAPTER I – INTRODUCTION

The first chapter starts with the profile of Mizoram including its location, boundary, climate, history, literacy rate, religion etc. The study also highlights about Mizo by indicating their administration, occupation etc. It also highlights the conceptual studies of industrialisation and Small Scale Industry (SSI). It also highlights about the District Industries Centre (DIC) in Aizawl, Mizoram. The introductory chapter also consists of Review of literature, Statement of the problems,

Objectives of the study, Research Questions, Chapterisation and Methodology used for the study.

CHAPTER II - SMALL SCALE INDUSTRIES: A CONCEPTUAL STUDY

This chapter is named as a conceptual study of Small Scale Industries (SSIs). This chapter started with the meaning, categorisation, importance and growth of Industrialisation. This chapter discussed the meaning and growth of Small Scale Industries. This chapter also stated about the roles and importance of Small Scale Industries for economic growth and development of the country. This chapter also highlights about the Small Scale Industries in the Industrial Area (IA) of Aizawl, Mizoram.

CHAPTER III - ORGANISATIONAL STRUCTURE AND FUNCTIONS OF DISTRICT INDUSTRIES CENTRE, AIZAWL

This chapter studies about the industrial administration in Mizoram including the origin, organizational structure, growth and functions. This chapter focused on the origin, organizational structure and workings /functions of District Industries Centre, Aizawl for promotion of Small Scale Industries in Mizoram. This chapter also stated about the subsidy given by the DIC. It also highlights about the trusted area of industry.

CHAPTER IV - PROGRAMMES AND SCHEMES OF DISTRICT INDUSTRIES CENTRE, AIZAWL

This chapter is dealing with the programmes and schemes of the DIC including PMEGP, NLUP and SME. This chapter consists of assessment of effectiveness of the Programmes and Schemes imparted and implemented by District

Industries Centre (DIC), Aizawl. For the assessment, the structured interview was conducted among the Small Scale Industries (SSIs) from the Industrial Areas of Industrial Estate, Industrial Growth Centre and Bamboo Technology Park.

CHAPTER V - CONCLUSION

The final chapter is divided into two parts. The first part consists of the summary of the study. It highlights all the previous chapters including the concept of Industry, Small Scale Industry, District Industries Centre. The different actions taken by DIC (including programmes/schemes implemented) and some problems faced are also highlighted in this part. The second part deals with the findings and suggestions of the study and some important measures dealing with the solution of the problems faced by District Industries Centre (DIC) and Small Scale Industries (SSIs).

CHAPTER – II

SMALL SCALE INDUSTRIES: A CONCEPTUAL STUDY

The previous chapter introduced about the profile of Mizoram including its location, climate, occupation etc. The origin, administration and status of Mizo have also indicated. It highlights about the concepts of industrialisation and small scale industries. It has introduced District Industries Centre by highlighting its status importance and significance. The introductory chapter also consists of Review of literature, Statement of the problems, Objectives of the study, Research Questions, Chapterisation and Methodology used for the study. This chapter will briefly discussed about the concept, importance, categorisation etc. of industry and mainly focused on the small scale industries in different manners including its concept, categorisation, importance, role, industrial policies for small scale industries, status of small scale industries in Aizawl by studying industrial areas etc.

Concept of Industry

Industrial development is very important for the economic administration and development of the country, especially in the developing countries like India. The economic condition of the country is deeply depending upon the industry.

Industry is very wide and vast which collectively covers labour, work, machinery etc. for making a product in different manners. Industry refers to systematic work or labour, continual employment in some useful work with steady efforts. It is a group of business that produces a similar service. Industry may be taken

to mean the quality of being hard working, being always employed usefully.¹ An industry is a group of manufacturers or business that produces a particular kind of goods or services.² There may be a variety of industries, some industries change raw material into useful products and we called it manufactured industries. For example, the steel industry turns iron ore to steel. Textile industry design, fabricate and produce cloths. Other industries provide services in different manner for satisfaction of the customer needs. In this sense, industry provides cloths, food, shelter, important service and other needs. Industry helps making live easier, healthier, happier by providing important products and services.

Industrialisation is the period of social and economic change that transforms a human group from agrarian society into an industrial one.³ Industrialisation is the process of manufacturing consumer goods and capital goods and of building infrastructure in order to provide goods and services to both individuals and businesses. The UN Committee (1963) for Industrial Development recognised the Industrialisation as a process of economic development in which a growing part of the national resource is mobilised to develop a technically up-to-date, diversified domestic economic structure characterized by a dynamic manufacturing sector having and producing means of production of consumer goods and capable of assuring a high rate of growth for the economy as a whole and for achieving economic and social progress.⁴

¹ K.C Kabra, *Economic Growth of Mizoram – Role of Business and Industry*, New Delhi: Concept Publishing Company, 2008, p.86

² <http://www.vocabulary.com/dictionary/industry> (as on 24/11/2014)

³ <http://en.m.wikipedia.org/wiki/industrialisation> (as on 22/11/2014)

⁴ Neetu Bala, *Economic Reforms and Growth of Small Scale Industries*, New Delhi: Deep & Deep Publications Pvt. Ltd., 2007, p.1

Industrialisation plays very important role in the overall development of a region and economic development in particular. In the industrialisation process, emphasis is given to the three major groups of industries; large-scale industries, medium- scale industries and small-scale industries. The development of small scale industrial sector is considered as a power instrument to achieve the twin objectives of accelerated industrial growth and creating productive employment opportunities in an economy. This sector is considered to be an engine of growth, especially in a developing country like India – due to their contribution to income generation, employment, GDP, export earnings etc. It plays a prominent role in overall economic development of the country and contributes significantly to India's export earnings besides meeting the social objectives- including that of creating employment opportunities to millions of people across the country.

Categorisation of Industry

In India, industry can be classified mainly into three categories including Large Scale Industries, Medium Scale Industries and Small Scale Industries. They are playing very important role for the growth and development of the country. The following are the categorisation of industries in brief as under:

Large scale industries refers to those industries which require huge infrastructure, man power and a have influx of capital assets. The term 'large scale industries' is a generic one including various types of industries in its purview. All the heavy industries of India like the Iron and steel industry, textile industry, automobile manufacturing industry fall under the large scale industrial arena. However in recent years due to the IT boom and the huge amount of revenue generated by it the IT

industry can also be included within the jurisdiction of the large scale industrial sector. Last but not the least the telecoms industry also forms an indispensable component of the large scale industrial sector of India. Indian economy is heavily dependent on these large industries for its economic growth, generation of foreign currency and for providing job opportunities to millions of Indians.

Medium Scale Industries are the industries which employ neither very large nor very small number of labourers, it required smaller infrastructure and machinery rather than Large Scale Industries but larger than Small Scale Industries. In the Medium Scale Industries, the infrastructure and machinery involved are smaller than Large Scale Industries, but larger than Small Scale Industries. Cycle industry, radio and television industries are some examples of Medium Scale Industries.⁵

Small Scale Industries covers a wide range of activities and its definition changed from time to time. The Small Scale Industries are those industries whose capital is supplied by the proprietor or through means like partnership or from financing agencies setup for this purpose etc. Those industries generally use power driven machine and also employ modern methods of production, engage labour on wage, produce for expanded market. Their work pattern is on permanent basis. Such industries can be managed with little resources and in terms of return provide much better results.⁶

⁵ <http://www.yourarticlelibrary.com/industries/industries-classification-of-industries-in-india/> (as on 02/10/2014)

⁶ K.K. Funda, *How to start a Small Scale Industry*, Laghu Udyog Samachar, April – September, 2003, p.78

At present in India besides every industry, there are three categories of industries according to the Government of India as follows:

- Micro Enterprise
- Small Enterprise
- Medium Enterprise

All these three categories together contribute about 8% of India's national income; about 35% of the manufacturing output and about 40% of total exports from India to other countries.

Role of Industrialisation in India

Rapid economic development has become the foremost concern of the developing countries including India after attaining political freedom. In the programmes of planned economic development, industrialisation occupies a pivotal position.⁷ As we discussed in before, Industrialisation is the process of manufacturing consumer goods and capital goods and of building infrastructure in order to provide goods and services to both individuals and businesses. Industrialisation plays very important role in the economic administration and development of underdeveloped countries like India. Many people are engaged in industries and used many resources for its succession. Some of the important roles of industries are as under:

Growth of Income

In the developing countries like India, the first important role is that industrial growth provides a secure basis for a rapid growth of income. With the results of the

⁷M.L. Narasaiah, *Employment Generation in Industrial Sector*, New Delhi: Discovery Publishing House, 2004, p.9

implementation of different industrial development programmes, the improvement of economic condition is taken place through improving the growth rate of income.

Generation of Employment

Developing country like India is characterized by surplus labour and rapidly growing population. Industry is one of the most important solutions for unemployment problem of the country. Industry generates many employment opportunity for skilled labour and unskilled labour, which helps the economic growth of the country. To absorb all the surplus labour it is essential to industrialise the country rapidly. It is the establishment of industries alone that can generate employment opportunities on an accelerated rate.

Changing the Structure of the Economy

In order to develop the economy, developing country needs structural change through industrialisation. History shows that in the process of becoming developed economy the share of the industrial sector should rise and that of the agricultural sector decline. This is only possible through deliberate industrialisation. As a result, the benefits of industrialisation will ‘trickle down’ to the other sectors of the economy in the form of the development of agricultural and service sectors leading to the rise in employment, output and income.⁸

High level of investment

The growth and improvement of industry is the results of the improvement of the level of investment. The level of investment is improving through different actions taken for the promotion of industry including financial assistance, subsidies,

⁸ <http://www.trcollege.net/study-material/24-ec...> (as on 11/10/2014)

programmes, schemes, infrastructure development etc. This investment also leads the growth of industries.

Technological Progression

Research and Development is associated with the process of industrialisation. The development of industries producing capital goods i.e., machines, equipment etc., enables a country to produce a variety of goods in large quantities and at low costs, make for technological progress and change in the outlook of the people. This results in bringing about an industrial civilization or environment for rapid progress which is necessary for any healthy economy.

Growth of International Trade

Through industrial growth and improvement, the growth of international trade is rapidly increasing in different manner. Liberalisation of unnecessary restriction to the industry leads the growth of industries and helps in the market of the products.

Meaning of Small Scale Industry

The development of modern small scale industry has been one of the most important and significant features of industrial development in Indian economy. The first official definition of small scale industry was formulated in the year of 1950 in terms of the size of gross investment in fixed assets, like plant and machinery, land and building etc. not exceeding to Rs 5 lakh as well as the strength of labour force

(employment) less than 50 workers per day with use of power or less than 100 workers per day without use of power.⁹

Subsequently, on the recommendation of the Federation of Association of Small Industries of India (FASII), an apex level organization of small scale industry, only investment in fixed assets in plant and machinery, whether held in ownership terms or by lease or by hire-purchase, instead of fixing the limit on overall investment, was considered for granting the status of a small scale unit. From time to time, there have been many changes in the ceiling limit of investment in plant and machinery. In the beginning, for a small scale industry the investment level was Rs 5 lakh and employment limit of less than 50 persons when using power and less than 100 persons without using power.¹⁰

K. T. Shah, the then General Secretary of National Planning Commission (NPC) defined small scale industries as, “A small scale or cottage industry may be defined to be an enterprise or series of operations carried on by a workman skilled in the craft on may be defined to be an enterprise or series of operations carried on by a workman skilled in the craft on his own home, provides his own labour and that of his family assist to him. The operation is almost manual based on personal skill with little aid from power driven machinery and in accordance with traditional techniques.”

In short, a small scale industry is a unit engaged in manufacturing, servicing, repairing, processing and preservation of goods having investment in plant and machinery, the limit of investment cost have been reviewed from time to time. The definition of small scale industry has also been changing from time to time.

⁹ Sushil Kumar Singh, *Small Scale Industries in India*, New Delhi: Shree Publishers & Distributors, 2010, p.6

¹⁰ Sushil Kumar Singh, *ibid*, 2010, p.28

Categorisation of Small Scale Industries

Small Scale Industries can be classified in different categories, some of the important categorisation of small scale industries are as follows:

In 1972, the Government of India constituted a Committee for drafting legislation for small scale industries, which suggested that the small-scale industries might be classified into the following three categories.¹¹ The investment limit has been reviewed from time to time.

- (i) Tiny Industry:** Tiny units are those in which the investments in fixed assets are less than Rs 1 lakh or Rs 4000/- per worker and the annual turnover does not exceed Rs 5 lakh.
- (ii) Small Industry:** Small industry is one in which capital investment in fixed assets does not exceed Rs 7.5 lakh irrespective of the number of person employed.
- (iii) Ancillary Industry:** An ancillary unit is the one rendering services and supplying or proposing to rendering services and supplying or proposing to render 50 percent of its production or total services, as the case may be, to other units for production of other articles. Moreover, such a unit should not be owned or controlled by any undertaking. The limit for investment in fixed assets of such an industry is fixed at Rs 10 lakh.

¹¹ Bahdur Islam Laskar, *Industrialisation in Mizoram*, Kolkata: New Central Book Agency (P) Ltd., 2010, p.44

In accordance with the provision of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006, the Small Scale Industries can be classified into two categories:

- (i) Manufacturing Enterprises:** The enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951. The manufacturing enterprises are defined in terms of investment in plant and machinery.
- (ii) Service Sector:** The enterprises engaged in producing or rendering of services and are defined in terms of investment in plant and machinery.¹²

Importance and Significance of Small Scale Industries

The Small Scale Industries and Cottage Industries are very important in the developing country like India for economic development of the country. Small and Cottage industries are also very useful in Japan, USA, Sweden and various other countries in the world.

In developing country like India, over-population is one of the main problems that retards the economic growth and development of the country. It causes high rate of consumption, unemployment problem etc. For these purposes, development of small scale industries is very important especially for the upliftment of the rural economy of the region. The government at the centre created announcement on the importance of this sector of industry in its programmes and policies, for making employment and use of man power in rural and urban areas.

¹² Bahdur Islam Laskar, *ibid*, 2010, p.44

The Small Scale Industries sectors cover a wide variety of industrial activities and those are very important for the economic growth and development of the country.

Under employment, unemployment and poverty are the usual features of the developing economies. A large part of labour force in the agricultural sector is unemployed but in disguise. The problem of unemployment is further accentuated by the increasing pressure of population in the developing countries. In such cases, the development of small scale sector has been important in India because of the following reason:

The Small Scale Industries has been assigned a significant role in the industrialisation and economic development of the country. In a developing country like India, the Small Scale Industrial sector has emerged as a vibrant and dynamic sector of the Indian economy since independence in context of employment generation, equitable distribution of national income, better utilization of local resources, increasing industrial production etc. Especially in employment generation, some parts of the country are unable to setup Large Scale Industries due to geographical problem and others. Small Scale Industries are important way to generate employments in these parts of the country. It also plays an important role in removing regional disparities. The industrial development in a backward area can be achieved by the rapid growth, promotion and development of Small Scale Industries. Beyond economic aspects, the social roles of Small Scale Industries units are quite significant in achieving various social goals including attainment of self-reliance, development of skill, imparting work ethics among the youth etc.

The small scale industries are recognised as an engine of growth all over the world. In Indian economy, small scale industries play important role in terms of employment generation, value of output, exports, GDP etc. The small scale industries are the second largest employer of human resources after agriculture.¹³ Government of India has underlined sustained economic growth in a manner that generates employment. The Government has also described the small scale industries as the most employment intensive segment.

Different problems including huge amount of population, growing unemployment, regional imbalances, rural under-development, paucity of sufficient capital resources, infrastructural bottlenecks, etc. of Indian economy places more importance on small scale industries. The character of small enterprises dovetail well with wide a social link between different classes of society, ensure more suitable distribution of wealth, mobilise rural savings, create more employment opportunities at less capital investment, do not caused environmental problems etc. .

To develop the small scale sector, the Government of India ever since independence has consistency proclaimed its resolve to support small scale industries as is evident from the different policies framed from time to time and different incentives packages announced for this sector. Major flip to this sector came through the Industrial policy of 1956 and 1977. This sector of industrial economy has received much attention during the Janata Government when a comprehensive set of incentives was offered and centrally sponsored scheme known as ‘District Industries Centre (DIC’s) Scheme’ was launched throughout the country with the purpose to provide all the necessary services at the centre under single roof. Also an extensive institutional

¹³ Report of the Working Group on Micro and Small Scale Enterprises and Agro and Rural Industries for Eleventh Five Year Plan (2007-2012), Ministry of SSI & ARI, Government of India, New Delhi, p.1

network has been created to provide marketing and raw-material support, technical services etc. Government had also pursued a policy of protecting SSI from large Industries. Moreover, purchase preference, subsidized loans, tax relief, etc. were made available to them. In order to equip the small scale units with modern technologies, the investment limit in this sector is being continuously revised from time to time.

Looking over the past years, the Government had taken a number of measures under different policies to achieve all-round industrial development in the country. More plan allocations were made and numbers of promotional agencies were created, licensing policy, liberalisation, package of incentives and concession offered, fiscal measures taken from time to time. The Government of India takes many steps for industrial development of the country. To safeguard the Small Scale industries from large scale industries, some measures like concessions, subsidised finance, marketing support, machinery on hire purchase basis, reservation of certain items for exclusive production, consultancy services etc. have been taken by the Government.

Some of the important significances of small scale industries are:

Lesser Capital Investment

Small scale industry requires lesser capital investment as compared with medium scale industry and large scale industry. So, small scale industry has ample scope for development even in capital scarce economies like India.

Generation of employment

In most of the small scale industries, the human resources are useful and necessary for the fulfillment of the task and for its succession. Due to this purpose, one small scale industry generates employment opportunities for some people and

many small scale industries can generate employment for many people and which is very important for economic growth and development of the country. In a developing country like India, due to rapid growth of population, unemployment problem is one of main problem of the country. So that, Government of India promotes and strengthening small scale industries for employment generation and economic development of the country.

Lesser infrastructure

Large scale industry needs a huge and large amount of facilities and infrastructures including land, machinery, power etc. for its functioning. Large scale industry cannot be setup in many regions of the country including Mizoram. At the time of this, the small scale industry needs lesser infrastructure including land, machinery, power etc. for fulfillment of its functioning. So that, small scale industry can be setup in most of the region of the country and which plays important role for the growth and development of industry and economy.

Rural industrial development

Many people are searching job from rural areas to urban areas and which leads many problems in different manners. The development of small scale industries in rural areas may create job in such areas where unemployment and underemployment are high and thus, reducing the exodus workers from rural to urban areas in search of jobs.

Reduction of economic backwardness

Small scale industry is very important for reduction of backwardness of rural areas and urban areas. SSI provides many jobs for the people and which uplift the livelihood of the people and is very important for economic growth of the region.

Improving the quality of industrial product

With improving the number of small scale industries, there is a competition among the industrial units and which makes the improvement of the quality of industrial products.

Not required highly sophisticated technology

A small scale unit does not require highly sophisticated technology. It can be useful in backward areas where the people have yet to be trained to meet the challenge of sophisticated technology.

Industrial Policies for Small Scale Industries

After independence, the foremost task for the Government was to achieve rapid industrialisation of the country within the overall framework of a welfare state. It is known fact that small scale industry is the second pillar of Indian economy after agriculture as far as creation of employment is concerned. The support of small scale industries is very important and for this purpose, the Industrial Policy is very important. In the post liberalisation era, there have been suitable policy changes depending upon the changing economic scenario. Policy changes were also necessitated for provision of product specific incentives and concessions to small

enterprises for product standardization, technology up-gradation, modernisation etc.¹⁴ The concept of Industrial Policy is comprehensive that covers all those procedures, principles, policies, rules and regulations, which control the industrial undertakings of a country and shape pattern of industrialisation. It incorporates fiscal and monetary policies, the tariff policy, labour policy and Government attitude not only towards external assistance but the public and private sectors also.¹⁵ The Industrial Policies are very important for the administration of the industries and their betterment.

The industrial policy generally aimed at –

- Maintaining a sustained growth in productivity. Enhancing gainful employment opportunities.
- Achieving optimal utilization of human resources.
- Insuring rational utilization of human resources and flow of resources to the areas of national priorities.
- Attaining international competitiveness and protecting the domestic industries from foreign competition.
- Reducing the regional imbalance and preventing economic concentration and monopoly power.
- Accelerating economic development by rapid industrialisation and transformation of India into a major partner and player in the global arena.
- Protection and encouragement of small scale industries in the public sector.
- Development and expansion of basic industries in the public sector.
- Attracting foreign capital and entrepreneurship.

¹⁴ SIDI's Half Century (1954-2004), Ministry of MSME, Government of India: New Delhi, pp 44-45

¹⁵ Datt, Ruddar & K.P.M. Sundaram, *Indian Economy (Fiftieth Revised Edition)*, New Delhi: S.Chand and Company Limited, 2004, p. 176

- Controlling the development and expansion of private sector, keeping in view the plan objectives.¹⁶

Some of the important Industrial Policies announced from time to time are as under:

Industrial Policy Resolution 1948

In the Industrial Policy Resolution of 1948, the cottage and small scale industries are given a very important role in the national economy offering wide scope for individual, village or co-operative enterprises, and the means for the rehabilitation of displaced persons. These industries are particularly suited for better utilization of local resources and for the achievement of the local self-sufficiency in respect of certain types of essential consumer goods, like food, clothing and small scale industries depends upon a number of factors, like the provision of raw materials, cheap power, technical advice, organized marketing of their produce, and where necessary, safeguard against intensive competition by large scale manufacture, as the education of the worker in the use of the best available techniques.¹⁷

Industrial Policy Resolution 1956

The Industrial Policy Resolution of 1956 focused on the role of cottage, village and small scale industries in the development of the national economy. In relation to some of the problems that need urgent solutions, they offer some distinct advantages. They provide immediate large-scale employment, offer a method of ensuring more equitable distribution of the national income and facilitate an effective mobilization of resources of capital and skill, which might otherwise remain

¹⁶ Sushil Kumar Singh, *Op. cit.*, 2010, p.58

¹⁷ Sushil Kumar Singh, *ibid*, 2010, p. 59

unutilised. Some of the problems that unplanned urbanization tends to create had been avoided by the establishment of small centres of the industrial production all over the country. The state followed the policy of supporting cottage, village and small scale industries by restricting the volume of production in the large scale sector by differential taxation or by direct subsidies.¹⁸

Industrial Policy Statement 1977

The Industrial Policy Statement of 1977 had been introduced because of the earlier policy of 1956, which had resulted in certain distortion, viz. “unemployment had increased, rural-urban disparities had widened and the rate of real investment had stagnated. The growth of industrial output had been on an average no more than 3 to 4 percent per annum. The incidence of industrial sickness had become widespread and some of the major industries had been worst affected”. The pattern of industrial costs and prices had tended to be distorted and dispersal of industrial activity away from the large urban concentration had been very slow. The main goal of the new Industrial Policy of 1977 was on effective promotion of cottage and small scale industries widely dispersed in rural areas and small towns. It had been the policy of the government that whatever could be produced by small scale and cottage industries must only be so produced. The list of industrial products which had been exclusively reserved for the small scale sector had been significantly expanded and was to include more than 500 items as compared to about 180 items earlier. However, it was also ensured that production in this sector was economic and was of acceptable quality. The list of industries reserved for the small scale sector had to be continually

¹⁸Sushil Kumar Singh, *ibid*, 2010, p.10

reviewed so that capacity creation did not lag behind the requirement of the economy.¹⁹

Industrial Policy 1980

The Industrial Policy of 1980 was based on the proposition that “Industrialisation is the sine quo non of economic progress.” The Ministry of Industry had stated “The Industrial Policy announcement of 1956, in fact, reflects the value system of our country and has shown conclusively the merit of constructive flexibility”. In terms of this resolution, the talk of raising the pillars of economic infrastructure in the country was entrusted to the public sector for reasons of its greater reliability for the very large investments required and the longer gestation periods of the development of small scale industries and to ensure their rapid growth, government had decided to increase the limit of investment in the case of (i) small scale units from Rs 10 lakh to 20 lakh, (ii) tiny units from Rs 1 lakh to Rs 2 lakh, and (iii) ancillaries from Rs 15 lakh to Rs 25 lakh.²⁰

Industrial Policy Statement 1990

In the Industrial Policy Statement of 1990, the investment ceiling in plant and machinery for small scale industries (fixed in 1985) was raised from Rs 35 lakh to Rs 60 lakh and correspondingly for ancillary units from Rs 45 lakh to Rs 75 lakh. In order to enable small scale units which undertook to export at least 30 percent of the annual productions by the third year were permitted to step up their investment in plant and machinery to Rs 75 lakh. At that time, 836 items had been reserved for exclusive manufacture in the small scale sector. Efforts were made to identify more

¹⁹Sushil Kumar Singh, *ibid*,2010, p. 11

²⁰ Sushil Kumar Singh, *ibid*,2010, p. 11

items amenable to similar reservation. Violation by large scale unit in to areas reserved for small scale sector was to be effectively dealt with for which (i) a new scheme of Central Investment Subsidy exclusively for the small scale sector in rural and backward areas capable of generating higher level of employment at lower capital cost was implemented, (ii) with a view to improving the competitiveness of the products manufactured in the small scale sector, programmes for modernization and up-gradation of technology was implemented, (iii) in order to ensure adequate and timely flow of credit to the small scale industries, a new apex bank known as SIDBI had already been established, (iv) the existing regime of fiscal concessions was reviewed both to provide sustained support to the units in the small scale sector and to remove the disincentives for their graduation and further growth, (v) efforts had been undertaken to identify locations in rural areas endowed with entrepreneurs, provide all other inputs for faster growth of small scale and tiny industries, and (vi) investment limit in respect of tiny units was increased from Rs 2 lakh to Rs 5 lakh.²¹

Industrial Policy Statement 1991

Industrial Policy Statement of 1991 announced on 6 August, 1991, dealt with the small industries. The investment limits in plant and machinery for small scale industries, ancillary units and export oriented units had been maintained at Rs 60 lakh , Rs 75 lakh and 5 lakh respectively. Such limits in respect of tiny enterprises would now be Rs 5 lakh, irrespective of location of the units. Limit in plant and machinery for determining the status of SSI/ Ancillary unit as on date was raised to 100 lakh. For tiny it was raised to Rs 25 lakh and for SSSBE Rs 5 lakh. Inadequate access to credit both short term and long term remained a perennial problem facing the small scale

²¹ Sushil Kumar Singh, *ibid*, 2010, p.12

sector and therefore, the emphasis shifted target groups and efforts were made to ensure both adequate flow of credit on a normative basis, and the quality of its delivery, for viable operations of this sector. In order to facilitate location of industries in rural/ backward areas and to promote stronger linkage between agriculture and industry, a new scheme of Integrated Infrastructural Development (IID) which includes technology back up services for the small scale industries had been implemented with the active participation of State Governments and financial institutions. A greater degree of awareness to produce goods and services conforming to National and International standards was created among the small scale sector. Industry Associations were encouraged and supported to establish quality counseling and common testing facilities. Technology Information Centres (ITC) to provide updated knowledge on technology and markets had been established.²²

Comprehensive Policy Package for Small Scale Industries and Tiny Sector 2000

It was formulated in the year of 2000, it raised the investment limit to Rs 5 crores for some specific hi-tech and export oriented industries for suitable technology up-gradation for maintaining their competitive edge. In order to encourage Total Quality Management (TQM), the scheme of granting Rs 75,000 to each unit for opting ISO-9000 Certification was to continue till the end of the 10th Plan. The Technology Bureau for Small Enterprise (TBSE) setup by SIDBI was strengthened to enable it to function effectively as a Technology Bank. Commercial Banks were being required to develop scheme to encourage investment in technology up-gradation and harmonise the same with SIDBI. One time capital grant of 50 percent was given to

²² Sushil Kumar Singh, *ibid*, 2010, p.13

Small Scale Industries Association, which would develop and operate, testing laboratories, provided these were of international standard.²³

Policy Package for Promotion of Micro and Small Enterprises 2007

It was formulated in the year of 2007 to develop and promote micro and small enterprises to struggle the competition. In line with this Policy Package, for stepping up credit to small scale enterprises, the Reserve Bank of India (RBI) issued guidelines to the public sector banks to ensure 20% year-on-year growth in credit to the small scale industries. The earlier Small Industries Cluster Development Programme (SICDP) was reviewed and renamed as Micro and Small Enterprises Cluster Development Programme (MSECDP) which was designed to accelerate holistic development of clusters, including provision of Common Facility Centres (CFC), develop sites for new enterprises, upgrade the existing industrial infrastructure and provide of Exhibition Grounds/ Halls and create and manage infrastructure-related assets in public private partnership mode.²⁴

Small Scale Industries in Aizawl, Mizoram

Mizoram a hilly areas and large scale industry cannot be setup, due to this small scale industry is very important for the industrial growth and economic development of Mizoram. Infrastructure is a pre-requisite for Industrial Development. Construction of industrial area in the form of industrial estate, park etc. in hilly terrain of the state is not an easy task. The state government so far had developed the following Industrial Areas with only basic facilities are provided

²³ Sushil Kumar Singh, *ibid*, 2010, pp-13-14

²⁴ Sushil Kumar Singh, *ibid*, 2010, pp – 83-87

- Industrial Estate at Zuangtui, Aizawl, Aizawl District.
- Industrial Estate at Bairabi, Kolasib District.
- Export Promotion Industrial Park at Lengte, Mamit District.
- Bamboo Technology Park at Sairang, Aizawl District.
- Integrated Industrial Development Centre at Pukpui, Lunglei District.
- Integrated Industrial Development Centre at Zote, Champhai.
- Industrial Growth Centre at Luangmual, Aizawl District.

These earmarked industrial areas are not stable and needs upgradation. Government of Mizoram planning to make improvement in the basic amenities like proper fencing, approach road, internal road, and land development especially leveling of site, water and power supplies are to be improved. The Govt. is planning to take primary role for building infrastructure as the capital base of entrepreneurs in the state. However, guidelines and roadmap for development of Industrial Infrastructure will be formulated to encourage more participation of private sector. The following approach will be adopted for infrastructure development.

- Land for Industrial Area will be identified in different locations taking into account the industrial potential of the hinterland.
- Land survey and blue print of the Area will be prepared and properly demarcated.
- It will be the responsibility of the Govt. and or the PSUs to provide basic infrastructure requirement like road, power supply, water supply, plot demarcation, etc.
- Private entrepreneurs will be encouraged in plot development and construction of work shed/ factory building in PPP model.

- A comprehensive proposal for availing possible grant from the Govt. of India will be initiated.
- More involvement of PSU for Construction and management of Industrial Area will be encouraged.

In Aizawl District, there are three (3) Industrial Areas for promotion of small scale industries within the district. In the Industrial Areas, the industrial units are using industrial plot for setting up of industry. Different incentives are enjoyed by the industrial unit within the Industrial Areas. Different subsidies including Subsidy on Cost of Project, Land Subsidy, Factory Rent Subsidy, Manpower Development Subsidy, Interest Subsidy, Power Subsidy, Subsidy on Power Line, Subsidy on Power Generating Set, State Transport Subsidy on Plant & Machinery are offered for the industries. The three Industrial Areas are as under:

Industrial Estate, Zuangtui

Industrial Estate, Zuangtui is the oldest Industrial Area in Aizawl District and was setup for promotion of small scale industries in Aizawl. In this area, different industrial units are settled and they are having variety of products and services.

The Industrial Estate Welfare Committee was set up for the welfare of industrial unit. They are having good administration and all the industrial units are registered in the Industrial Estate Welfare Association.

Industrial Growth Centre, Luangmual

Industrial Growth Centre, Luangmual is located in the village of Sakawrtuichhun. This area is not old and there are some few industries. At the time of this, some of the industrial units are preparing to function soon.

Bamboo Technology Park, Sairang

Bamboo Technology Park, Sairang is the Industrial Area setting up to promote bamboo industry in Aizawl District. Mizoram is rich in bamboo and it will be very important for the future generation for generation of employment and growth in industry.

In these Industrial Areas, different industries are settled and are important for the industrial growth of Mizoram, for shifting the industrial unit from the city area to the industrial area (industrial unit within the city creates many problems), for economic growth of Mizoram etc. These industries are looking after by DIC. Today, the Industrial Areas are stable and needs to endow in different manners.

CHAPTER – III

ORGANISATIONAL STRUCTURE AND FUNCTIONS OF DISTRICT INDUSTRIES CENTRE, AIZAWL

The previous chapter is a conceptual study of small scale industry. It starts with the industrialisation. The previous chapter focused on the small scale industries and briefly discussed about the meaning, categorisation, importance and significance of the small scale industries. Different policies for the small scale industries are also highlighted and the status of small scale industries in Aizawl has also been highlighted. This chapter will indicate the organisational structure and functions of DIC, Aizawl in brief.

District Industries Centres

The small sector of industrial economy has received much attention during the Janata Government when a comprehensive set of incentives was offered and centrally sponsored scheme known as ‘District Industries Centre (DIC’s) Scheme’ was launched throughout the country with the purpose to provide all the necessary services at the centre under single roof. District Industries Center (DIC) has emerged since 1978 as the model agency for development of small and village industries. It provides all the support services needed for development of SSI in the country. The DICs were established with a view to provide integrated administrative framework at the district level with professionally qualified personnel in technology, marketing, credit, economic investigation, raw materials, so that DICs would be the ‘single window’

raw materials, through which all type of assistance would be channeled to the small-scale sector. They are virtually acting as per the plans and programmes of both central as well as state government for the implementation of various promotional measures from grass root level to develop SSIs in the country. The DIC is an integrated institution at the district level which provides all type of services and facilities to the entrepreneurs. The entrepreneurs can get assistance from DIC for setting up and running an industry.¹

In Mizoram, District Industries Centres were setup in the year of 1979. There are five DICs in Mizoram in the districts of Aizawl, Lunglei, Kolasib, Saiha and Champhai. Each DIC is functioning under the supervision of General Manager. Implementation of programmes and schemes through centrally sponsored and state sponsored government schemes are the responsibility taken by the District Industries Centre for promotion of Small Scale industries through finance, machinery, training, subsidy, motivation and encouragement etc. Monitoring, Strengthening and evaluation of Small Scale Industries are also the responsibilities lies on the shoulder of DICs.

In Aizawl District, the District Industries Centre was set up in the year of 1979 for promotion of the industries throughout the district. Implementation of programmes and schemes through centrally sponsored and state sponsored are responsibility taken by the District Industries Centre. The District Industries Centre acts for the promotion of industry in the way of encouragement and advice of the small industry, assistance of the industry through finance, Machinery, Training, Subsidy etc.

¹ <http://www.publishyourarticles.net/eng/articles/what-are-the-main-functions-of-district-industries-centers-dics.html> (as on 28th November, 2014)

Organisational structure and functionaries of District Industries

Centre, Aizawl (As on 21/10/2014)

There are 58 employees in the District Industries Centre (DIC). The administration of DIC runs under the supervision of General Manager whose name is John Saikhuma who is also in charge of State Public Information Officer (SPIO). Staff positions of the DIC, Aizawl are indicated in the following table.

Table No.-1

Staff position of DIC, Aizawl

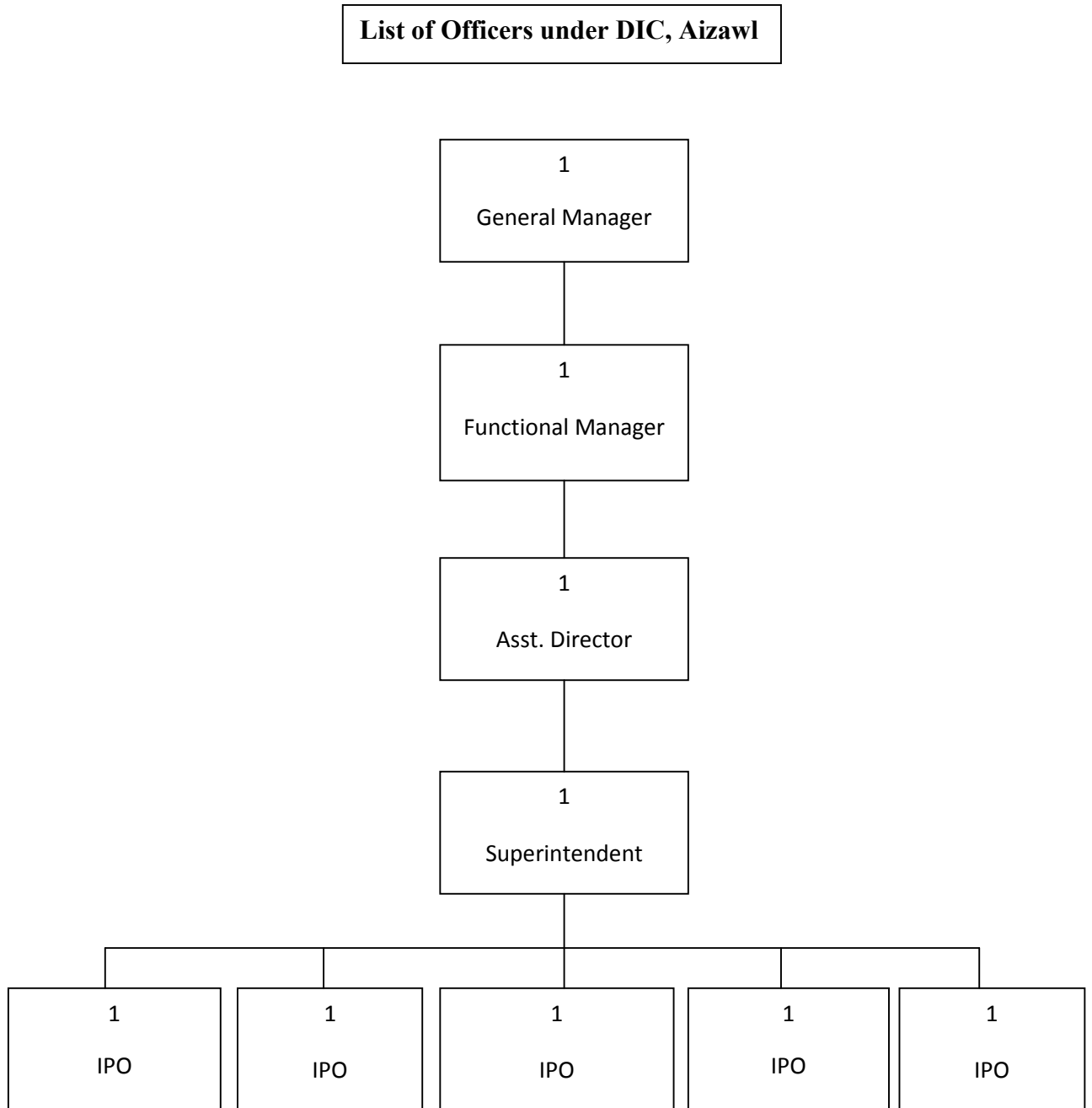
Sl. No	Designation	Present position	Vacant
1	General Manager	01	
2	Functional Manager	02	
3	Project Manager	0	02
4	SDIO	01	
5	Industrial Promotion Officer	04	0
6	Economic Investigator/Extension Officer	01	0
7	Extension Officer (Handloom)	02	0
8	Project Foreman	01	01
9	Foreman	0	01
10	Instructor Blacksmithy	0	01
11	Wood Machinist	0	01
12	Carpentry Expert	0	01

13	Instructor Electric	0	01
14	Instructor Improve Tools	0	01
15	Senior Craft Instructor	01	0
16	Skill Worker	04	0
17	Mechanic – I	02	0
18	Mechanic –II	01	0
19	Junior Instructor	05	0
20	Turner	01	0
21	Welder	01	01
22	Auto Mechanic	01	0
23	Sales girl	01	0
24	Superintendent	01	0
25	Assistant	01	0
26	UDC	03	2
27	LDC	06	0
28	Stenographer Gr.III	01	1
29	Driver	02	0
30	Peon/Jugali/Chowkider	12	0
Total		55	11

Source: Data collected from DIC, Aizawl.

The list of officers under DIC, Aizawl is also indicated in the following table

Chart. No. - 1



Source: <http://industries.mizoram.com.gov.in/page/list-of-officers-under-dic-aizawl.html> (as on 3/11/2014)

Trusted Areas of Industry

Due to the geographical location and hilly terrain, large scale industry is unable set up. Because of this, MSME with tremendous scope of employment will be encouraged.

Trust is given for those industries based on value addition of locally available resources. Special incentives will be formulated for speedy development of industrial units engaged in any of the following thrust sector enterprises.

Forest-based Industries

The vast bamboo and other forest resources of Mizoram will be optimally harvested for setting up of Industry for manufacturing of various high value bamboo and other forest based products. The process of value addition for maximum utility of Forest resources will be encouraged while restricting the out flow of forest resources without value addition. Entrepreneurs will be encouraged to utilize waste materials of bamboo in paper/pulp industry and also as feedstock (pulverized bricket) in biomass gasifier for power generation.

Food Processing Industries

Primary production of various food items, whether agricultural based, horticultural or livestock based will be linked with processing Industries. Contract farming or management participation route will be encouraged to ensure proper supply chain management. As far as practicable on economic consideration, primary processing activities, such as, cleaning, grading, waxing and cold storage will be encouraged at the vicinity of the growing areas. From the primary processing unit,

food items will flow to local market and secondary processing unit. Secondary processing unit will be encouraged at the strategic location of the State. Considering high cost of transportation, giving priority and favorable treatment to processing with high value content is a crucial element of food processing policy. In addition, private participation in Public Private Partnership (PPP) mode or otherwise will be encouraged in food processing Industries. Providing or setting up Food Testing Laboratory and Certification of products will also be a new focused area basically to facilitate gaining foothold in international markets. The Government will ensure land at the right place for setting up of primary processing unit. Proper linkage of this sector with agro-horticulture and livestock sectors will be ensured and a separate guidelines and road map for food processing Industries will be notified taking into account the initiative of the Government under agro-horticulture and livestock sectors.

Handloom Industries

Handloom sector will continue to receive serious attention of the Government utmost importance will be given for improving quality product by introducing improved design, packaging, branding. Acquisition of modern technology will be encouraged and insisted for gaining competitive advantage in marketing the products. Presence of innate designing skill of womenfolk in rural areas will be utilized for enriching the industry. Branding of product will be encouraged for sustainable merchandising the product. The Government will ensure that Weavers in the State enjoy maximum benefit from the schemes of Central Government.

Handicraft Industries

The traditional skill of Mizo people will be upgraded and diversified for market competitiveness of handicraft products. Market promotion scheme will be systematically designed and utilized under which the products of various craftsmen could be marketed under the same brand name may be considered.

Plantain fibre and hill broom Industries

The Government will encourage value addition of hill-brooms. The flow of raw and unprocessed broom outside the state will be discouraged by giving attention towards value addition to help local industry. Proper branding will be encouraged to secure advantage in marketing the products outside the state. Cultivation of broom grass will be properly linked with the processing Industries so that the farmers will reap maximum benefit. Existence of large quantity of plantain gives ample scope towards development of fibre materials for different application.

Entertainment / Music Industries

The Government is giving thrust towards entertainment and music industries, which is very important for generation of youth.

Tea, Rubber, Palm and Coffee Industries

The climate and soil condition of Mizoram is favourable for tea plantation. Commercial and scientific tea plantation linked with tea processing Industry will receive attention of the Government. The Government will formulate separate roadmap and scheme for the development of this sector and ensure that the planters of

Mizoram enjoy maximum benefit out of the incentive schemes of Tea Board of India. Fiscal incentive to supplement the Tea Board Scheme and linkage of this sector with other schemes of the government will also be considered. Rubber, Coffee and Palm based Industry will also receive due attention of the Government.

Packaging Industries

Packaging industry is very important and needs lesser capital. So, Government also giving thrust to this industry.

Textile related industries

Bulk production of readymade garments will be encouraged as this sector is having good potential for market outside the state and export. Introduction of modern machines and design improvement will find consideration of the Government procurement of raw materials and accessories will be arranged through marketing efforts and eventually by way of development of local industries.

Animal Feed and poultry feed Industries

The Government is giving thrust towards having sufficient meat and meat products for which farming has been encouraged. This in turn requires sufficient supply of animal feeds and poultry feeds. The government will encourage production sufficient quantity of animal and poultry feeds.²

² <http://industries.mizoram.gov.in/page/the-mizoram-industrial-policy-2012.html> (as on 24/11/2014)

Functions and Works of District Industries Centre, Aizawl

For promotion of small scale industries, DIC, Aizawl was set up in the year of 1979. Some of the important functions of DIC, Aizawl can be summarised as under:

- Identification of potential entrepreneurs/artisans.
- Identification of viable and feasible enterprise.
- Registration of enterprises under MSEMD Act, 2006. Preparation of Project Reports and Technical guidance.
- Appraisal of Project Reports.
- Verification and Recommendation of different incentives under State Incentive Schemes (SIS) Identification/Rehabilitation of Sick Units.
- Identification/Selection of beneficiaries and refer to implementing Banks for Credit finance under Primary Minister's Employment Generation Programme (PMEGP). Co-ordination with line departments/Financial Institutions for sanction/grounding of units.
- Implementation of Central Government Schemes like Central Capital Investment Subsidy, Central Transport Subsidy for import of raw materials from NE Region and report of finished products outside NE Region.
- Extension of marketing support/awareness through participation in the fairs and exhibition.
- Organisation of Entrepreneurship Development Programme in collaboration with MSME, DI, IIE Guwahati, NECON Agartala, NISC Guwahati, EDI Ahmadabad, NISIET Hyderabad.

- Enrichment of Industrial growth potential lying in the sectors like agriculture, horticulture and establishment of paper linkages among the industries board on resumes available in these sectors.
- Formation of suitable mechanism for attracting and growth of capital formation in Mizoram by taking full advantage of the policy changes initiated by the General Government in respect of industry, trade and commerce time to time.
- Identifying and develop entrepreneurial and managerial skills by providing suitable training programme at District, Sub-Division and Block levels etc.
- Ensuring balanced regional growth by promoting industries all sectors.
- Encouraging self-employment especially among technically qualified unemployed person of the state for generally additional employment opportunity in the district.
- Making major entry in bamboo-based industry by optimum utilization of bamboo resources of Mizoram.
- Developing Mizoram as an attractive region for tourism industries.
- Encouraging quality central, standardization and competitive of local products.

DIC is responsible to fulfill different tasks and works. The main works undertaken by District Industries Centre, Aizawl can be summarized as under:

Establishment Section

This section deals with matters of administration, service matters, distribution of works of officers and staffs, disciplinary action, etc. It functions under a close supervision of General Manager, who is also the head of Office.

Account Section

This section deals with preparation of pay bills, traveling expenses, medical re-imburement etc. The financial sanction is accorded by the General Manager according to delegation of financial power, which is Schedule-II under the Government of Mizoram. Preparation nominal roll for budget and also expenditure and receipt are also undertaken by the section.

General Section

This section deals several matters. There is several projects/schemes process by DIC like EDP, Planning, MPSP, RM Depot, Bamboo Development, RIDC, etc. Works are distributed to the Ministerial Staff who put up the concern files to General Manager for decision through Superintendent and Functional Manager.³

In the District Industries Centre, Aizawl, the important works undertaken are providing subsidy, training, implementation of programmes etc.

Training conducted by District Industries Centre, Aizawl

The different trainings are held by the DIC, Aizawl for promotion of small scale industries and for growth in small scale industries. Incentives have been created for the trained industrial unit. Some of the important training programmes are:

Electric Wireman

The training conditions are:

³ <http://industries.mizoram.gov.in/page/dic-aizawl.html> (as on 23/11/2014)

- i) The duration of training course in this trade is one year certificate.
- ii) Monthly stipend of Rs.500/- is awarded to all trainees.
- iii) The intake capacity of this trade is 35 per batch.

Blacksmithy

The training conditions of blacksmithy are:

- i) The duration of training course in the blacksmithy trades is one year certificate.
- ii) Monthly stipend of Rs.500/- is awarded to all the trainees.
- iii) The intake capacity for the trade is 35 people per batch.

Carpentry

For the growth of industries, the carpentry training has been held as under :

- i) The duration of training course in the carpentry trades is one year certificate.
- ii) Monthly stipend of Rs.500/- is awarded to all the trainees.
- iii) The intake capacity for the carpentry trade is 35 people per batch.

Automobile

The training automobile has been held under DIC, Aizawl as under:

- i) The duration of training course in automobile is one year certificate.
- ii) Monthly stipend of rs.500/- is awarded to all trainees.
- iii) The intake capacity for the automobile trade training is 35 person/ batch.

Knitting and Tailoring

The Industrial training emphasised the knitting and tailoring create the training programme as under:

- i) The training course duration in knitting and tailoring is 6 month.
- ii) Monthly stipend of Rs.500/- is awarded to all the trainees.
- iii) The intake capacity of knitting and training is 35 per batch. Two batch training is conducted yearly.

Subsidies for the promotion of industry

One of the important functions of the DIC, Aizawl is promotion of small scale industries through Subsidy. There are 9 (nine) subsidies which are imposed by DIC, Aizawl and are very important for the succession of the small scale industries as under:

SUBSIDY ON COST OF PROJECT REPORT

Eligible condition

- i) An industrial unit is eligible to claim subsidy only for the amount of cost of project report already paid to the concerned consultant/agency as approved/recognised by Government of India.
- ii) An Industrial unit is eligible to claim the subsidy only after taking effective steps.

Limit of subsidy

- i) 90% in case of tiny unit subject to a ceiling of Rs 5,000/- per unit.

- ii) 75% in case of small scale and ancillary units and small scale service establishment subjects to a ceiling of Rs 25,000/- per unit.
- iii) 50% in case of medium and large Scale units subjected to a ceiling of Rs 50.000/- per unit.

Application for claims

Application for grant of subsidy on cost of project report shall be submitted in duplicate to the concerned District office in the prescribed form.

SUBSIDY ON LAND

Eligible condition

An industrial unit is eligible to claim subsidy on the amount of leave charge/fee on developed land allotted to the unit on the amount spent for development of the allotted undeveloped land with the Industrial Estate, Industrial Growth Centre or Industrial Area declared by the Industrial Department.

Limit of subsidy

- i) 25% of the lease charge/fee of allotted developed/undeveloped land will be subsidized for a period of 5 years.
- ii) 25% of the amount spent by the units on developed/undeveloped land will be subsidized for a period of 5 years.

Application for claim

Application for grant of land subsidy shall be submitted in duplicate to the concerned District Office in the prescribed form.

FACTORY RENT SUBSIDY

Eligible Condition

- i) The subsidy can be claimed by tiny and small scale units occupying the built up factory shed within the declared Industrial Estate/Industrial Growth Centre/Industrial Area on monthly rent basis.
- ii) The subsidy can also be claimed by the existing tiny and small scale units on rents of built up factory sheds occupied for the expanded portion only.
- iii) The subsidy can be claimed by the aforementioned units for a period of 5 years from the date of commercial production.

Limits of Subsidy

Subsidy on factory rent to an Industrial unit shall be 50% of the duly assessed rent of factory shed subjected to a ceiling of Rs 30,000/- per year.

Application of claim

Application for grant of subsidy on factory rent shall be submitted in duplicate to the concerned District Office in the prescribed form.

MANPOWER DEVELOPMENT SUBSIDY

Eligible condition

- i) New and existing Industrial units which send their workers to institutions or registered/licensed industrial units outside Mizoram duly approved by the Director of Industries for training for upgradation of their skill are eligible to claim the subsidy.

- ii) An industrial unit is eligible to claim subsidy on expenditure for managerial and technical training of its workers.
- iii) An industrial unit to claim the subsidy should give an undertaking that the trained workers will continue to be employed by it after training at least for a period of 3 years.
- iv) An industrial unit to claim the subsidy should take prior approval of the Director of Industries before subsidy of its workers for training.

Limit of subsidy

Subsidy shall be limited to 50% of the actual expenditure for training subject to a ceiling of Rs 3000/- per trainee and Rs 2500/- unit per year.

Application of claim

Application for grant of subsidy on Manpower development shall be submitted in duplication to the concerned District Office in the prescribed form.

INTEREST SUBSIDY

Eligible condition

- i) An industrial unit is eligible to claim subsidy only on the amount of interest on term and working capital loan already paid to the concerned Bank/Financial Institution/Agencies.
- ii) An industrial unit is eligible to claim subsidy for the amount of interest where the repayment is made in time. No subsidy can be claimed for overdue repayment.
- iii) An industrial unit is eligible to claim subsidy on interest on term loan and working capital loan for 5 years from date of commissioning the unit.

Limit of subsidy

- i) The interest on loan paid by an industrial unit in excess of 8.5 % shall be subsidized upto a maximum of 4%.
- ii) Subsidy shall be limited to a claim an a total amount not exceeding Rs 3,60,000/- paid by an industrial unit towards interest on term loan in a full year. However, for working capital loan, the total amount paid towards interest on which subsidy can be claimed shall be limited to Rs 1, 20,000/- in a full year.

Application for Claim

Application for grant of interest subsidy shall be submitted in duplication to the concerned District Office in the prescribed form.

SUBSIDY ON POWER**Eligible condition**

- i) Subsidy is eligible for charges on power consumed for industrial production. A separate energy meter should be installed for the industrial purpose.
- ii) The industrial unit should have power supply connection from authorized Department/Agency.
- iii) No subsidy is eligible for power consumed for domestic, lighting and other purposes.
- iv) This subsidy can be claimed by an industrial unit for 5 years from the date of commissioning of the unit.

Limit of subsidy

- i) 60% of total expenditure on power consumption in case of tiny, small scale and ancillary units.
- ii) 50% of the total expenditure on power consumption in case of medium scale unit.
- iii) 30% of the total expenditure on power consumption in case of large scale unit.

Application of claim

Application for grant of power subsidy shall be submitted in duplicate to the concerned District.

SUBSIDY ON POWER LINE**Eligible condition**

An industrial unit is eligible to claim subsidy on cost of drawal of power line from the main power lines to the site of the industrial unit/factory shed which is executed by the approved Department/Agencies.

Limit of Subsidy

Subsidy on cost of drawal of power lines to an industrial unit shall be limited to 50% of the actual expenditure to a ceiling of Rs 50,000/- per unit.

Application of claim

Application for grant of subsidy on costs of drawal of power lines shall be in prescribed form.

SUBSIDY ON POWER GENERATING SET

Eligible Condition

- i) An industrial unit is eligible to claim subsidy on the cost of capture generating set and installation charge there of used for industrial purpose.
- ii) The captive generating set for which subsidy claimed should be brand new and purchased directly from the manufacturers or its religion/local agent.
- iii) In the case of second hand generally, the cost of generating set shall be calculated on the basis of the life of the generating set and the exact depreciated value.
- iv) The installation of the generating set, on where charge subsidy to be claimed should be executed by the supplier of the generating set or its regional/local agent or other approval agency.

Limit of subsidy

Subsidy on cost and installation charge of captive generating set to an industrial unit shall be limited to 50% of the cost of generating set and installation charge thereof subject to a ceiling of Rs 30,000/- per unit.

Application for claim

Application for grant of subsidy on costs of generating shall be submitted in duplicate to the concerned District Office in the prescribed form.

STATE TRANSPORT SUBSIDY ON PLANT AND MACHINERIES

Eligible condition

- i) A new industrial unit is eligible to claim the subsidy on actual cost of transport of plants and machineries for the expanded portion only from place of purchase to the location of units.
- ii) An existing industrial unit is eligible to claim subsidy on actual cost of transportation of plants and machineries for the expanded portion only from place of purchase to the location of units.
- iii) For the movement of plants and machineries from outside the state actual cost of transportation by railway on road or both from place of purchase to location of the industrial unit is eligible for the subsidy.
- iv) For the movement of plants and machineries from outside the state actual cost of transportation on road from the godown of the approved supplier/local agent of the manufacturer of plants and machineries to location of industrial unit is eligible for subsidy.

Limit of Subsidy

Subsidy on cost of transportation of plants and machineries shall be 50% of the actual cost of transportation by railway or on road or both.

Application for claim

Application for grant of Transport subsidy on plant and machineries shall be submitted in duplicate to the concerned District Office in the prescribed form.⁴

⁴ New Industrial Policy of Mizoram 2000, Industrial Department, Government of Mizoram, 2000, pp - 18- 26.

CHAPTER – IV

PROGRAMMES AND SCHEMES OF DISTRICT INDUSTRIES

CENTRE, AIZAWL

The previous chapter studies about the industrial administration in Mizoram including the origin, organizational structure, growth and functions. It focused on the origin, organizational structure and workings /functions of District Industries Centre, Aizawl for promotion of Small Scale Industries in Mizoram. The previous chapter also stated about the subsidy given by the DIC. It also highlights about the trusted area of industry. This chapter will discuss about the programmes and schemes of District Industries Centre including PMEGP, NLUP and SME. The assessment of DIC by data analysis and interpretation will be indicated.

Programmes and Schemes of District Industries Centre, Aizawl

In order to understand the programmes and schemes implemented under the DIC, Aizawl for promotion of industries, the three important programmes and schemes implemented by DIC including Prime Minister's Employment Generation Programme (PMEGP), New Land Use Policy (NLUP) and Special Micro- Enterprise (SME) will be discussed. The manner of implementation is different among these schemes. In some programmes, they selected the beneficiaries and helps in monitoring the programme where as in some programmes, they are responsible for selection, allocation of benefits, monitoring, evaluation etc. The three schemes implemented by DIC, Aizawl are discussed as follows:

Prime Minister's Employment Generation Programme (PMEGP)

DIC, Aizawl is playing very important role in the implementation of the Central Scheme of Prime Minister's Employment Generation Programme (PMEGP) through selection of beneficiaries and monitoring of their succession. This programme is very important for promotion of small scale industries.

Government of India approved introduction of Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojger Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunity through establishment of micro enterprises in rural as well as urban areas. PMEGP is a central sector scheme to be administered by the Ministry of micro, Small and Medium Enterprises (MoMSME). The scheme is implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrator control of the Ministry of MSME as the single nodal agency at the national level. At the state level, the scheme will implemented through State KVIC Directorates, State Khadi & Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Bans. The government subsidy under the scheme will be raised through the identification Bans for eventual distribution to the beneficiaries/entrepreneurs in their Bank account. The implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed Non-Government Organisation (NGOs)/reputed Autonomous Institutions/Self Help Group (SHGs) /National Small Industries Corporation (NISC)/Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj institutions and other relevant bodies in the implementation of the scheme, especially in the area of identification of

beneficiaries of area specific viable projects, and priority training in entrepreneurship development.

- To generate employment opportunities in rural as well as urban areas of the country through setting up of new self employment ventures/projects/micro enterprises.
- To bring together widely dispersed traditional artisans/rural and urban unemployed youth and give them self employment opportunities to the extent possible, at their place.
- To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.¹

New Land Use Policy (NLUP)

DIC is playing very important role of paying incentives to the industries for promotion of small scale industries under the state scheme of NLUP. It is the flagship programme of the State Government of Mizoram for economic upliftment of the people and promotion of small scale industries. The main objectives of the programme are:

- To provide sustainable income to farming families who comprise nearly three-fourths of the total population of Mizoram by weaning them away from the destructive and unprofitable shifting cultivation practice.
- To provide urban poor with livelihoods by encouraging small scale industries and petty trades.

¹ http://msme.gov.in/guidelines_pmegp_24092008.pdf (as on 23/11/2014)

- Converging schemes funded by the Government of India (Centrally Sponsored Schemes) to NLUP for better utilization of funds and avoidance of duplication of works.
- Land reclamation and forestation by introducing permanent farming systems and land reforms.
- Environment protection and restoration through various means such as expansion of rain catchment areas for recharging rivers, springs and underground water, encouraging rearing of domestic animals and poultry for increased meat production to discourage hunting to protect the fauna etc²

District Industries Centre, Aizawl is taking steps for the fulfillment of NLUP in Aizawl District with covering the trades of industry. The amount of money given to the beneficiary of NLUP is depending upon the trade selected by the beneficiaries. Different trades covered by DIC, Aizawl are:

Table No. – 2

Trades of Industry under NLUP

Sl.No.	List of Trades	Amount (in Rs)
1.	Auto- Rickshaw Operation	116,000.00
2.	Automobile Work Shop	100,000.00
3.	Bakery	100,000.00
4.	Beauty Parlour	100,000.00

² <http://nlup.mizoram.gov.in> (as on 23/11/2014)

5.	Black Smithy	100,000.00
6.	Broom Making-I	100,000.00
7.	Broom Making – II (Home base)	50,000.00
8.	Cane & Bamboo Works	100,000.00
9.	Carpentry & Wood Processing-I	105,000.00
10.	Carpentry & Wood Processing-II	105,000.00
11.	Chow Making	100,000.00
12.	Desktop Publishing	100,000.00
13.	Electronic Repairing	100,000.00
14.	Haircutting	100,000.00
15.	Handloom	100,000.00
16.	Knitting	100,000.00
17.	Leather & Hood Works and shoe Repair	100,000.00
18.	Petty trade I.(Grocery Shop)	100,000.00
19.	Petty trade II (Vegetable Shop)	50,000.00
20.	Petty trade III (Tea stall)	50,000.00
21.	Petty trade IV(Wayside-Fooding Stall)	80,000.00
22.	Photography & Videography	100,000.00
23.	Rice Hulling	100,000.00
24.	Shoe Repairing (Home base)	50,000.00
25.	Square Agarbati Stick Making-I	100,000.00
26.	Square Agarbati Stick Making-II(Home base)	50,000.00

27.	Steel Fabrication	100,000.00
28.	Tailoring	100,000.00
29.	Tin smithy	100,000.00

Source: Directorate of Industries, *Calendar of Works under NLUP.*

Special Micro- Enterprise (SME)

Special Micro–Enterprise (SME) is one of the state schemes implemented by the DIC, Aizawl. It is the scheme in which different trades under industries are covered. This scheme covered the micro enterprises which are not covered by the NLUP. The amount of Rs 50,000/- is given to each beneficiaries for starting their industries. Its main aim is to provide occupation to poor people through micro industries. Different trades covered under Special Micro-Enterprise (SME) are as follows:

Table No. - 3

Trades of Industry under SME

Sl.No.	List of Trades	Amount (in Rs)
1	Book Binding	50,000.00
2	Butchery & Fish Selling (Sa – Sat)	50,000.00
3	Candle Making	50,000.00
4	Collection & Selling of Sand and Stonechips	50,000.00

5	Crushing of Sugarcane	50,000.00
6	Dry Cleaning	50,000.00
7	Extraction of Fruit Juice	50,000.00
8	Fermentation of Soyabean (Bekang um)_	50,000.00
9	Fermentation of Pork (Sa-um)	50,000.00
10	Fire-arm Repairing	50,000.00
11	Haircutting	50,000.00
12	Handicrafts	50,000.00
13	Making of Aluminum Pot	50,000.00
14	Making of Artificial Flowers	50,000.00
15	Making of Mizo-Drum	50,000.00
16	Mini-stone Quarry	50,000.00
17	On Call Painting	50,000.00
18	On Call – Automech Works	50,000.00
19	On Call- Carpentry	50,000.00
20	On Call-Electro-Mechanic Works	50,000.00
21	On Call- Mechanic/Plumbing	50,000.00
22	Operation of Vehicle Garage	50,000.00
23	Pickle Making	50,000.00
24	Preparation & Sale of Mizo Chhangban	50,000.00
25	Processing & Sale of Betelnut	50,000.00
26	Processing & Sale of Ice-cream	50,000.00
27	Processing of Limestone	50,000.00
28	Puncture Works	50,000.00

29	Road-side Hawkers	50,000.00
30	Selling of Mizo Puan	50,000.00
31	Servicing of Auto-mobiles	50,000.00
32	Smoke Meat Making (Sa rep)	50,000.00
33	Trade Related Micro-enterprise	50,000.00
34	Turmeric Grinding	50,000.00
35	Watch Repairing	50,000.00

Source: Directorate of Industries, *Calendar of Works under SME*.

Data analysis and Interpretation

Data collection and interpretation of data plays very important role in this research work for finding out the facts. During the field visit, structured interview was carried out in order to have a better knowledge about the operation of small scale industries within the Aizawl District. Since the Industrial Areas have been set up for promotion of small scale industries, structured interview was conducted among the 25 units of small scale industries from the industrial areas of Industrial Estate of Zuangtui, Industrial Growth Centre of Luangmual and Bamboo Technology Park of Sairang for the purpose of covering the role of District Industries Centre (DIC), Aizawl towards the promotion of Small Scale Industries (SSIs) within the Industrial Areas of Aizawl District. The small scale industries in this study covered only the small scale industries within the industrial areas because of Industrial Areas have been set up to promote industry.

The vital questions which can indicate the working status of District Industries Centre, Aizawl were asked and indicated in the table, column chart and pie-chart. The structured interview was conducted among the proprietor/ manager of the industrial units and the President of Industrial Estate Welfare Committee which indicated the status of Industrial Area and the actions of DIC to the industrial units.

From the field visit, data collection and analysis of the data, it is found that the District Industries Centre, Aizawl has not fulfilled their responsibilities upon the Industrial Areas in different manners. They (Industrial Areas) have been facing many problems including the problems of transportation, power supply, water supply, raw material etc. and no actions were taken for solution of their problems. The detail problems will be indicated in the concluding chapter. The study also indicated that there has not been good monitoring of the works and improvement of the industrial units within the Industrial Areas. Conduct of training is very important for skill development and improvement of the industry which is also one of the important functions of DIC. But at the time of this, from the analysis of data, it is clear that more than 90% of the industrial unit never get training. Since industrial growth is very important for economic administration and economic growth, Government of Mizoram needs to take effective actions for the promotion of industrial units in the Industrial Areas.

The following are the important questions which have been asked to the respondents for assessment of the works of DIC and to study the status of small scale industries within the Industrial Areas of Aizawl. The analysis of data will be interpreted through the following tables, column chart and pie charts which indicate the findings from the structured interview conducted as follows:

Are you registered under DIC?

Table No. – 4

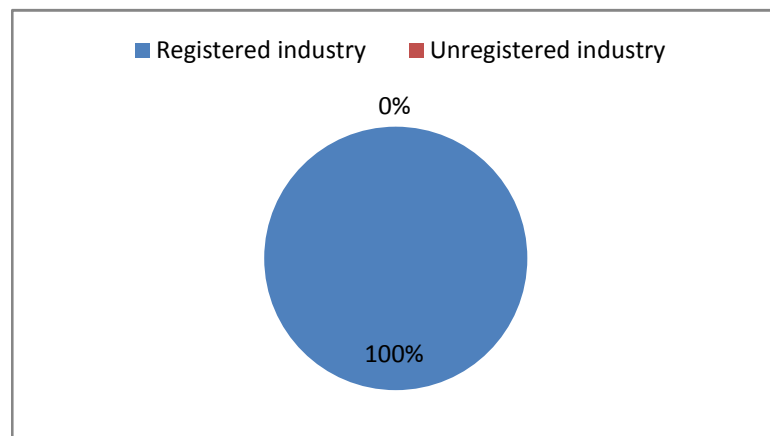
Registration of Industry.

Member Response	N = 25	Percentage
Yes	25	100
No	0	0
Total	25	100

This table is used to indicate the registration status of the industrial units. This table shows that all the respondents have registered under the District Industries Centre, Aizawl. This statement will be indicated in the pie chart as under -

Chart No. – 2

Registration of Industry.



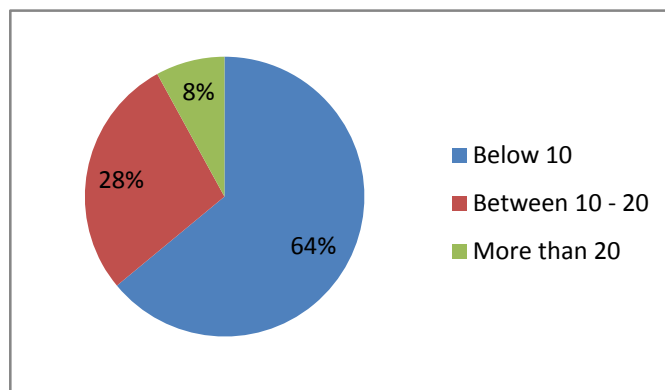
How many workers are there in the industry?

Table No. – 5
Number of Workers.

Member Response	N = 25	Percentage
Below 10	16	64
Between 10 – 20	7	28
More than 20	2	8
Total	25	100

In this table, 64% of the respondent industries used less than 10 workers; 28% of the industrial units are having 10 – 20 workers and 8% of the respondents used more than 30 workers in their industries for the fulfillment of responsibilities. From this table, it is clear that the small scale industries play a very important role in generation of employment. The status of workers are also indicated in the pie chart as under -

Chart No. – 3
Number of Workers.



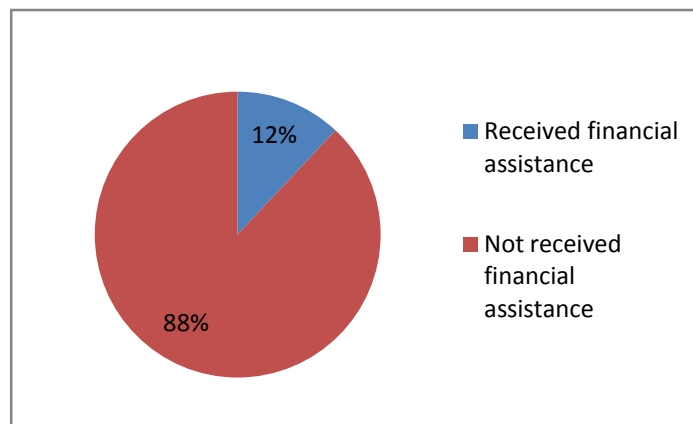
Did you receive financial assistance through DIC?

Table No. – 6
Financial Assistance.

Member Response	N = 25	Percentage
Yes	3	12
No	22	88
Total	25	100

This table indicates the status of industries who received financial assistance from government through DIC. 88% of the industries are not receiving the financial assistance where as 12% of the industries are receiving financial assistance from the government

Chart No. – 4
Financial Assistance.



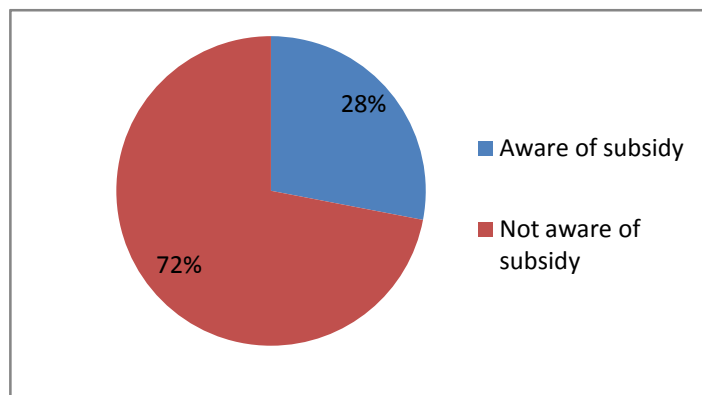
Are you aware about the subsidy given by DIC?

Table No. – 7
Awareness of subsidy.

Member Response	N = 25	Percentage
Yes	7	28
No	18	72
Total	25	100

This table indicates the status of aware of assistance through subsidy. 80% of the industrial units are not aware of the subsidy, at the time of this, 20% of the industrial units are aware of assistance through subsidy. This status is indicated as under -

Chart No. – 5
Awareness about subsidy.



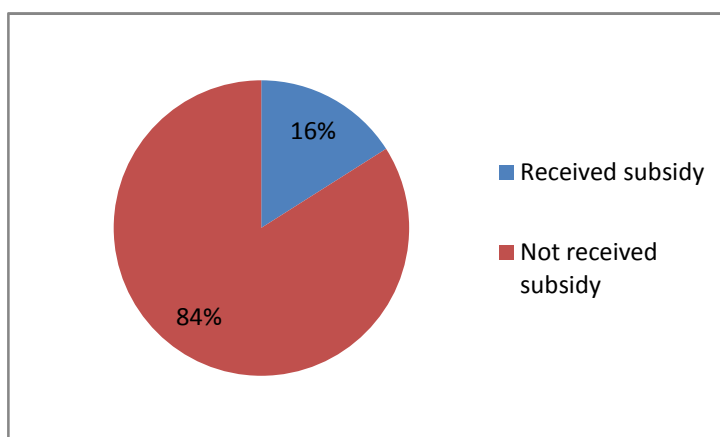
Did you receive any subsidy through DIC?

Table No. – 8
Assistance through Subsidy.

Member Response	N = 25	Percentage
Yes	4	16
No	21	84
Total	25	100

Among 25 respondents of the industrial units, 16% of them are getting assistance through subsidy and the rest of 84% are not getting the assistance through Subsidy.

Chart No. –6
Assistance through Subsidy.



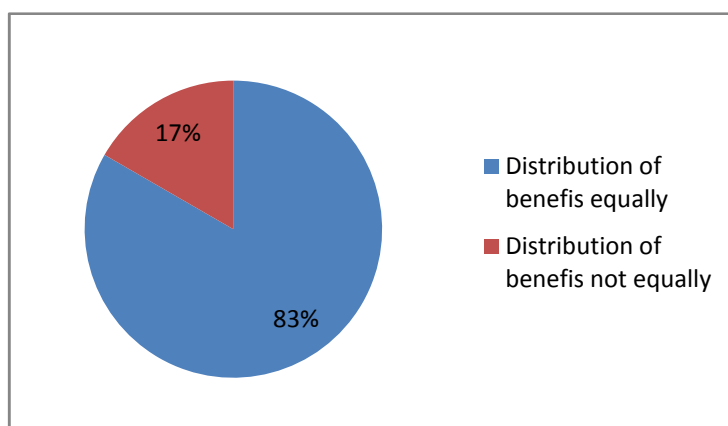
Do you think there is equitable distribution of benefits among the SSIs?

Table No. – 9
Distribution of benefits.

Member Response	N = 25	Percentage
Yes	4	16
No	21	84
Total	25	100

This table analyses the condition of distribution of benefits among the industrial units. Among them, 17% only are thinking that there is equal distribution of benefits. More than average of 83% states that there is no equal distribution of benefits among the industrial units. This indicates that there is equal distribution of benefits to the small scale industries.

Chart No. – 7
Distribution of benefits.



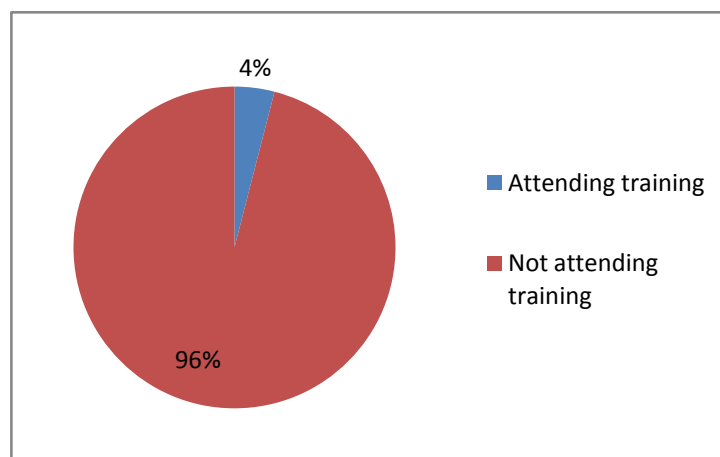
Did you attend any training organised by DIC?

Table No. -10
Training.

Member Response	N = 25	Percentage
Yes	1	4
No	24	96
Total	25	100

Among the 25 respondents, only 1 industrial unit which is 4% attending the training conducted by the DIC. 96% of the respondents are not attending the training on their own concerned. This analysis shows that the DIC has not fulfill the responsibility of conduct of training among the small scale industrial units.

Chart No. - 8
Training.



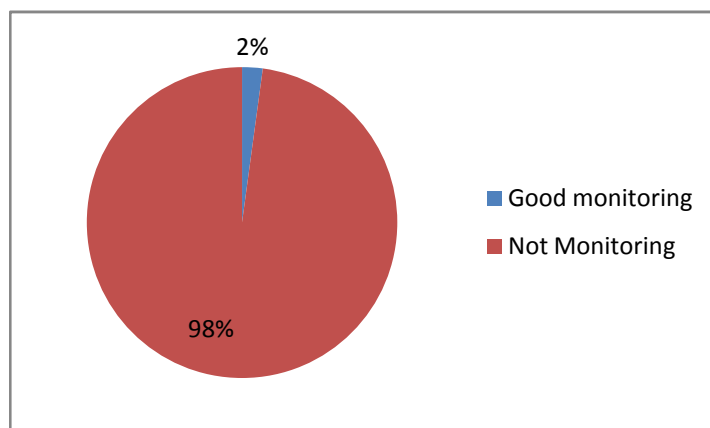
Did DIC monitor your works and succession?

Table No. – 11
Monitor of works

Member Response	N = 25	Percentage
Yes	2	8
No	23	92
Total	25	100

This table indicates the monitoring status. Only 2% of the respondents stated that there is good monitoring of works and successions from DIC, Aizawl. At the time of this, 98% of the respondents stated that there is no monitoring of the works and succession from DIC, Aizawl. This data indicates that DIC is very weak in monitoring the works and successions of small scale industries within the industrial areas as shown in the pie chart.

Chart No. – 9
Monitor of works



Did Government help you in getting raw material?

Table No. – 12

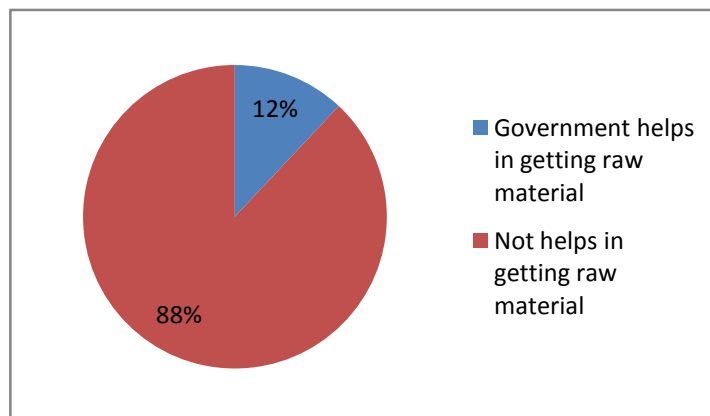
Raw Material.

Member Response	N = 25	Percentage
Yes	3	12
No	22	88
Total	25	100

In this table, the status of government helps through raw material is indicated. In this table, 85% of the respondents are not getting government helps in getting raw material. At the time of this, 12% of the respondents are getting government helps for getting raw material. This status is shown as under pie chart.

Chart No. – 10

Raw Material.



Did DIC help you in the market of your product?

Table No. – 13

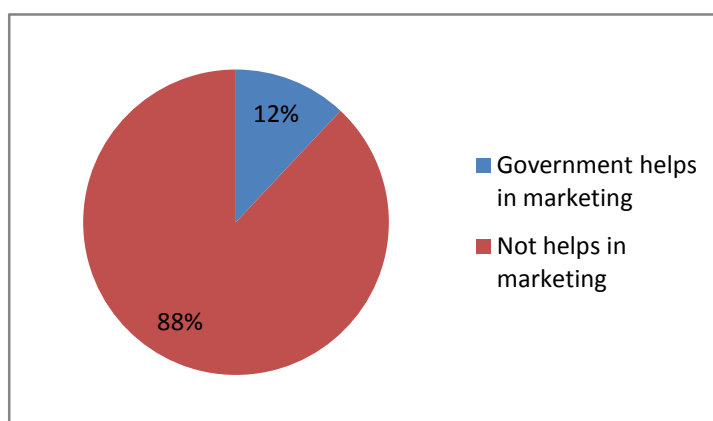
Marketing.

Member Response	N = 25	Percentage
Yes	5	20
No	20	80
Total	25	100

This table stated that only 12% of the respondents are getting helps from government in the way of marketing. They supply their products to the government. But, the rest of 88% of the respondents are not getting assistance in terms of marketing from the government. As shown in this table, more than average of the industrial units are not getting government assistance and they are facing marketing problem.

Chart No. – 11

Marketing.



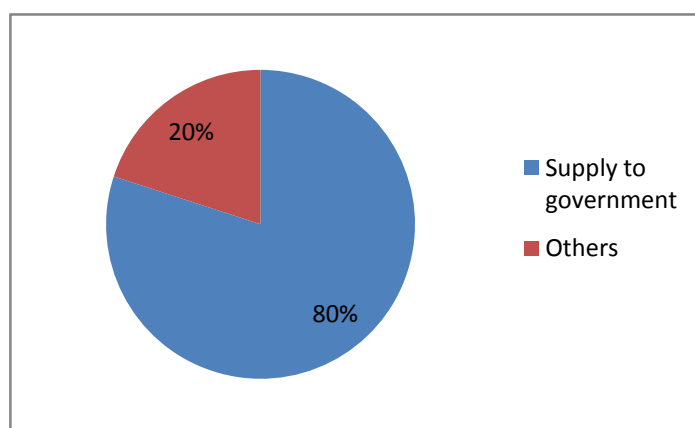
If yes, How?

Table No. – 14
Mode of marketing assistance.

Member Response	N = 5	Percentage
Supply to government	4	80
Others	1	20

This table stated that the mode of marketing assistance. Out of 5 (five) respondents, 4 (four) respondents i.e. 80% are supplying their products to the government of Mizoram. One respondent, who does not supply to the government, but getting government's help in marketing.

Pie Chart No. – 12
Mode of marketing assistance.



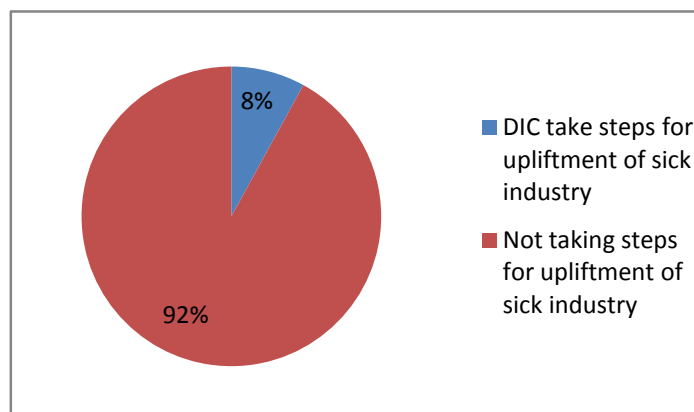
Did DIC take steps to uplift the sick industry?

Table No. – 15
Steps taken for sick industry

Member Response	N = 25	Percentage
Yes	2	8
No	23	92
Total	25	100

This table focuses the steps taken by the DIC for the upliftment of the sick industries. Upliftment of sick industry is the important responsibility of the DIC, but at the time of this, only 8% of the respondents stated that DIC is taking steps for upliftment of the sick industries. The rest of 92% stated that no action is taken for upliftment of the sick industries which indicated that the DIC has not fulfilled the responsibility.

Chart No. – 13
Steps taken for sick industry



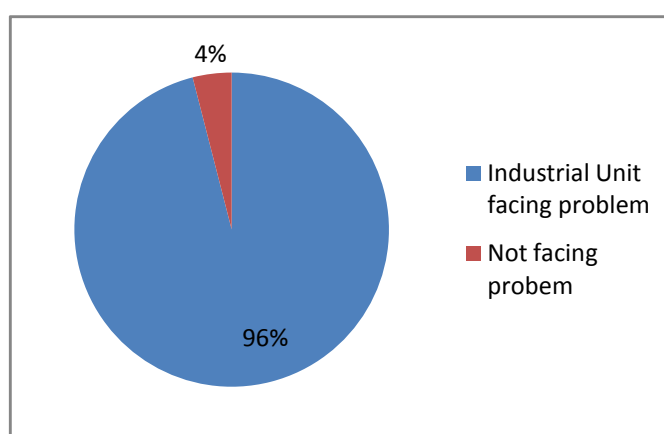
Did you face problems in your industrial unit?

Table No. – 16
Problems of Industrial Unit.

Member Response	N = 25	Percentage
Yes	24	96
No	1	4
Total	25	100

This table deals with the problems of industrial unit. Among the respondents, 96% are facing the problems and only 4% are not facing problem. This indicated that the DIC has not fulfilled the responsibilities for solution of the problems. At the time of this, some of the problems are beyond their authority.

Chart No. – 14
Problems of Industrial Unit.



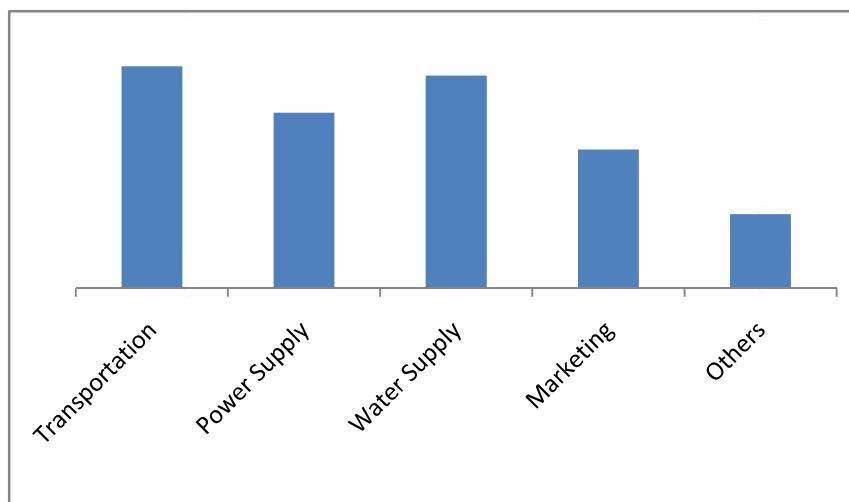
If yes, what type of problem did you face?

Table No. – 17
Types of Problem

Member Response	N = 25	Percentage
Transportation	24	96
Power Supply	19	76
Water Supply	23	92
Marketing	15	60
Others	8	32

This table indicates different problems faced by industrial units. From 25 respondents, 24 respondents (96%) are facing transportation problem, 19 respondents (76%) are facing power supply problem, 23 respondents (92%) are facing water supply problem, 15 respondents (60%) are facing marketing problem and 8 respondents (32%) are facing other problems.

Chart No. – 15
Types of Problem



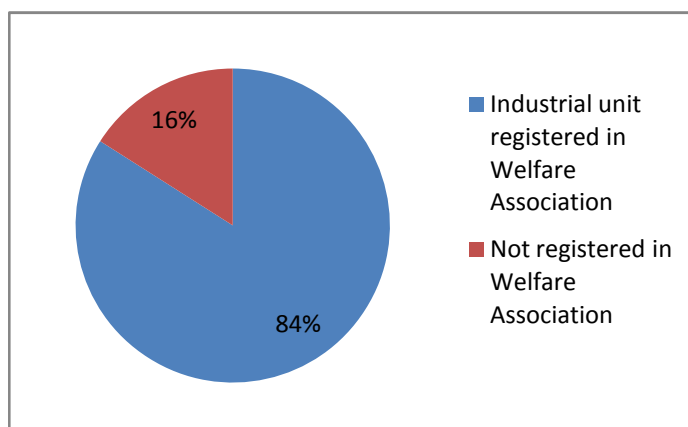
Are you registered in Industrial Welfare Association?

Table No. – 18
Registration in Welfare Association.

Member Response	N = 25	Percentage
Yes	21	84
No	4	16
Total	25	100

This table indicates the registration of industrial units in Welfare Association. The respondents are from 3 (three) industrial area. Among the respondents, 16% are not registered in the Welfare Association and 84% are registered in the Welfare Association. In the industrial areas of Industrial Growth Centre at Luangmual and Bamboo Technology Park at Sairang, there is no welfare association and due to this, some of the industrial units are not registered in welfare association.

Chart No. – 16
Registration in Welfare Association.



CHAPTER V

CONCLUSION

The final chapter is divided into two parts- Part I and Part II. The first part dealing with a brief summary of all the previous chapters. The major findings and suggestions of the study are stated in the second part.

PART - I

Summary of the study

This part is dealing with the summary of the study. It highlights the previous chapters as under:

The first chapter is the introductory chapter. It starts with the profile of Mizoram including its history, population, location, area, boundary, climate, literacy rate, religion. It also highlights the administration of Mizoram from District to the statehood administration. It indicates the status of Mizo. In this chapter, different important role including *Lal* (Chief), *Upa* (Village Elder) etc. are stated. It highlights the occupation of the Mizo and stated that agriculture is the main occupation. But, this chapter gives important of industry for the future occupation and emphasized the importance of industry. The meaning and importance of industrialisation, meaning, role and importance of Small Scale Industry (SSI) are also indicated. It also highlights about the District Industries Centre. The introductory parts also consist of Review of

literature, Statement of the problems, Objectives of the study, Research Questions, Chapterisation and Research Methodology.

The second chapter deals with the concept of Industrialisation consisting meaning, definition, importance etc. It also stated the categorisation of industry. Different important roles of the industrialisation are also discussed in this chapter. This chapter focuses on the meaning and growth of Small Scale Industries. This chapter also stated about the categorisation, roles and importance of Small Scale Industries for economic growth and development of the country. This chapter highlights the different Industrial Policy for small scale industries including Industrial Policy 1948, Industrial Policy 1956, Industrial Policy Statement 1977, Industrial Policy 1980, Industrial Policy Statement 1990, Industrial Policy 1991, Comprehensive Policy Package for Small Scale Industries & Tiny Sectors 2000 and Policy Package for promotion of Micro & Small Enterprise 2007. This chapter also indicates the Small Scale Industries in Aizawl District by focusing the three Industrial Area (IA) of Aizawl District including Industrial Estate of Zuangtui, Industrial Growth Centre of Luangmual and Bamboo Technology Park of Sairang.

Chapter three discusses the District Industries Centre by highlighting its origin, purpose and importance. The status of DIC in Mizoram is also highlighted that there are five (5) DIC including in the district of Aizawl, Lunglei, Kolasib, Saiha and Champhai. This chapter focused on DIC, Aizawl District, Aizawl. This chapter deals with the origin, organizational structure of DIC, Aizawl including staff position and status, hierarchy of the personnel etc. This chapter also stated about the functions of the DIC, Aizawl. This chapter discussed about Trusted Area of Industry including Forest-based Industries, Food Processing Industries, Handloom Industries, Tea,

Rubber, Palm and Coffee Industries etc. for promotion of industry. The working section including Establishment Section, Account Section and General Section are highlighted in this chapter. In this chapter, the different types of training conducted by DIC are also indicated. The subsidies given to the SSIs including Subsidy on Cost of Project Report, Subsidy on Land, Factory Rent Subsidy, Manpower Development Subsidy, Interest Subsidy, Subsidy on Power, Subsidy on Power Line, Subsidy on Power Generating Set and State Transport Subsidy on Plant & Machinery are highlighted in this chapter.

Chapter four focuses the programmes and schemes implemented by the DIC, Aizawl. This chapter stated about the three programmes of Prime Minister's Employment Generation Programme (PMEGP), New Land Use Policy (NLUP) and Special Micro- Enterprise (SME) by highlighting their purpose, importance, terms and conditions, trades etc. This chapter also consists of the assessment of effectiveness of the Programmes and Schemes imparted and implemented by District Industries Centre (DIC), Aizawl. This assessment indicates the status of Industrial Area of Aizawl District. For this assessment, structured interview is used and the questions were answered by 25 respondents of the Small Scale Industrial Unit from the three Industrial Areas of Aizawl District, Mizoram.

Last chapter is divided in to two parts of Part – I and Part – II. The summary of the study is highlighted in the first part. The second part stated about the major findings and suggestions along with answers of the research questions.

PART – II

Major findings and Suggestions

Ever since, there has not been dependable study of this topic, the present research work attempts to study the organisational structure and working of the District Industries Centre, Aizawl as well as how effective is the working of the DIC, Aizawl for promotion of Small Scale Industries in the Industrial Areas of Aizawl. The study also attempts to study the problems faced by the DIC and SSIs in the Industrial Area. The study indicates the organisational structure and working of the DIC, Aizawl. The study also indicates how effective is the working of DIC upon the Industrial Areas including Industrial Estate of Zuangtui, Industrial Growth Centre of Luangmual and Bamboo Technology Park of Sairang. The different problems faced by DIC and Industrial Areas have been indicated with suitable measures. The research question will be answered in this part. The major findings and suggestion from the study will be discussed as follows:

In Mizoram, District Industries Centre was setup in the year of 1979. There are five DICs in Mizoram in Aizawl District, Lunglei District, Kolasib District, Saiha District and Champhai District. Each DIC is functioning under the supervision of General Manager. Implementation of programmes and schemes through centrally sponsored and state sponsored government schemes are the responsibility taken by the District Industries Centre for promotion of Small Scale industries through finance, machinery, training, subsidy, motivation and encouragement etc. Monitoring, Strengthening and evaluation of Small Scale Industries are also the responsibilities lies on the shoulder of DICs.

The study focused on the District Industries Centre, Aizawl District. It was set up in the year of 1979 for promotion of the industries throughout the district. The administration is carried on by the General Manager John Saikhuma who is also incharge of SPIO. There are 58 employees in the District Industries Centre (DIC). The main works undertaken by District Industries Centre, Aizawl can be summarised into the Establishment Section, Account Section and General Section. The Establishment Section deals with matters of administration, service matters, distribution of works of officers and staffs, disciplinary action, etc. It functions under a close supervision of General Manager, who is also the head of Office. The Account Section deals with preparation of pay bills, traveling expenses, medical re-imbusement etc. The financial sanction is accorded by the General Manager according to delegation of financial power, which is Schedule-II under the Government of Mizoram. Preparation nominal roll for budget and also expenditure and receipt are also undertaken by the section. The General Section deals several matters. There is several projects/schemes process by DIC like PMEGP, NLUP, SME, etc. Works are distributed to the Ministerial Staff who put up the concern files to General Manager for decision through Superintendent and Functional Manager. In the District Industries Centre, Aizawl, the important works undertaken are providing subsidy, training, implementation of programmes etc.

Today, DIC, Aizawl implemented three programmes including Prime Minister's Employment Generation Programme (PMEGP), New Land Use Policy (NLUP) and Special Micro- Enterprise (SME). DIC is responsible to fulfill different tasks and works. These schemes are planning to promote the small scale industries through generation of employment, helping the new industrial unit, helping the interested person to run the industrial unit, for eradication of poverty, for generation

of income etc. The DIC, Aizawl conducted different training including training on Electric Wireman, Blacksmithy, Carpentry, Automobile, Knitting and Tailoring for the promotion of small scale industries. Subsidies are also given to the small scale industries. There are nine subsidies including Subsidy on Cost of Project Report, Subsidy on Land, Factory Rent Subsidy, Manpower Development Subsidy, Interest Subsidy, Subsidy on Power, Subsidy on Power Line, Subsidy on Power Generating Set and State Transport Subsidy on Plant and Machineries for promotion of newly setting up industrial unit.

The small scale industries in this study focus to the small scale industrial units within the industrial areas of Aizawl. In Aizawl District, there are three Industrial Area including Industrial Estate at Zuangtui, Industrial Growth Centre at Luangmual and Bamboo Technology Park at Sairang. These Industrial Areas are set up for promotion of small scale industries. These are also setup to shift industries from the city area to the industrial areas. In the industrial areas, the Government lends the plot to the industrial unit for running the industry with having a fix period. There are many industrial units and has been looked after by the DIC, Aizawl.

While trying to get answer for the question of “Are the workings and functioning of District Industries Centre, Aizawl effective to promote and accelerate the Small Scale Industries in the Industrial Areas? From the study of the Industrial Areas of Industrial Estate at Zuangtui, Industrial Growth Centre at Luangmual and Bamboo Technology Park at Sairang, as indicated in the chapter four, it is clear that the working of DIC in practical field of industrial areas are not satisfaction. The industrial areas are facing many problems and the DIC never took undertaking of

monitoring their status. It is also clear that the theoretical works and the real works of the DIC are much different as mentioned in the fourth chapter.

This is for answering the second research question of “What are the problems and challenges faced by District Industries Centre, Aizawl and Small Scale Industries in the Industrial areas?” It is found that in the day to day functioning of DIC and small scale industries, both are facing problems as follows:

The small scale industries in the industrial areas have been facing many problems. From the study, it is clear that the functions of the DIC are in theory, rather than in practical. These are the problems faced by industrial units in the industrial areas –

Transportation: From the collected data, 96% of the industrial units in the Industrial Areas are facing transportation problems which affect the working of the industrial units.

Water Supply: Till date, there is no water supply from the government in the industrial units of the Industrial Areas. Due to this, most of them (92%) are facing problems in the day to day functions.

Power Supply: In the Industrial Areas, one of the most important things is power supply. There is no ideal supply of power which effects the functioning the industries. 76% of the Industrial units are facing the problems of power supply.

Raw Material: Government helps only 12% of the industrial units for getting raw material. The rest of 88% are not receiving assistance to get raw material, which one of the problem of the small scale industries in Industrial Areas of Aizawl.

Marketing: Around 60% of the Industrial units are facing marketing problems and which badly effects the industrial growth of Aizawl District.

Subsidies: There are 9 subsidies take care by DIC,16% of the industrial units are getting subsidy from the government and 84% of the industrial units are not getting any subsidy , which is one of the problems of small scale industries in the Industrial Areas. Some incentives are goes to

Monitoring: Monitor of the growth, problems and functions of small scale industries is the important responsibility of DIC. The DIC is very weak in monitoring, the small scale industries which is one of the problems faced by the industrial units.

The DIC, Aizawl has also been facing some problems which trouble the functioning of the Centre. Those are as follows –

Financial Problem: It is the main problems that troubled the functioning of the DIC. Due to the paucity of fund, many programmes including training, monitoring cannot be implemented in a good manner. Due to the paucity of fund, many incentives, development works and others benefits cannot attain the industrial unit in the industrial areas.

Lack of Instructor: One of the most important functions of the DIC is giving training to the new industrial unit and the interested person for the future. As and when any instructor goes on retirement, substitution by filling up the vacant post is so difficult resulting in handicapped of the scheme.

One of the most important research questions is that “What are the suggested remedial measures of the problems faced by District Industries Centre, Aizawl and Small Scale Industries in Aizawl District?” Some of the important answers are as follows:

Finance: Finance is the life blood of the organisation in every step. Due to the lack of finance, many programmes and activities cannot be fulfilled in an ideal manner, which effects the industrial units at the grass root level of industrial areas. So that, Government needs to strengthen the DIC with better financial sanction, which will helps in better fulfillment of the responsibilities.

Public Private Partnership: One of the important suitable measures to solve the problem is promotion of Public Private Partnership. Different actions cannot be taken alone by the DIC. So that partnership of Industrial units and DIC is very important for better fulfillment and succession of the programmes.

Awareness: One of the important suggestions to solve the problem is awareness. There is no good awareness about the schemes, incentives, training programmes, subsidies etc. to the industrial units in the industrial areas. Due to this, many incentives and benefits are not enjoyed by the industrial units in the industrial areas. So that, DIC should take steps to give good awareness about the incentives and benefits for the industrial units in the industrial areas. For this purpose, one or two regular staff needs to be assigned to take care of the industrial units.

Monitor of Industrial Areas: Monitor of the industrial units is one of the important responsibilities of the DIC. From the study, it is clear that the DIC is weak in monitoring the industrial unit. For the growth of small scale industries, Government needs to set up the site office to look after the industrial units in the industrial areas or needs to have regular monitoring of industrial areas.

Give importance of Industrial Areas As mentioned in the previous chapter, the DIC is responsible to look after the industrial areas. In the past time, many incentives were given to the industrial units outside the industrial areas rather than industrial units

within the industrial areas. DIC needs to give priority to the industrial units within the industrial areas and which will have positive effect in the growth of the industry in Mizoram.

Registration of Industry: One of the important reasons of setting up of industrial area is for shifting industrial units from city area. Till today, the industrial units located within the city have been registered by the DIC, which makes many pollution and problems, also disturbed the traffic of the city. It is important that the DIC needs to take action not to register the industrial units located in within the city.

From this study, it is found that the small scale industries in an industrial area of Zuangtui set up Industrial Estate Welfare Committee (IEWC) to work for the welfare of SSI in industrial area. The Committee looks after the administration in an effective manner. Different actions were taken for the welfare of the small scale industries in Industrial Areas which is very important for the growth of industry and suggested to maintain in effective manner.

The Industrial Area Management Committee (IAMC) resolved to fix the allotment fee and the annual rent fee among the small scale industries in the industrial units. Government of Mizoram approved the resolution to fix the fees. The Industrial Estate Welfare Committee (IEWC) submitted petition to court not to levy fees on their plot. Department of Industry has paid a sum of Rs 50,700/- towards annual land revenue for the entire Industrial Estate, Zuangtui to the Revenue Department covering an area of 421168.30 sq meters. But, the Department of Industry resolved to collect Rs 42116830/- sq meters. The allotment fee and the annual rent charged from the petitioners are therefore highly exorbitant in comparison with the land revenue paid

by the Department of Industries. This means, Department of Industry trying to use Industrial Area for generation of income rather than promotion of small scale industries. So that, Department of Industries needs to take actions with taking care of the small scale industries in the industrial areas.

This study is the first attempt to focus the Small Scale Industries (Industrial Area within Aizawl) and District Industries Centre, Aizawl from different corner. It is the first study in the state of Mizoram and will be useful for research and for promotion of industrial administration in Mizoram.