



CHAPTER – II

STATE - BACKGROUND

After India's Independence in 1947, independent princely states of Central India joined the Indian Union. In 1956, Bombay state came into existence which merged the princely states of Central India into Bombay Presidency. Maharashtra was formed on 1st May 1960 carved out of the Marathi speaking territory of erstwhile Bombay State. Favourable economic policies in the 1970s led to Maharashtra becoming India's leading industrial state.

2.1 Geography :

The state of Maharashtra is located between latitude 72°35'26" E to 80°53'9" E and longitude 15°50'17" N to 22°12'52" N and encompasses a total area of 308,000 sq.km. the third largest state in India after Rajasthan and Madhya Pradesh. Maharashtra is bordered by the states of Madhya Pradesh to the north, Chhattisgarh to the east, Andhra Pradesh to the southeast, Karnataka to the south and Goa to the southwest. The state of Gujarat lies to the northwest, with the Union territory of Dadra and Nagar Haveli sandwiched between the borders. Maharashtra's west coast is 720 km long made up by the Arabian Sea.

The Western Ghats is a hill range which runs parallel to the coast with an average elevation of 1,200 meters (4,000 feet). To the west of these hills, lie the Konkan coastal plains which are 50 – 80 kilometers in width. To the east of the Ghats lies the flat Deccan Plateau. To the north of the state, near the Madhya Pradesh border lies the Satpura Range.

The Western Ghats form the source of major rivers of South India, notably the Godavari and the Krishna, two major rivers of Deccan India. The rivers, along with their tributaries flow eastwards, irrigating most of central and eastern Maharashtra emptying into the Bay of Bengal. The Ghats are also source of numerous small rivers which flow westwards emptying into the Arabian Sea. To the north of the state, the rivers Tapi and Narmada flow westwards, irrigating most of northern Maharashtra.



Administratively, the state has a total of 34 districts having a total of 356 Talukas divided into six divisions viz Aurangabad, Amravati, Konkan, Nagpur, Nashik and Pune. **Fig. 2.1** presents map of Maharashtra showing the districts and administrative divisions.

2.2 Demography :

As per the 2001 census, Maharashtra has a population of 96,752,247 inhabitants making it the second most populous state in India. Only eleven countries in the world have a population greater than Maharashtra. Its population density is 322.5 persons per sq.km. Males constitute 50.3 million and females 46.4 million. Maharashtra's urban population stands at 42.4% and the population growth rate between 1991-2001 were pegged at 22.57%. About 77.3% of the population is literate.

2.3 Economy :

Maharashtra is widely recognized as the economic powerhouse of India and accounts for nearly one-fourth of the gross value added by India's industrial sector. Maharashtra also accounts for nearly 40% of the revenue collection in the country. The high level of industrialisation is reflected in the per capita income in Maharashtra, being Rs. 13,112, as against the national average of Rs. 8,237.

2.3.1 Industry :

Constrained by its topographical characteristics, Maharashtra cannot depend on the agricultural sector alone for its sustenance. As a result, Maharashtra's focus has consistently been on developing a strong industrial sector. The major manufacturing sectors in Maharashtra include textiles, chemicals, metallurgical industries, automobiles, and heavy engineering. Some of the other significant industries in Maharashtra include food products, beverages, tobacco and tobacco products, paper, paper products, rubber, plastic, petroleum and coal products, electronic hardware and software and other services.



In the last three decades, the number of factories registered in Maharashtra increased from a mere 8,200 to more than 50,000. Employment of labour rose from 787,000 to about 1.9 million. The productive capital went up by more than 23 times and gross output by more than 27 times during that period.

Besides the manufacturing sector, Maharashtra has a firmly entrenched and vibrant service sector. Large international banks, leading financial services companies, international courier companies, car hire companies, advertising agencies and engineering companies have all established offices in Mumbai. Several law firms, consultancy firms, clearing and forwarding agents, broking firms, merchant bankers, commercial banks and hotels provide the essential support services.

Maharashtra continues to remain a favoured destination amongst both foreign as well as domestic investors. Indeed, the three largest industrial groups in India viz Tata, Birla and Reliance have their flagship units in Maharashtra.

Several other corporates in the country such as Larsen and Toubro, Mafatlal, Bajaj, Godrej, Kirloskar, Mahindra, Essar, Bombay Dyeing and Videocon have their base in Maharashtra and are significant contributors to the state's industrial success. Besides these, a number of public sector companies like Oil and Natural Gas Corporation, Bharat Petroleum, Life Insurance Corporation of India and Industrial Development Bank of India have their headquarters located in Maharashtra.

Maharashtra also enjoys the largest share of the total foreign direct investment and foreign collaborations approved by the Government of India till date. These include Coco Cola, Enron, Mercedes Benz, Siemens, Procter and Gamble and Unilever, to name just a few.

2.3.2 Future Investment Scenario :

The liberalisation policy adopted by the Government of India and favorable steps taken in this regards by the State Government attracted industrial



investments in the State. During the post-liberalisation period 1991-2003, a total of 11,381 projects with an investment of Rs. 2,56,009 crore have been registered with the Government of India for setting up industries in Maharashtra. Maharashtra is at numero uno position in both the number of units proposed to be set up and the investment therein (19% of total). Employment for 19.86 lakh persons is expected to be generated under these projects. Of the total investment proposed, about 51% will be in Konkan region, followed by 19% in Pune region, 10% in Nashik region and 9% in Nagpur region. Out of these 11,381 projects, 5,279 projects involving an investment of Rs. 69,018 crore have commenced production and employment has been generated for 4.69 lakh persons.

Of the total projects registered, the major projects are Chemicals and Fertilisers (20%), Processed food (19%), Textiles (11%), Metal and Metal Products (10%), Engineering (8%) and Electrical and Electronics (8%).

2.3.3 Foreign Direct Investment :

One of the main characteristics of industrial development after liberalization is participation of Non-resident Indians (NRI's) Foreign Direct Investors. During the post liberalization period 1991-2003 under Foreign Direct Investment (FDI), 3,382 projects with an investment of Rs. 50,333 crore have been approved by the Government of India for setting up industries in the State. Of these approved projects, 1,207 (36%) projects with an investment of Rs. 31,542 crore (63%) have already been commissioned by end 2003. Of the total proposed investment in the country under FDI since liberalization, Maharashtra continued at the top position with 17% share in the investment. The FDI proposals are mainly in the field of services, IT, Engineering, Electrical and Electronics, Chemicals and Fertilisers, Food processing, Automobile and Textile Industries.

2.4 Maharashtra Industrial Development Corporation :

Maharashtra Industrial Development Corporation (MIDC) is primary industrial infrastructure development agency of the Maharashtra Government.



constituted under the Maharashtra Industrial Development Act, 1961, MIDC was established on 1st August, 1962, with the basic objective of setting up industrial areas with a provision of industrial infrastructure all over the state for planned and systematic industrial development.

MIDC has played a vital role in development of industrial infrastructure in the state of Maharashtra. Indeed, in the endeavour of the state to retain its prime position in industrial sector, MIDC has played a pivotal role for the last 35 years. MIDC has developed more than 225 industrial estates (major and mini) across the state spread over 52,654 hectares of land. The growth of the corporation, achieved in the various fields, during the last 3 years, could be gauged from the fact that the area currently in possession of MIDC has doubled from 25,000 hectares in 1995.

MIDC is also a "Special Planning Authority" for all its industrial areas for various functions such as selection of land, planning, development and management of industrial parks.

2.5 Industrial Statistics from Maharashtra Pollution Control Board :

Maharashtra Pollution Control Board is a nodal agency for implementation of environment regulation in the State of Maharashtra. For administrative convenience, the Maharashtra Pollution Control Board has divided Maharashtra State into 11 Regions. Each region is headed by a Regional Officer. The administrative jurisdiction of various Regional offices is presented in **Table 2.1** below and in **Fig. 2.2**.



Table 2.1

Administrative Jurisdiction of MPCB Regional Offices

Sr. No.	MPCB Region	Location of Regional Office	Districts / Areas covered
1	Mumbai	Mumbai	Mumbai city & suburbs
2	Thane	Thane city	8 Talukas of Thane District viz. Thane, Vasai, Vikramgad, Dahanu, Talasari, Palghar, Mokhada, Javhar
3	Navi Mumbai	CBD Belapur, Navi Mumbai	Part of Thane & Raigad District – Navi Mumbai, Municipal Corporation, (Thane) & MIDC Talaja, Uran Taluka (Raigad)
4	Raigad	CBD Belapur, Navi Mumbai	All of Raigad District except Uran Taluka & MIDC Talaja
5	Kalyan	Kalyan city	7 Talukas of Thane District – Kalyan, Bhiwandi, Wada, Murbad, Shahpur, Badlapur, Ulhasnagar
6	Pune	Pune city	Pune, Satara & Solapur District
7	Nashik	Nashik city	Nashik, Ahmednagar, Dhule, Jalgaon & Nandurbar District.
8	Aurangabad	Aurangabad city	Aurangabad, Jalna, Parbhani, Hingoli, Nanded, Beed, Latur & Osmanabad District
9	Nagpur	Nagpur city	Nagpur, Wardha, Bhandara, Gondia, Chandrapur, Gadchiroli District
10	Amravati	Amravati city	Amravati, Akola, Buldhana, Vashim & Yavatmal District
11	Kolhapur	Kolhapur city	Sangli, Kolhapur, Sindhudurga & Ratnagiri District

According to the industrial statistics prepared by MPCB there are 53,070 industrial establishments to whom consents have been granted by MPCB.



Table 2.2 presents the industrial statistics for each of the 11 Regional offices of MPCB classified as Red / Orange and Green Category Industry.

Table 2.2
Industry Statistics from MPCB Records (Year 2003-2004)

Sr. No.	Region	Red			Orange			Green			Grand Total
		LSI	MSI	SSI	LSI	MSI	SSI	LSI	MSI	SSI	
1	Mumbai	57	32	634	21	26	351	3	19	3806	4949
2	Navi-Mumbai	106	31	768	8	12	358	2	4	1101	2390
3	Thane	32	82	961	34	9	333	4	6	3686	5147
4	Kalyan	32	38	938	3	5	352	5	7	1043	2423
5	Raigad	75	68	130	11	22	222	1	8	400	937
6	Pune	206	129	1067	32	87	1426	40	82	3436	6505
7	Nashik	146	65	571	12	19	487	13	21	7258	8592
8	Nagpur	108	111	738	8	36	1842	3	5	3104	5955
9	Amravati	41	27	224	3	10	1265	1	-	1955	3526
10	Aurangabad	114	86	291	7	46	843	4	8	3648	5047
11	Kolhapur	62	97	545	18	7	939	1	3	5927	7599
	Total	979	766	6867	157	279	8418	77	163	35364	53070

As can be seen, Nashik Region has the highest number of industries 8592 (16.2%) followed by Kolhapur 7599 (14.3%). The lowest number of industries are in Raigad 937 (1.7%).



How ever, it is also observed that Pune Region has highest number of Red category industries: 1402 (16.2%) followed by Nagpur: 957 (11.1%) whereas Nashik and Kolhapur Regions have maximum number of Green category industries.