



**THE ROLE OF MIDC IN THE INDUSTRIAL DEVELOPMENT
OF MEGHALAYA**

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Abstract

Meghalaya Industrial Development Corporation Limited is the State Financial Institution, the Government agency for Industrial and investment promotion in the state of Meghalaya. Formed in the year 1971 with the objective of promoting, stimulating, financing and facilitating the development of large and medium scale industries in Meghalaya. During the research study various unseen obstacles, tasks, problems etc. was encountered. The following are some of the few limitations of the study: The research was conducted within a short period, only few information and analysis are made possible. The study is limited to time, The researcher had to use fact and information already available through financial statement of earlier years and analyze these to make critical evaluation of available data. Required data for the study are basically secondary in nature and the data are collected from the audited report of the company (2005-2010). Financial Institutions are the active players in the capital market. These organizations provide long-term loans on easy installments to the corporate sector. They help in promoting new business enterprises for expansion and diversification of the existing companies. In underdeveloped countries, there is a strong need for the establishments of the financial institutions because of a large number of industrial organizations exist.

Introduction: Meghalaya Industrial Development Corporation Limited is the State Financial Institution, the Government agency for Industrial and investment promotion in the state of Meghalaya. Formed in the year 1971 with the objective of promoting, stimulating, financing and facilitating the development of large and medium scale industries in Meghalaya. MIDC acts as a promotional agency involved in catalyzing the development of physical and social infrastructure required for constant growth in the State of Meghalaya. Meghalaya Industrial Development Corporation Ltd. (MIDC) plays a major role in the development of Industries in the State of Meghalaya. The Meghalaya Industrial Development Corporation Ltd. (MIDC) looks after development of medium and large-scale industries in the state. MIDC has assisted entrepreneurs

in providing financial assistance, technical assistance and other industrial infrastructures etc. For the purpose of studying the contributions and roles of MIDC in the development of industries of the state Meghalaya Industrial Development Corporation Limited is a Private Company incorporated on 06 April 1971. It is classified as State Government Company and is registered at Registrar of Companies, Shillong. Its authorized share capital is Rs. 1,000,000,000 and its paid up capital is Rs. 894,941,310..Meghalaya Industrial Development Corporation was set up under the Companies Act, 1956, as a wholly owned state government undertaking for promotion and development of medium and large industries. In addition to provision of financial assistance, it also involve in developing industrial infrastructure like industrial estates, industrial parks, etc. and setting up industrial projects either on its own or in the joint sector in collaboration with private entrepreneurs or as wholly-owned subsidiaries. Meghalaya Industrial Development Corporation has development industrial infrastructure facilities to enable prospective entrepreneurs to set up their industries in the state. The Corporation also renders technical assistance to the entrepreneurs in the formulation of the project reports and provides common facilities in the industrial estates. Meghalaya Industrial Development Corporation Limited is a state financial institution which has been recognized by the Reserve Bank of India. As a State Financial Corporation (SFC), the MIDC has been providing financial assistance by way of term loan to individuals/companies/partnership firms for setting up economically viable industrial projects The Corporation also provide term loan to individual for acquiring commercial vehicle to improve transport communication and also provide gainful employment. The MIDC also participate in unquoted equity shares and unquoted cumulative preference shares in a number of Private Limited Companies operating in the State as also its own subsidiaries companies. All this, the Corporation has been able to achieve is by the support of the Government of Meghalaya, Industries Department, through *Financial Operation Scheme (Share Capital)* and *Equity Participation Scheme (Share Capital)*.Meghalaya Industrial Development Corporation Limited provides loans and advances to the industrial units in the medium and large sectors to the maximum of Rs.400 lakhs. The interest rate ranges between 13.5% to 17% depending upon the size of the loan. The objectives of studying this article are follows.

OBJECTIVE OF THE STUDY: To study the contribution of MIDC in the development of Industries of Meghalaya

To know the opportunities provided by MIDC to the entrepreneurs of Meghalaya.

To find out what type of industries are benefiting from MIDC.

To find out the different financial sources of MIDC.

LIMITATION OF STUDY: During the research study various unseen obstacles, tasks, problems etc. was encountered. The following are some of the few limitations of the study: The research was conducted within a short period, only few information and analysis are made possible. The study is limited to time, busy schedule of the corporation's officer, the data use for the purpose of this article has been picked up from published annual reports (2005-2010) rest of the data are not available due to audit not yet performed by the concern organization .It is not possible to survey and visit each and every Industry assisted by MIDC during the past decades.

RESEARCH METHODOLOGY: The researcher had to use fact and information already available through financial statement of earlier years and analyze these to make critical evaluation of available data. **Data Source:** Required data for the study are basically secondary in nature and the data are collected from the audited report of the company (2005-2010). The sources of data are from the annual report of the company. The data and information required for the article has been collected from the recorded annual report of the corporation from 2005-2010. **Methods of data collection:** The following methods are used to collect data for the purpose of this research study. **By secondary sources:** Internet, Journals and Newspaper, Books. **Data Type:** Mainly secondary data has been collected. **Tools and Techniques:** Charts, tabulation, graphs and comparative analysis are the tools which have been used in this article. **REVIEW OF RELATED LITERATURE:** Financial Institutions are the active players in the capital market. These organizations provide long-term loans on easy installments to the corporate sector. They help in promoting new business enterprises for expansion and diversification of the existing companies. In underdeveloped countries, there is a strong need for the establishments of the financial institutions because of a large number of industrial organizations exist. A number of financial institutions have been set up all over India and at regional levels for acceleration the growth of industries. They involve in the Mobilization of funds and in channelizing the savings towards the productive way. These institutions provide credit to the commercial enterprises. They provide a wide range of services to the public. They deal with the financial assets like deposits, banks and securities. They mobilize the savings either directly or indirectly from the financial markets. They deal with the financial market. The financial institutions are a part of the financial market. The place of the industrialization of a country depends upon the disbursements of loans by these institutions. **Ramesh babu (2006)** Financial Institutions are business organizations that act as mobilizes and depositories of savings, and as purveyors of credit or finance. They also provide various financial services to the community. They differ from non-financial (industrial and commercial) business organizations in respect of their wares, i.e., while the former deal in financial assets such as deposits, loans, securities, and so on, the latter deal in real assets such as machinery, equipment, stocks of goods, real estate, and soon. The distinction between the financial sector and the “real sector” should not be taken to mean that there is something ephemeral or unproductive about finance. At the same time, it means that the role of the financial sector should not be over stressed. The activities of different financial institutions may be either specialized or they may overlap; quite often they overlap. Yet we need to classify the financial institutions and this is done on such basis as their primary activity or the degree of their specialization with relation to savers or borrowers with whom they customarily deal or the manner of their creation. In other words, the functional, geographic, sectoral scope of activity or type of ownership is some of the criteria which are often used to classify a large number and variety of financial institutions which exists in the economy. According to **L.M Bhole (1982)** there is an important group called Non Banking Statutory Financial Organizations (NBSFOs), though he further stated that this is not a precise title for this group and added that in fact the the number and diversity of these institutions is so great that any single classification appellation

cannot accurately reflect the nature of each institution in this group. They cannot be classed as banks, but the names of some of them include the term "bank". They are not financial intermediaries because till recently they generally did not mobilize savings from the ultimate surplus spending units and instead obtained their resources primarily from the government and the RBI, but now some of them have begun mobilizing public savings directly or indirectly. They have been mostly statutorily by the government, but some private sector participation in the ownership and functioning of some of them may also exist. They are usually special or specialized institutions, but some they may have a much general functional coverage. Subject to such exceptions, according to L.M Bhole, NBSFOs may be regarded as a reasonably distinguishing title for these institutions. They are also recognized as "Development banks" or "term lending institutions" or "special (specialized) development financial institutions (organizations)". All of them were set up during the planning era; their emergence and growth have been corollary to the adoption of a planned economic system. They are like federal agencies in the US. Although similar institutions exist in other countries also, in none of the other mixed or free enterprise economic systems do they dominate the financial system as they do in India. **V.V Divatia and Shankar (1979)** in their paper, "Capital Formation and its Financing in the Private Corporate Sector 1961-62 to 1975-76." *The Journal of Income & Wealth*, April 118-152 discussed the role of internal and external sources of funds and their components in financing capital formation of the private corporate sector. The study was based on the RBI company finance studies relating to medium and large public and private limited companies and covered the period 1961-76. They also discussed the trends and patterns of financing for four individual industries, viz, cotton textiles, jute, sugar and cement. **S. Adve (1980)**. "Financial Practices in Indian Corporate Sector, Inter-Group and Inter-Size Differences," *Economic and Political Weekly*, Feb.23.had some interesting findings in his article "Financial Practices in Indian Corporate Sector," based on the RBI company finance data. He underlined the rising dependence on borrowed capital in relation to the total capital employed in the Indian corporate sector. Trade credit was pointed out to be important sources of capital when the bank credit was squeezed. Making an industry-wise analysis, the author came to the conclusion that the industries with large profit margins and those with large depreciation and development rebate reserves had a relatively lower order of overall indebtedness and many of them also had a lower order of bank borrowings in relation to overall indebtedness. Industries with high profit margin such as silk and rayon textiles, aluminum, basic industrial chemicals and medicine and pharmaceutical preparations had lower proportion of borrowed funds as compared to the average of the medium and large public Ltd. companies.**L .S. Gupta (1969)**. **Changing Structure of Industrial Finance in India, The Impact of Institutional Finance, Clarendon Press: Oxford**, from the extensive study viewed that the growth of institutional finance emerged in India due to structural change for industrial financing system with wide change of socio-political situations in India. He attempted to measure overall impact of financial institutions on capital formation in the organized private sector as also the allocative efficiency of financial system. He observed that during the first plan financial assistance rendered by special institutions represented only 4.1 per

cent of gross fixed investment in private industry, which rose to 7.9 per cent in the second plan and further to 18.1% in the third plan period. He also found that commercial banks remained the most important single agency for financing the private corporate industry and LIC was the single largest purchaser of industrial securities and the underwriter of new issues of large and established companies. **M.S. Joshi** examined the role of financial intermediaries in providing finance to large-scale industries in the private sector. After analyzing the contribution of each important intermediary towards industrial development in India, he estimated that these intermediaries have participated with 17% of investment in various industries against 39% in share capital of public Ltd. companies.

INDUSTRIAL DEVELOPMENT BANK OF INDIA: The Industrial Development Bank of India was established in July, 1964. It was registered as a subsidiary to the RBI. It was formed under the IDBI Act of 1964. It is wholly owned by the RBI, in 1976, the ownership of this corporation has been transferred to the Central Government, in terms of the Public Financial Institutions Laws (Amendments) Act of 1975. The IDBI has been assigning the role of principal financial institution to promote the industrial growth in the country. It has been enacting a special role in the industrialization of the nation. It is actively involving in planning, promoting and developing industries to fill the gaps in industrial structures.

Industrial Financial Corporation of India (IFCI):IFCI is a financing institution and was set up in July 1948 by the Government of India under the IFCI Act, 1948 with the objective of providing medium and long-term loans to large industrial concerns in the private sector. However, now the units from the co-operative, joint and public sector also have been made eligible for its assistance. It provides direct rupee and foreign currency loans for setting up new industrial projects and for expansion, diversification, renovation, and modernization of existing units. It also underwrites and directly subscribes to industrial securities, provides financial guarantees, merchant banking services, and lease finance. Its resources are in the form of (a) loans from the RBI, (b) share capital, (c) retained earnings, (d) repayment of loans (e) issue of bonds, (f) loans from the government, (g) lines of credit from foreign lending agencies and (h) commercial borrowings in international capital markets. It has introduced a number of financial and promotional schemes on its own; the latter include eight consultancy fee subsidy schemes, four interest subsidy schemes, and two entrepreneurship development schemes. IFCI has now set up a range of subsidiaries to diversify its activities. It has formed IFCI Financial Services Ltd. For merchant banking, stock broking and allied services; IFCI Custodial Services; IFCI Investor Services for registrar and transfer services; it has also promoted the ICRA.

National Industrial Development Corporation (NIDC):The NIDC was set up in October 1954 as a statutory corporation owned by the Government of India. Its functions are: (a) to formulate and execute projects for setting of new industries. (b) To provide consultancy services. (c) To finance the rehabilitation and modernization of certain industries, such as cotton and jute textiles, and machine tools. It is financial PSU, a ministry of commerce and industry, Government of India. Its spectrum of services are: industrial planning and management, project engineering, project/construction management, procurement, technical and quality audit, social and industrial

infrastructure, human resources management, environmental engineering, engineering management, and software and IT development. According to **Sedalia Bihari Verma (2010)** in his book, **Indian Financial System**, said that, “Financial Institutions help in promoting new companies, expansion and development of existing companies and meeting the financial requirement of companies during economic depression. The help rendered by financial institutions has accelerated the pace of industrialization.” **Bharati V. Pathak (2003)** in her book, **The Indian Financial System**, stated that, “Financial Institutions are intermediaries that mobilize savings and facilitate the allocation of funds in an efficient manner. Financial institutions can be classified as banking and non-banking financial Institutions. Banking institutions are creators and purveyors of credit while non-banking financial institutions are purveyors of credit. While the liabilities of banks are part of the money supply, this may not be true of non-banking institutions (DFIs) and non-banking financial companies (NBFCs) as well as housing finance Companies (HFCs) are the major institutional purveyors of credit.” She further stated that, “Financial Institutions can also be classified as term-finance institutions such as the Industrial Developmental Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), and Industrial Investment Bank of India (IIBI). There are state-level financial institutions such as State Financial Corporations and Small Industrial Development Corporations which are owned and managed by the state governments.” According to **the Federation of Universities (FedUni), May 2009**, Developmental Financial Institutions (DFIs) are the significant financial intermediaries. Most of the DFIs are formed statutorily such as IDBI, while some are formed as a company such as erstwhile ICICI. There are a range of financial institutions in India providing comprehensive funding alternatives. Some of the kinds of financial institutions are all India/national institutions like IFCI, IDBI, IRBI, SIDBI, and state/regional level institutions like State Financial Corporation (SFCs), State Industrial Development Corporation, Technical Consultancy Organizations (TCOs). These institutions provide financing for most of the Greenfield projects in the Indian Economy. All above literatures are related with MIDC functions.

STATE LEVEL INSTITUTIONS: State Financial institutions have been set up at the State Level which supplements the financial assistance provided by the all India institutions. They act as a catalyst for promotion of investment an industrial development in the respective States. They are broadly consisting of ‘State Financial Corporations’ and ‘State Industrial Development Corporations’.

Small Industries Development (SFCs): are the State-level financial institutions which play a crucial role in the development of small and medium enterprises in the concerned States. They provide financial assistance in the form of term loans, direct subscription to equity/debentures, guarantees, discounting of bills of exchange and seed/special capital etc. SFCs have been set up with the objective of catalyzing higher investment, generating greater employment and widening the ownership base of industries. They have started providing assistance to newer types of business activities like floriculture, tissue culture, poultry farming, commercial complexes and services related to engineering, marketing etc. There are 18 State Financial Corporation’s (SFCs)

in the country:
State Industrial Development Corporations (SIDCs): The SIDCs have established under the Companies Act 1956, as wholly-owned undertakings of State Governments. They have been set up with the aim of promoting industrial development in the respective States and providing financial assistance to small entrepreneurs. They are also involved in setting up of medium and large industrial projects in the joint sector/assisted sector in collaboration with private entrepreneurs or wholly-owned subsidiaries. They are undertaking a variety of promotional activities such as preparation of feasibility reports; conducting industrial potential surveys; entrepreneurship training and development programmes; as well as developing industrial areas/estates by Meghalaya Industrial Development Corporation Ltd. (MIDC).

COMPANY PROFILE

MEGHALAYA INDUSTRIAL DEVELOPMENT CORPORATION LIMITED: The Corporation is a Government Undertaking and has been set up primarily as a financial institution for wider industrial development and to create infrastructure necessary for such development to take place. The main mission/vision of MIDC is to assist, promote, establish and execute industrial projects or enterprises directly or indirectly, so as to advance the industrial development of Meghalaya. Meghalaya Industrial Development Corporation has developed industrial infrastructure facilities to enable prospective entrepreneurs to set up their industries in the State. The Corporation also renders technical assistance to the entrepreneurs in the formulation of the project reports and project reports and provides common facilities in the industrial estates. It also provides loans and advances to the industrial units in the medium and large sectors to the maximum of 400 lakhs. The interest rate ranges between 13.5% to 17% depending upon the size of the loan.

Functions of MIDC: MIDC has two functions: State Industrial Development, State Financial Corporation (Loaning Operational)

Main Objectives

1. To promote, establish and execute industries, projects or enterprises for manufacture and production of plant, machinery, tools, implements, materials, substances, goods or things of any description which in the opinion of the Company are likely to promote or advance the Industrial Development of Meghalaya.
 2. To promote schemes for industrial development of Meghalaya and for that purpose to prepare and get prepared reports, blue-prints, statistics and other information.
1. To aid, assist and finance industrial undertaking of any size, project or enterprise, whether owned or run by Government statutory body, Private Company, firm or individual, with capital credit, means or resource for prosecution of its works and business.
 2. To promote and establish companies and associations for the prosecution or execution of industrial undertakings, works, projects and enterprises of any description, whether of a private or public character, which in the opinion of the Company would contribute to the industrial development of Meghalaya and to acquire and dispose of shares and interest in such Companies or associations or in any other Companies or associations or in the undertakings there of.

3.To procure capital for or to provide machinery equipment and other facilities to any Company, person or associations for the purpose of carrying into effect any objects connected with the industrial development of Meghalaya and to subscribe for or under-write or otherwise deal with shares, debentures and securities of any such companies or associations.

STATE FINANCIAL CORPORATION (LOANING OPERATION): MIDC Ltd. is a state financial institution which has been recognized by the Reserve Bank of India. As a financial institution the Corporation has been assisting the people financially for setting up project for industrial development of the state. All this, the Corporation has been able to achieve is by support of the Government of Meghalaya, Industries Department, through

Financial Operation Scheme (Share Capital)

Equity Participation Scheme (Share Capital)

Financial Operation Scheme (Share Capital)

This scheme is implemented by MIDC Ltd to assist and support the people financially for setting up economically viable project for Industrial development of the State.

The MIDC is also implementing the Refinance Scheme of SIDBI, which is also mainly for financing viable project. But under the refinance scheme, SIDBI grants a maximum of 55% of the total loan disbursed; the gap that arises is met from the funds available through the financial operation scheme and plough back of loans recovered. Now, as no refinance, the Corporation has to depend solely on the financial operation scheme and plough back of loans recovered for its operation. Also it may be mentioned here that the Corporation since inception till 2009-2010 has incurred a revenue expenditure of Rs. 5032.22 lakhs, which has been met mostly from the income generated through loaning operations. Apart from this, the Corporation has been assisting the Subsidiaries and the expenditure incurred for them as on 31.07.2010 is Rs.2660.00 lakhs.

Equity Participation Scheme (Share Capital): This scheme is implemented to encourage entrepreneur to set up industries in Meghalaya wherein the entrepreneur is not in position to find his own commitment for equity investment requirement to set up industries. The banks and other financial institutions have norms for providing loans vis-à-vis equity contribution to be made by the entrepreneur. Any shortfall thereof greatly affects the setting of the project and thereby works as a deterrent to the first generation entrepreneur while setting up industries. The Corporation has been participating in equity share capital of Industrial Projects set up in the state. The projects are either in the private sector, joint sector, public sector or MIDC's own subsidiary companies. The objective of the scheme is to encourage investment in the State.

STATE INDUSTRIAL DEVELOPMENT CORPORATION (AGENCY FUNCTION)

MIDC in its role as SIDC performs a variety of developmental works as per the scheme and funds provided by the Central and State Government. These are **Creation of Industrial Infrastructure:** MIDC has been involved in the creation, development and maintenance of necessary infrastructure at Industrial Estates, Industrial Growth Centre, Barapani Industrial Area, and EPIP Byrnihat. The funds for development of these areas are provided by the Central and State Government. Central funds include IID Scheme and other Scheme.

Other schemes are: Publication & Publicity, Man Power Training, Entrepreneur Development Programme, Feasibility Studies, Nodal Agency for Food Processing

LIST OF SERVICES BEING PROVIDED BY THE CORPORATION

Financial assistance by MIDC: MIDC Ltd. is operating financial assistance scheme under the refinance scheme of Industrial Development Bank of India/Small industries Development Bank of India. The limit of financial assistance that MIDC can assist to entrepreneurs by way of term loan is to the tune of Rs. 90.00 lakhs. For units where the fund requirement is much more, the Corporation can collaborate with other financial institutions/banks etc for consortium finance. The entrepreneur can also approach for direct financing from SIDBI/IDBI and NEDFI. For entrepreneurs who are interested in Tea plantation, coffee, rubber etc., may contact the Meghalaya Co-operative Apex Bank (MCAB) which gets the refinance from NABARD. Entrepreneurs may also approach the State Bank of India – the lead Bank for the State of Meghalaya - for direct finance. MIDC adopts certain steps and strategies to evaluate the project viz, identification of the project, selection of the entrepreneur's selection of the entrepreneurs during all the phases of project implementation. MIDC is one such institution in the country operating in the state of Meghalaya. The Corporation is mandated to assist entrepreneurs in project, appraisal, implementation and follow-up. All the phases are interrelated and experience gained during appraisal of projects and their supervision helps the financial institutions to guide the entrepreneurs in identification and selection of new project.

Equity Participation by MIDC on equity share capital of Industrial Projects:

The Corporation has been participating in the Equity Share Capital of the Industrial Projects, promoted either in the Private Sector, Joint Sector, and Public Sector or as its own subsidiary Companies. The Schemes has been basically introduced to encourage entrepreneurs, business house to invest in Meghalaya. The guidelines and eligibility criteria as given here under.

Eligibility criteria: New Industrial units set up in the State of Meghalaya will be eligible for share participation from MIDC Ltd. Existing industrial units set up in the State of Meghalaya either in the joint sector or in the Private sector will be eligible for additional share capital participation from MIDC Ltd. for expansion/diversification purposes.

Quantum of Share Capital Participation: The quantum of share capital participation shall vary from industry to industry according to the size of the industry. MIDC Ltd. intends to participation in the industry in the following manner taking into consideration the size of the industry, subject to availability of funds. If the industry is set up as a subsidiary of MIDC the capital participation will be 100%. If the industry is set up in a private sector SSI Units, the share capital participation should be 10% to 20 % subjected to a maximum ceiling of Rs 20.00 lakhs .If the industry is set up in private sector as medium scale unit, the share capital participation should be 10% subject to a maximum of Rs 50.00 lakhs. If the industry is set up in a joint sector or public sector, the share capital participation should not be more than 26%. If the sick industrial unit is to be rehabilitated, the capital participation would be determined as per the merit of the cases but in no case investment would exceed 49%.

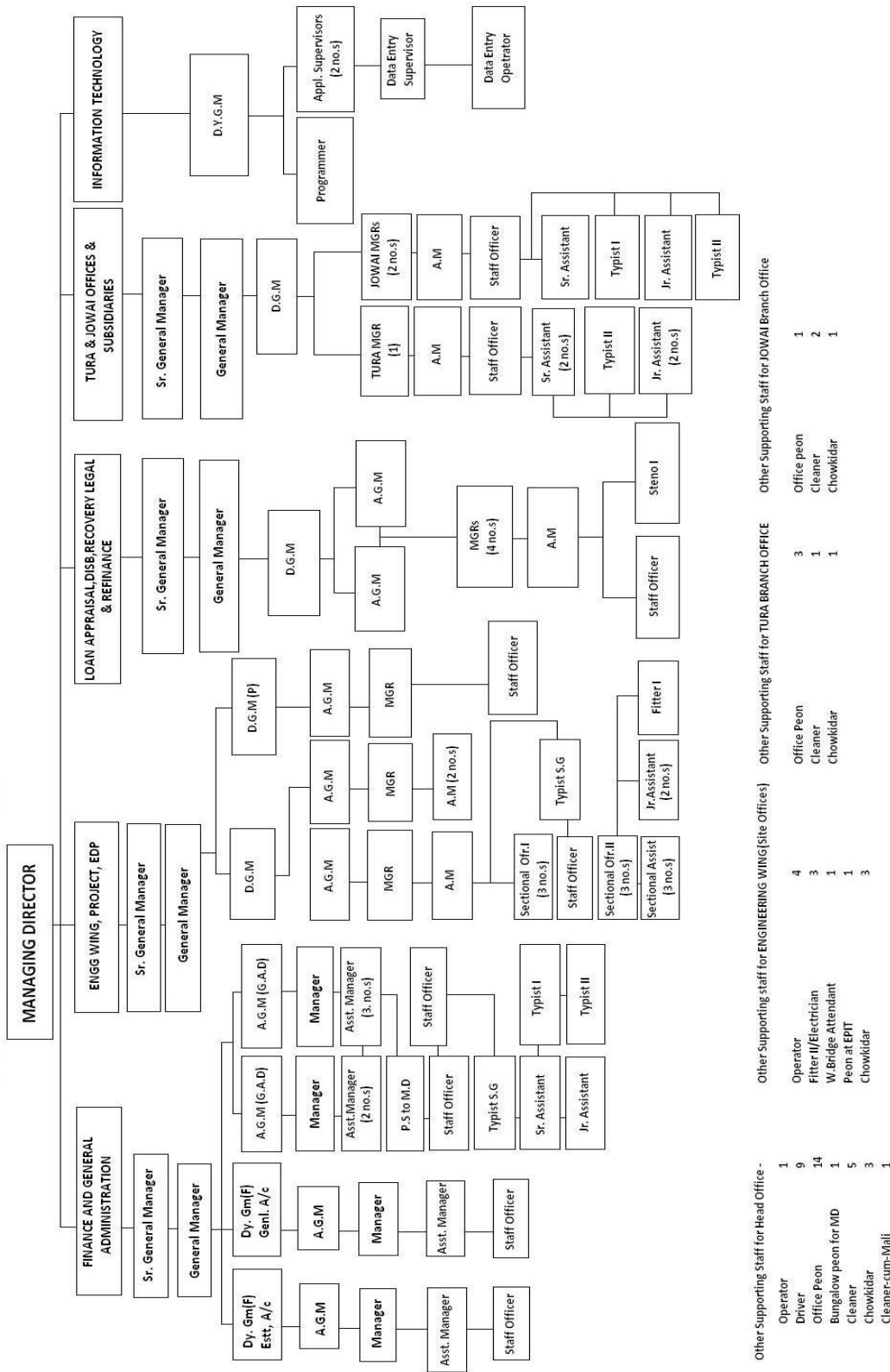
Manpower Development Scheme and Entrepreneurship Development Programme:

MIDC Ltd. is providing stipend for local student prosecuting their higher studies in Engineering, Business Management and Accountancy. Entrepreneurs' development training is being implemented to interested local Entrepreneurs. Training programmed is being conducted in all District Head quarters and Sub Division from time to time. Project Technical & Economic Report (TEFR)/Project Identification. MIDC has prepared Techno Economic feasibility Reports and Detailed Project Reports on Mineral based, Agro Based and on some other Industries in Meghalaya. The list of Studies/Reports etc and some projects identified for Meghalaya are given here under –**Table: 1- The list of Studies/reports and projects identified for Meghalaya**

Sl. No.	Detail Project Reports (DPRs)	Sl. No	Feasibility Reports
1.	DPR for 3600 tonne per annum Ceramic Glazed Tiles Project by M/s NEITCO	1.	Project Report for Garo Hills Clinker Project by M/s. Development Consultants (DCL)
2.	DPR for Ceramic Crockery Project by M/s. NEITCO	2.	Up-dating of capital cost for Garo Hills Clinker Project by M/s. DCL
3.	DPR for 800 TPA Ceramic LT Insulator Project by M/s. NEITCO.	3.	Project Report on manufacturing of starch from Tapioca (1800 tonne per annum) by M/s Central Food Technological Research Institute
4.	DPR for Aerial Ropeway Transportation from Siju to Pathergittim	4.	TEFR on Agro-based Industries in Meghalaya by M/s Milladi Project Management Centre Pvt. Ltd.
5.	DPR for a 200 tonnes per day Paper Grade Lime Project in Meghalaya prepared by NEITCO	5.	Report on Detailed Evaluation of China Clay deposit at Darugiri in Garo Hills District by M/s. Central Glass & Ceramic Research Institute
		6.	TEFR on 15000 TPA Vanaspati Plant by M/s. NEITCO.
		7.	TEFR on 25000 sq. m. per annum Granite Slabs & Tiles and Limestone Slabs Project by M/s. NEITCO.
		8.	TEFR on cement plant at Lumshnong by M/s. Conscom Engineers Pvt. Limited
		9.	Feasibility Report for Semi mechanized Brick Plant by M/s. DCL.
		10.	Feasibility Report for 10000 tonnes per annum Precipitated Calcium Carbonate by M/s. DCL
		11.	Market Survey Cum Pre-Investment Study Report by M/s. DCL Calcutta, for a) Lime Based Industries b) China City Based Industries c) Coal Based Industries
		12.	Pre-Feasibility Report for Cement Grinding Plants 25 tonne per day each at Byrnihat, Mukhla and Mendipathar by M/s HOLTEC.

		13.	Industrial Alcohol from Tapioca by M/s Malladi Project Management Centre Pvt. Ltd. Madras
		14.	Bio Fertilizer by M/s. Malladi Project Management Ltd. Madras. (MPMC)
		15.	Cold Storage: by M/s. NEITCO Guwahati 1. Shillong 2. Dainadubi 3. Mawiong 4. Garobadha
		16.	Mushroom Project at Shillong and Upper Shillong by M/s. NEITCO Guwahati
		17.	Report on Techno-Economic Survey on Leather & Allied Industries in Meghalaya by M/s. Central Leather Research Institute, Chennai
		18.	Washing Plant for China Clay by M/s. Geotech & Geomech Compass, Guwahati
		19.	Preliminary Study on Polished stone slabs by M/s. GIEM (India) Consortium
		20.	Formed coke/low ash coke by Central Mine Planning & Design Institute Ltd. (CMPDI) a Subsidiary of Coal India Ltd.
		21.	TEFR for calcium carbide project prepared by GIEM (India) Consortium
		22.	Status of re-rolling mills in Meghalaya and feasibility of setting up of new ones by NEITCO
		23.	Perspective plan for Industrialization of Meghalaya by TCS
		24.	Modern Abbatoir at Shillong by M/s. Biogene International
		25.	Detailed Geological Exploration of Borsara Limestone deposits by Cement Corporation of India
		26.	TEFR for production of bleaching powder in Meghalaya by M/s. National Industrial Development Corporation, New Delhi
		27.	TEFR for production of potato powder prepared by M/s. P.R Dey & Associates, Guwahati
		28.	TEFR for production of Refined Oil prepared by M/s. P.R Dey & Associates, Guwahati
		29.	Aerated autoclaved concrete block
		30.	Bitumen Emulsion Plants Prepared by Preetam Rajkhowa
		31.	TEFR on Agro-Based Industries in Meghalaya, by A.F Ferguson & Co. Calcutta
		32.	Pre-investment Feasibility Report for the proposed e-learning project in Meghalaya

ORGANISATIONAL CHART OF MIDC Ltd.



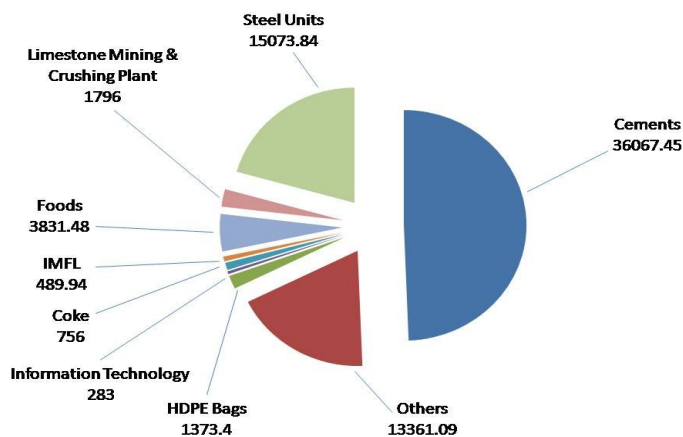
Note: One General Manager and One assist. Manager are on deputation to MIDC and IMEDC respectively

ANALYSIS & INTERPRETATION

TableNo-3: Status of Medium & Large Industries in Meghalaya assisted by MIDC (2010)

Sl. No	Type of Industries	Nos.	Investment made (Rs in lakhs)	Employment Generated No.
1	Cements	10	36067.45	1311
2	Steel Units	48	15073.84	1925
3	Limestone Mining & Crushing Plant	4	1796	336
4	Foods	12	3831.48	373
5	IMFL	3	489.48	99
6	Coke	2	756	70
7	Information Technology	2	283	85
8	HDPE	4	1373.4	135
9	Others	31	13361.09	10
	TOTAL	116	73032.2	5417

Figure: No-1. of Large & Medium Units



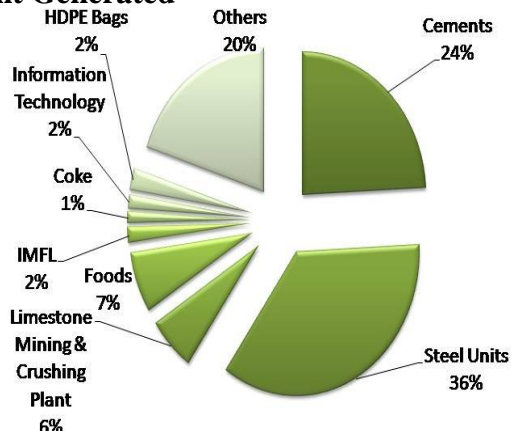
Interpretation: The above Figure shows the number of Industrial Units assisted by MIDC in the different areas of Industries. It is seen from the above figure and table that MIDC assist Steel Industries mostly followed by Other Industries, Foods, Cements and others.

FigureNo-2: Investment Made (in lakhs)

Interpretation:

It is seen from the above figure that the Investment is the highest in the Cement Industries i.e 36067.45 lakhs. While Information Technology has got the lowest investment till 2010 i.e upto 283 lakhs.

figure NO-3: Employment Generated



INTERPRETATION: The above figure shows the current Number of Medium & Large Industries, Investments and Employment Generated in the State of Meghalaya with the assistance by the MIDC Ltd. Number of Medium & Large Scale Industries - Steel Units 48, Cement Industries 10, Food Industries 12, Limestone Mining & Crushing Plant 4, IMFL 3, HDPE Bags 4, Coke Industries 2, Information Technology 2, and 31 Other Industries.

Investments Made (in lakhs) – Cements 36067.45, Steel Units 15073.84, Limestone Mining & Crushing Plant 1796, Foods 3832.48, IMFL 489.94, Coke 756, Information Technology 283, HDPE Bags 1373.4, Others 13361.09.

Employment Generated – Cements 1311, Steel Units 1925, Limestone Mining & Crushing Plant 336, Foods 373, IMFL 99, Coke 70, Information Technology 85 and HDPE Bags, Others 1083.

DEVELOPMENT OF THE EXPORT PROMOTION INDUSTRIAL PARK, BYRNIHAT

M.I.D.C has been entrusted with the task of developing EPIP. Development of the Export Promotion Industrial Park Project at Byrnihat which was sanctioned in 1997-98 was completed in March 2001. The management and maintenance of the Park continues to be with the Corporation. The EPIP Byrnihat has a total area of 259.0 acres. 52 No’s industrial units have so far been allotted in the area. 32 No’s of these industrial units have gone into production and the others are under different stages of implementation.

The promoters of the units are mainly private companies having a minimum of one local Director as decided by the Cabinet Committee on Investment. The allotment of land is being done by the Industries Department and the lease rate is @ Rs. 5.00 per Sqm per annum for Non-developed plots and Rs. 20.00 for Developed plots.

Development of Mendipathar Industrial Growth Centre

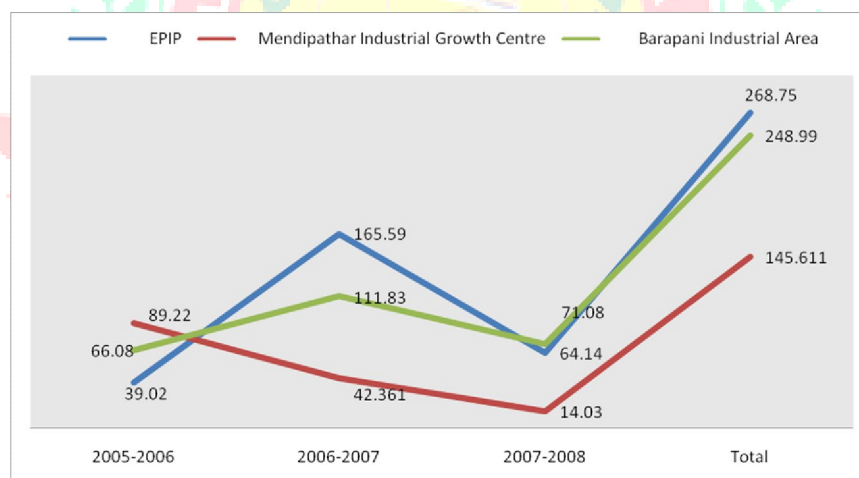
As per the detailed project report prepared the total area for development of the Industrial Growth Centre at Mendipathar, East Garo Hills District is 182 Ha out of 114 Ha was proposed to be developed in the 1st phase. However the Cabinet Sub-Committee which sat on the 3rd October 2002 in the office chamber of the Deputy Chief Minister decided to restrict the implementation of the scheme to an area of 36 Ha only. The implementation project was started by M.I.D.C in June 2004 as per the Master Plan prepared for an area of 36 Ha only.

M.I.D.C has received the design of the Residential and Non Residential Building on 29/02/2008; the same will be taken up as soon as the study of detailed architectural drawings is completed.

Table No-4: Comparative Analysis between the EPIP, Mendipathar Industrial Growth Centre and Barapani Industrial Area

Achievement	EPIP	Mendipathar Industrial Growth Centre	Barapani Industrial Area
2005-2006	39.02	89.22	66.08
2006-2007	165.59	42.361	111.83
2007-2008	64.14	14.03	71.08
Total	268.75	145.611	248.99

Figure No:



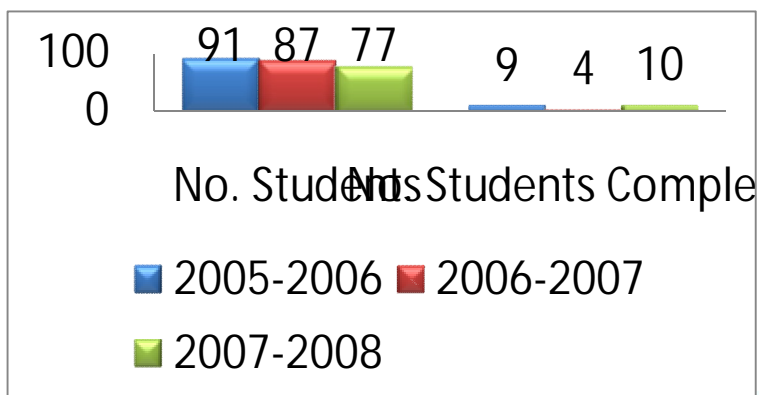
Interpretation: From the above table and figure it is clear that physical and financial was highest in EPIP. But if we see year to year i.e in 2005-2006 it is highest in the Mendipathar.Industrial Growth Centre and in 2006-2007 it is highest in EPIP and in 2007-2008 it is highest in Barapani Industrial Area.

Development of Shillong Industrial Estate:MIDC has taken up the construction 8 Nos. of Industrial Sheds at Shillong Industrial Estate to optimize the available space of 7000 Sqm in the area. MIDC is also entrusted with the task of demarcation of plots allotted by the Director of Industries in the various Industrial Estates.

DEVELOPMENT SCHEME BY MIDC:MIDC, from the year 1994-95 sponsored students @ Rs 500/- per month per student for undergoing specialized course, in anticipation of the

requirement of man-power by the projects contemplated to be set up in the State. Some of the disciplines where MIDC sponsored students are Electronics Engineering, Computer Science, Hotel Management, Chartered Accountancy and other Engineering Courses. Students were also sponsored for various technologies like Flour Milling Technology, Jute Technology, Textile Engineering and other Professional Courses. As on date the number of beneficiaries on the live register stands at 77 whereas 128 numbers have successfully completed and are employed by the Industries, the Government and other organizations both within and outside the State.

FigureNo-4.Thepositionofstudentschemeforthelastthreeyears.



Interpretation: From the above figure it is understood that the number of Students sponsored by MIDC through the Man-Power Development Scheme is the highest during 2005-2006 i.e 91 students, followed by 87 and 77 students during 2006-2007 and 2007-2008 respectively. The no. of students that has completed are 10 during 2007-2008, 9 students during 2005-2006 and 4 no. of students during 2006-2007.

FINDINGS, RECOMMENDATIONS & CONCLUSION

FINDINGS: MIDC generates employment opportunities for the local people in the Industries and allied sectors.MIDC encourage the setting up of selective medium and large industries by utilizing the resource base of the State thereby ensuring sustainable industrial growth but compatible with ecological imperatives and hence encourage positive efforts towards the regeneration of the environment.

1. MIDC also helps to identify sick units that can be viable and provide a comprehensive package of assistance for their revival.
2. There are entrepreneur development programmes and awareness programmes to uplift the unemployment youth.

MIDC assist mostly the Medium and Large Scale Industries.

MIDC is a State Industrial Development Corporation (SIDC) registered under the Companies Act 1956.

MIDC conducts entrepreneurship training and Development Programmes 3 – 4 times annually. MIDC is undertaking a variety of promotional activities such as preparation of feasibility reports; conducting industrial potential surveys; entrepreneurship training and development programmes, as well as developing industrial areas/estates.

MIDC is also providing financial assistance for acquiring commercial vehicles to help improve transport communication and provide employment.

MIDC receives funds under from the Government of Meghalaya through the Financial Operation Scheme and refinances Scheme of SIDBI.

RECOMMENDATIONS: The Corporation provides loans and advances to Industrial units to a maximum of 400 lakhs which is insufficient for setting up most of the large Industries. So as to fix these problems, the Corporation needs to increase the allotment of funds to these Industries.

1. The Corporation should have more funds for Infrastructure Development
2. The Corporation needs to slightly decrease the rate of Interest, as the current rate is quite high.
3. Special emphasis should be given to generate women entrepreneurs.
4. The Corporation should assist more Small scale Industries in the State.
5. The Human Resource Department should be introduced in the Corporation. Human Resources have the Capabilities to expand to unlimited extents. With proper investments the human capabilities can be multiplied. In the process, organization will have wider choices to make way for effective performance of different functions. This kind of function Human Resource helps the organization in its growth.

CONCLUSION: Meghalaya Industrial Development Corporation Ltd. is a government sector organization that assists entrepreneurs in financing the viable projects. The main purpose of establishment of this corporation was to develop the Industrial sector in the state.

Meghalaya Industrial Development Corporation is the main Financial Institution, which provides long and medium term loans. MIDC Ltd. was incorporated under the Companies Act 1956 in 1971. It is an agency for promotion and developing industries in the state is performing the dual task as – Industrial Development Corporation (IDC) and State Financial Corporation (SFC).

Apart from the loaning operation and equity participation, the Corporation has developed; Industrial Areas, Industrial Estates, Export Promotion Industrial Park (EPIP) and Industrial Growth Centre in the state. The Meghalaya Industrial Development Corporation Ltd. (MIDC) looks after the development of medium and large-scale industries in the state. Considering the lack of infrastructural facilities, MIDC has been able to set up a few units in the joint sector as well as its few subsidies. The Corporation also provides direct finance to some selected units like Ex-serviceman group, women entrepreneurs' etc.

MIDC as a financial institution provides excellent support to the emerging entrepreneurs in the State, minimizing unemployment and making them equipped with high-end skills by organizing an Entrepreneurship Development programme.

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