Chapter 4

PROFILE OF THE STUDY AREA

Bhosari – MIDC in Pimpri-Chinchwad Municipal Corporation

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Chapter 4
PROFILE OF THE STUDY AREA
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I. Introduction

Maharashtra is an industrially developed State. Pune is the second largest city in Maharashtra; Pimpri-Chinchwad is a suburban conglomeration of Pune city.

Development of Engineering and Automobile industries in the area has caused the economic growth and development of Pimpri-Chinchwad city. Now-a-days, it is a well developed industrial city.

Pimpri-Chinchwad Municipal Corporation is a governing authority of a modern twin city named Pimpri-Chinchwad. It is also known as a well developed Industrial Township in Maharashtra state. It is well known as centre of automobile industry. Pimpri-Chinchwad industrial belt has almost 4000 small, medium and large industrial units. Some of these are multinational companies.

Pimpri-Chinchwad is a cluster of town/villages and different localities governed by a common Municipal Corporation.

Pimpri-Chinchwad city has enriched cultural, historical and social heritage.

II. Historical Perspective

Different suburban areas (e.g. Nigdi, Akurdi, Bhosari, Pimpri, Chinchwad, etc.), which are not connected with each other have come under the control of one municipal authority and in this way Pimpri-Chinchwad city is formed. This city is enriched with cultural heritage and history. It is the birthplace of freedom fighters like Chaphekar and Halbe.

Holiness of Chinchwad is increased with the existence of Saint Morya Gosavi’s Shrine. It is a place of pilgrimage for devotees of Lord Ganesha. Bhosari, one of the suburban areas of Pimpri-Chinchwad is historic town. It is known as Bhojapuri, named after well known Hindu King Bhoj.
Establishment of Pimpri-Chinchwad Municipal Corporation

After India-Pakistan Partition, in 1948, the Indian Government has developed 1609 tenements and 299 plots on almost 203 acres area in Pimpri village for Sindhi refugees, which is known as ‘Pimpri Camp’.

In a decade from 1950 to 1960, farmlands of the villages, along the sides of the highway and railway line has converted into industrial area. In Pimpri, industrial development has started with the foundation of Hindustan Antibiotics Ltd. In 1954. During 1960, MIDC acquired immense land and sated to construct infrastructural facilities. First Industrial Estate has developed by MIDC in 1961-62, in this area. It transformed the area into a phenomenal industrial area, with different important industrial clusters (e.g. automotive, pharmaceutical, mechanical, information technology, etc.). It facilitated the development of small, medium and large scale industries and created skilled as well as unskilled job opportunities.

During the last 4-5 decades, from all over Maharashtra and also from other states of the country, hundreds of thousands of jobless people shifted to this industrial area to look for jobs and to participate and take advantage of economic development of this area. For the sake of management and regulation, on 4th March 1970, dispersed suburban areas are merged into one single authority named as ‘The Pimpri-Chinchwad municipal council’

Due to increasing industrialization and urbanization of this area, Pune Metropolitan Regional Planning Board has established a Pimpri-Chinchwad New Town Development Authority (PCNTDA) in 1970. The main purpose of PCNTDA is to provide a planned environment for working population in the area.

Chronological events that facilitated the development of Pimpri-Chinchwad
(Source: PCMC-Report and Diary)

1975 - Status of Municipal Council was changed from ‘C’ class to ‘A’ class

1982 - Establishment of Pimpri-Chinchwad Municipal Corporation
    7 villages merged in PCMC- covering almost 86 Sq.km area.
    Sanghavi, Rahatani, Thergaon, Wakad, Pimple Nilakh, Pimple Gurav,
    Pimple Saudagar and PCNTDA area.

1997 - 18 new village jurisdiction were merged in PCMC (covering area of 84.61q.Km.) Now the total area of PCMC is 170.51 Sq.Km
III. **Geographical Perspective**  
(Source: http://www.pimprichinchwadonline.in/city-guide)

The geographical setting of PCMC area is as under –

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continent</td>
<td>Asia</td>
</tr>
<tr>
<td>Country</td>
<td>India</td>
</tr>
<tr>
<td>State</td>
<td>Maharashtra (with Capital-Mumbai)</td>
</tr>
<tr>
<td>District</td>
<td>Pune</td>
</tr>
<tr>
<td>Metro</td>
<td>Pune</td>
</tr>
<tr>
<td>Elevation</td>
<td>530 waters</td>
</tr>
<tr>
<td>Latitude</td>
<td>$18^\circ37'7.4''$ N</td>
</tr>
<tr>
<td>Longitude</td>
<td>$73^\circ48'13.43''E$</td>
</tr>
<tr>
<td>Total Area</td>
<td>170.51 Sq. Km.</td>
</tr>
</tbody>
</table>

The twin city of Pimpri-Chinchwad is situated on the Deccan Plateau, varying from 530 m to 566 m above mean sea level (MSL). The area of Pimpri-Chinchwad is bounded by two rivers.

It is situated at 18.627 North latitude and 73.87 East longitude.

As Pune Metro is the neighbouring city of Pimpri-Chinchwad, it has excellent connectivity. Pimpri-Chinchwad is easily reachable by Road, Rail and Air.

**Connectivity by Road**

Accessibility of City by road is sufficiently good. Pimpri-Chinchwad city is located at the meeting of NH-50, the Pune-Nasik Highway and NH-4, the Mumbai-Bangalore Highway and NH-4, the Mumbai-Bangalore Highway. It has an extensive network of national highways of major cities like Pune, Mumbai (163 km), Nashik (202 Km), Nagpur (880 km), Bangalore (835 km), Chennai (1166 km) and Hyderabad (548 km).

**Connectivity by Rail**

Facility of Rail Transport system is one of the major considerations for economic and industrial development of area. Pimpri-Chinchwad city is situated along with both sides of Mumbai-Pune railway line. The city is directly connected with the prime cities like Mumbai, Bangalore, Chennai ,Hyderabad, etc. with broad-gauge
Connectivity by Airline

The nearest airport available for Pimpri-Chinchwad city is the ‘Pune International Airport’. Location of this is at Lohegaon, approximately at a distance of 25 km far from the city. It possesses a facility of direct flights regularly to major domestic destinations like Bangalore, Hyderabad, Chennai, Mumbai, New Delhi, Nagpur, Ahmedabad. The city is connected internationally with Dubai, Frankfurt, Singapore by airline. This is the only airport in India, which has domestic as well as military traffic.

IV. Social And Cultural Progression

Social and Cultural environment deals with places where people live, work and interact with each other. Interaction of people with each other, demographic conditions, working conditions, living conditions, nature of work, health and hygiene, education and infrastructural facilities, religious functions, respect and participation of people in other religious functions, etc. all such factors together constitute social and cultural environment.

Social and cultural environment in the city is very good. People of different religions live peacefully.

Demography

Population and growth of population are important considerations for town-planning.

Pimpri-Chinchwad is one of the developed industrial city. It is located near the Pune Metro. Due to rapid industrialization, the city has job opportunities for educated, uneducated, skilled as well as unskilled people. These are the main reasons that a large work force is attracted from other parts of Maharashtra and also from other states of our country. Because of this unplanned migration Pimpri-Chinchwad city showed a rapid growth in population.
Decadal Population Growth in PCMC Area

<table>
<thead>
<tr>
<th>Census Year</th>
<th>Total Population</th>
<th>Decadal Growth</th>
<th>Growth Rate (percentage)</th>
<th>Area Sq. Km</th>
<th>Density Per Sq. Km</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>98572</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1981</td>
<td>251769</td>
<td>153197</td>
<td>155.42</td>
<td>86.01</td>
<td>2927</td>
</tr>
<tr>
<td>1991</td>
<td>520639</td>
<td>268870</td>
<td>106.79</td>
<td>86.01</td>
<td>6053</td>
</tr>
<tr>
<td>2001</td>
<td>1006417</td>
<td>485778</td>
<td>93.30</td>
<td>170.51</td>
<td>5902</td>
</tr>
<tr>
<td>2011</td>
<td>1727692</td>
<td>721275</td>
<td>71.67</td>
<td>177</td>
<td>9760</td>
</tr>
</tbody>
</table>

Table 4.1 Decadal Population Growth in PCMC Area (from 1981 to 2011)

As per census 2011, city’s population was 1727692 with 71.68 percentage growth rate and presently it is estimated to be 2,000,000.

Demographic Indicators of Pimpri-Chinchwad Population

(As per 2011 Census)

<table>
<thead>
<tr>
<th>Particulars/Characteristics</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Population</td>
<td>1727692</td>
<td>942533</td>
<td>785159</td>
</tr>
<tr>
<td>Literates</td>
<td>1343658</td>
<td>761715</td>
<td>581943</td>
</tr>
<tr>
<td>Average (Literacy percentage)</td>
<td>89.22</td>
<td>92.41</td>
<td>85.37</td>
</tr>
</tbody>
</table>

Sex Ratio – 833

Table 4.2 Pimpri-Chinchwad Population –Demography (2011 Census)
Migrated People

From Pune District 31 percentage
From Other Districts in Maharashtra 12 percentage
From Other States in India 14 percentage
Local (original Resident) 43 percentage

Total : 100 percentage

Pimpri-Chinchwad Religion (2011 Census)

In Pimpri-Chinchwad city majority of the population follows Hindu Religion with 84.21 percentage followers. Islam is the second largest religion.

<table>
<thead>
<tr>
<th>Religion</th>
<th>Total Population</th>
<th>Percentage (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindu</td>
<td>1454920</td>
<td>84.21</td>
</tr>
<tr>
<td>Muslim</td>
<td>119355</td>
<td>6.91</td>
</tr>
<tr>
<td>Buddhist</td>
<td>86969</td>
<td>5.03</td>
</tr>
<tr>
<td>Christian</td>
<td>36137</td>
<td>2.09</td>
</tr>
<tr>
<td>Jain</td>
<td>19319</td>
<td>1.12</td>
</tr>
<tr>
<td>Sikh</td>
<td>5950</td>
<td>0.34</td>
</tr>
<tr>
<td>Not Stated</td>
<td>4083</td>
<td>0.24</td>
</tr>
<tr>
<td>Other Religion</td>
<td>949</td>
<td>0.06</td>
</tr>
</tbody>
</table>

Table 4.3 Religion wise Population of Pimpri-Chinchwad (2011 Census)

Health and Hygiene

Social health care and health care costs, better environmental conditions, improved public health, etc are the important factors to human welfare and for sustainable economic and social development.

There are 21 primary health care dispensaries, 2 secondary care hospitals, 5 maternity homes and one super specialty hospital (Yashwantrao Chavan Memorial Hospital) which has fully trained specialists and super specialists and all modern
equipment, a pathological laboratory, dialysis unit, MRI and CT scan services in the PCMC area.

There is also a government run well equipped ‘Aundh District Hospital’ within the area of PCMC. 89 private hospitals and in total 275 Maternity Homes, Paediatric Nursing Homes and Eye Hospitals are registered in the PCMC jurisdiction.

Better educational and infrastructural facilities, environmental conditions and improved public health play an important role in the economic growth and overall development of the Pimpri-Chinchwad city.

V. Socio-Economic Perspective

The urban development of Pimpri-Chinchwad has been taking place entirely along the Mumbai-Pune highway. Infrastructure facilities like Shopping Complexes, hospitals, etc. are also situated along the old Mumbai-Pune highway. Establishment of Pimpri-Chinchwad New Town Development Authority helps in the development of proper residential colonies. Affordable housing is provided by the PCNTDA to a large number of workers and lower and middle income group citizens.

Efficiency in implementation of the government’s economic policies is indicated by unemployment levels.

Rapid industrialization and development of PCMC area facilitates the growth of small, medium and large scale industries and creates job opportunities for skilled, unskilled, semi-skilled people as well as for educated and uneducated people.
Working Population Percentage - (Census 2001)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>PCMC percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total workers to Total Population</td>
<td>34.6</td>
</tr>
<tr>
<td>2.</td>
<td>Non workers to Total Population</td>
<td>65.4</td>
</tr>
<tr>
<td>3.</td>
<td>Main workers to Total Population</td>
<td>32.38</td>
</tr>
<tr>
<td>4.</td>
<td>Main workers to Total Workers</td>
<td>93.59</td>
</tr>
<tr>
<td>5.</td>
<td>Marginal workers to Total Workers</td>
<td>6.41</td>
</tr>
<tr>
<td>6.</td>
<td>Main cultivators and main Agricultural labours to Main workers</td>
<td>2.39</td>
</tr>
<tr>
<td>7.</td>
<td>Marginal Cultivators and Marginal Agricultural Labours to Marginal workers</td>
<td>9.26</td>
</tr>
<tr>
<td>8.</td>
<td>Total Cultivators and Total Agricultural Labours to Total workers</td>
<td>2.83</td>
</tr>
<tr>
<td>9.</td>
<td>Others to Total workers</td>
<td>97.17</td>
</tr>
<tr>
<td>10.</td>
<td>Male/Female Total Workers</td>
<td>84.16</td>
</tr>
</tbody>
</table>

Table 4.4 Working Population Percentage (Census 2001)

VI. **Industrial Landscape**

Hindustan Antibiotics Ltd., Pimpri, Pune is the first Pharmaceutical Company established in PCMC area in 1954. This is the landmark when industrialization in PCMC area commenced. The establishment of MIDC in 1961-62 plays a significant role in the industrial development of the PCMC area. In MIDC industrial estates – land, fuel, electricity, water and selected raw material are provided at subsidized rates to the priority sector productions and companies and then such facilities are further
enhanced by Pimpri-Chinchwad Municipal Corporation. Suitable transport and communication infrastructural facilities are also provided by the PCMC.

Availability of requisite infrastructure and other conditions makes it possible that now-a-days Pimpri-Chinchwad city stands among the top industrial cities.

The landscape of Pimpri-Chinchwad area shows an important change from agricultural land to industrial area. Now a days city is recognized as one of the significant industrial region in Pune region. After Mumbai, this city is second vital industrial destination in Maharashtra.

The city has a vigorous industrial belt which consists of engineering, automobiles, pharmaceuticals, chemical, telecommunication and I.T. industries. Pimpri-Chinchwad Industrial belt is one of the largest of its kind in this part of the country. It consists of more than 6000 total industries (large, medium and small scale industries). Bajaj Auto Ltd. and TELCO are the pioneering industries of this industrial belt.

Pimpri-Chinchwad industrial belt has evolved as a major automobile hub. It consists of major automobile companies like Premier Ltd, Mahindra, Bajaj Auto, Tata Motors, Kinetic Engineering, Force Motors, Daimler Chrysler, Auto line Industries, etc.

The major thrust in Pimpri-Chinchwad industrial belt is the auto-sector and the remaining is that of the engineering sector.

VII. Development of SMEs in PCMC Area

SME segment is an integrated part of the Indian industrial economy. Contribution of the SME sector towards the Indian economy in the way of employment generation, GDP, production, etc. is remarkably high. It assures the importance of SME sector in the growth and development of different sectors of the Indian economy. SME sector is considered as a key driver of employment generation. According to the report of Ministry of Micro, Small and Medium Enterprises there are 467.66 lakh working enterprises in India employing 1061.52 lakh people. (MSME Annual Report 2013-2014)
In the last two decades, SME sector’s growth is faster than that of the other sectors in the Indian economy so as compared to the growth of SME’s in Pune district and ultimately in the PCMC area.

Maharashtra Industrial Development Corporation (MIDC) has been established as a prime corporation for developing infrastructural facilities for industrial growth by the Government of Maharashtra. The MIDC has 233 industrial complexes all over Maharashtra State, comprising of large, medium, small and micro enterprises.

Pune District has 10 MIDCs and a number of Knowledge Hubs/IT Parks. About 7000 SMEs in Pune district are providing employment opportunities for almost 90,000 people.

MSMEs registered in DIC, Pune and number of people employed are as follows

<table>
<thead>
<tr>
<th>Category</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Enterprises</td>
<td>24745</td>
<td>6957</td>
<td>145</td>
<td>31847</td>
</tr>
<tr>
<td>Employment (Number of people)</td>
<td>113784</td>
<td>72247</td>
<td>17771</td>
<td>203802</td>
</tr>
<tr>
<td>Investment (In Rs.)</td>
<td>138071</td>
<td>318263</td>
<td>88303</td>
<td>544637</td>
</tr>
</tbody>
</table>

Source (MCCIA)

Table 4.5 Number of Registered MSMEs in DIC, Pune

According to PCMC Business Information (2013) PCMC, MIDC has developed land area of 1224.02 hectares and allotted 2537 plots. on the basis of a number of registered units and their investment, PCMC MIDC is the largest industrial area amongst the 10 MIDCs in Pune District. in PCMC area, industrial development is started with the foundation of Hindustan Antibiotics Ltd. After this large industries attracted towards this area and are started their business activities. This causes the growth of ancillary and small industries in PCMC. Industrial belt.

The PCMC industrial belt is also known as the place where large multinationals and small and medium industrial units are working with mutually beneficial relationship. The presence of automobile multinational companies and auto component/auto ancillary MSMEs make it possible for PCMC industrial area to
become one of the vital and rapidly growing industrial region (with 15 percentage annual growth rate – PCMC Business info). Now a days establishment of Information Technology Companies in PCMC Industrial area adds a few stars in its growth and development. It gives a new aspect of industrial development as well as growth of MSME’s in this direction also.

VIII. **Current Scenario of Auto-Ancillary SMEs in Bhosari MIDC Area**

Bhosari is one of the localities in PCMC area. Bhosari MIDC belongs to PCMC industrial area. In 1961-62, MIDC acquired a huge land of 4000 acres at Bhosari and set-up an industrial estate. Today around 2000 MSMEs in Bhosari MIDC are representing broadly six types of industries as –

- Metallic products and fabrication
- Auto-ancillaries
- Machine and Machine Tools
- Process Industry
- Electrical and Electronics
- Others

(MSME – Industrial Profile)

Robust growth in Indian automobile industry after liberalization and opening up of the sector to FDI, has led to a comparative and corresponding growth in Indian auto component sector. The growth in auto component sector has different parameters like technology flexibility, sales, production, etc. Due to liberalization, many global automobile manufacturers are attracted towards the Indian industry and selected India as their prime business destination. Establishment of large global automobile companies in India has led to a major growth in the auto-ancillary and component industry in India. Large number of automobile manufacturers considers India as a major outsourcing hub for auto parts for their companies. The Indian auto ancillary and component sector has a major role to play in the global automobile supply chain. The auto ancillary and component sector in India is one of the fast growing sector, contributing 2.3 percentage to India’s GDP.

The industrial set up of Pune region has been very supportive for automobile and auto ancillary (auto component) sector. The automobile sector of Maharashtra
contributes 38 percentage of the total output of automobiles (by value) in India. The auto ancillary and component industry contribute 9 percentage to Maharashtra’s manufacturing strength. The major automobile centers in Maharashtra are located in and around Pune, in areas like Chakan, Rajangaon, Nashik, Aurangabad and Nagpur. Pune, Ranjangaon, Chakan, Talegaon have around 53 large companies and 7000 auto ancillary units. Pune is the largest auto hub of India with over 4000 manufacturing units in the Pimpri-Chinchwad region (MCCIA).

Bhosari MIDC is a part of Pimpri-Chinchwad Industrial Belt. Establishment of automobile multinational companies like Bajaj Auto Ltd., Telco Ltd., Force Motors, Kinetic Engineering, Daimler Chrysler, etc. in Pimpri-Chinchwad industrial belt facilitate growth of small and medium enterprises in the auto ancillary and component sector. Bhosari MIDC is recognized for its auto cluster.

As per the Industrial Directory of Pune Auto/Auto Ancillary Sector, published by MCCIA (2012-13) there are 482 industrial units in Bhosari area. Among that 171 manufacturing units belong to the category of Automobile components, Parts, Spares and Accessories.

In spite of these attributes, auto ancillary and component SMEs in Bhosari MIDC area were under the pressure of the economic slowdown of 2008. According to the MCCIA report on ‘SME through recession’, SMEs in Pune has displayed a decrease in cash balances and increase in requirement of working capital. There is a decrease in sales and demand, increase in debtors. Because of this export market is negatively affected. SMEs have a constraint of resource, capital and skilled manpower and cost inefficiencies. Therefore economic slowdown creates more problems for auto-ancillary SME units.
IX. Conclusion

Robust growth of an automobile industry is the key growth driver of auto ancillary and component sector in India. Establishment of multinational automobile manufactures in Pimpri-Chinchwad Industrial Region causes the growth and development of auto ancillary and component SMEs in Bhosari MIDC area.

Economic slowdown has adversely impacted automobile industry in India and all over the world. Ultimately auto ancillary SME’s in Bhosari MIDC area has also faced some adverse effects, as a major part of their sales depends on the demand of large multinational companies.

During the economic slowdown as demand for overall automobile industry has declined, auto ancillary and component SME’s sales also have declined, which has an adverse impact on the overall performance of these SMEs.

Therefore it is necessary to assess the impact of the economic slowdown on different parameters of profitability of auto-ancillary SMEs in Bhosari MIDC area.
References

5. PCMC Business Info (2013).
   http://www.pcmcindia.gov.in/businessinfo.php