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A Critical Analysis of Industrial Development and Financial Management in India

Dr. Mukund N. Haladkar,
Assistant Professor, (HOD), Department of Commerce,
Rajarshi Shahu Arts and Commerce College, Rukadi, Hatkanangle,
Kolhapur, 416118, mukundhaladkar@gmail.com

Abstract

Micro, small and medium scale enterprises have great opportunities in developing and mixed economy democratic nations like India. In the present modern era, industry has gained a very important place in the agricultural countries like India, so a country like India with the first population in the world should provide a large amount of employment to the intellectually unemployed for the progress of its own nation. Also the youth working in the industrial sector and trying to balance the employment required by the youth at present as well as the financial management of their income and in every way the development officer of the nation is very necessary. Even though the number of unemployed in India is high compared to the world, the youth has been playing an important role in making the nation and the whole country a developed and not a developing nation for many years. A nation can become a superpower only if it provides employment to the youth to maintain an organization. In agrarian nations, efforts are very much needed to provide employment opportunities to the youth from the point of view of equality and justice rights and professional approach. 25% of India has made great strides in industrial production while 40% of countries have focused on exports. The progress of a developing nation like India is largely dependent on the youth of that country, so an important part of the Indian economy is industrial development. In the industrial sector the manager has to take a decision role while managing the finances and from that point of view all the workers in that business are working in that manner.

Key words: Analysis, Industrial Development, Financial Management, Nation, company, economy, etc.

Introduction:

The economic progress of any country in the world depends to a great extent on the development of agricultural industry traders in that country. For the development of the agricultural sector, water supply, twenty supply road communications etc. are required on a large scale and for the development of the industrial sector; all the supply management markets, electricity supply, bank system, market facilities, machinery, technology etc. are required on a large scale. For the vigorous development of every country in the world, the infrastructure of that country is very necessary and the human resources of that country are also very important for progress. To the extent that it is as big as the economic progress of the country, it can be said to be at a fast pace. Economically backward and developing countries lack infrastructure. Due to reasons like poverty, lack of technology, lack of capital, infrastructure development is not expected. There is an adverse effect on the economic development of the country. Once upon a time, America, France, England, and America were backward countries from the point of view of other countries, but in the present situation, due to financial management being done very well compared to other countries, the progress of that country can be seen to a great extent.

Problems of the Study:

Many thinkers of the country have said that infrastructure is the necessary facility for the economic development of the country. The many different forms of social capital that are indirectly useful for production are also called infrastructure and the supply of goods and services to the general public through the physical framework of facilities is called infrastructure. India ranks first in terms of population in the whole world, so the speed of economic development of India is very slow. The economic development of every country depends on the country and the factor among them is the infrastructure which is considered as a very important factor of economic development. Although a region is rich in natural resources, lack of infrastructure hinders economic development and availability and development of infrastructure are considered essential supplies for rapid economic development. Indian economy is considered to be a rural economy because according to 2001 census more than 72 % of people live in rural areas so development of rural areas is very important for the development of India.

Objectives of the Study:

1. To study the Industrial development in India.
2. To study the financial management and development.
3. To study the decision making and profit maximization.

The main objective of this research is to do industrial development and financial management in India and some specific objectives have been given by the researchers as follows. Financial management remains a very important factor in management for industrial development and planning is an important function of management.

Significance of the Study:

For sustained growth of the Indian economy, massive investment in infrastructure for poverty alleviation becomes very important. Infrastructure development is important for financial management and industrial development. Infrastructure is an important aspect of development in urban and rural areas of the country. Industrial development is now dependent on the economy of the country so it is important to prioritize while managing finances. Assists in acquisition and management of funds. Assists in allocation of funds. Provides insight for making critical financial decisions. Reduces financial costs. While ensuring that the business is successful and profitable are the main objectives of financial management, it also strives to: support compliance and compliance with regulations. Maximize profits, shareholder returns and total company value. When you start managing your finances, you'll have a better perspective on where and how you're spending your money. This can help you stay within your budget and also increase your savings. Financial management is an important part of business as it aims to maintain and improve the financial health of the company. Financial managers also help businesses make informed decisions regarding finances, making it a key factor in business success.

Scope of the Study:

Finance tries to reduce costs. Ensures adequate availability of funds, It is concerned with planning, organizing and controlling financial activities such as purchase and utilization of funds. Industrial Finance Corporation of India: A corporation established in 1948 to provide long-term financing to large private sector enterprises. It is the first industrial development bank of its kind in the country. Any limited company or co-operative society registered and incorporated in India, which is engaged in the manufacture, preservation, manufacture or processing of various goods, or which intends to manufacture, or which is engaged in the activities of shipping, mining, hotel industry, as well as generation and distribution of electricity , any such company is eligible for financial assistance from this Corporation.

Period of the Study:

The year 2017-18 is assumed in this while studying the financial management along with the industrial development of India and financial management along with the industrial development. Like; industrial projects in private and joint sectors, government sector projects can also get financial assistance from the corporation. Financial assistance may also be available from the Corporation for construction of new industrial projects, as well as for expansion, diversification, renovation or modernization of existing projects.

Limitation of the Study:

The main disadvantage of financial management is that it does not provide accurate information. This means that you will need to check your financial decisions regularly to ensure that you have kept them up to date in case anything has changed. The scope of financial management is anticipation, acquisition, allocation, appropriation and evaluation of funds. As an important part of overall management, the scope of financial management mainly includes planning, raising, controlling and administering funds used in business. Financial accounting does not provide any information or inputs, i.e, profit margin per segment and costs specific to those segments. Financial accounting fails to take into account that all types of businesses differ. It is determined as the ratio of the amount of revenue generated to the amount of profit generated.

Research Methodology:

While studying industrial development and financial management, researchers have used a number of secondary research methods. In this the researcher has used much secondary research such as; research paper articles journals newspaper audio, video, books, annual report, library etc.

Research Method:

For industrial development, it is important to focus on financial management in the current situation, and the progress of industrial development really depends on financial management to a large extent, so while doing this research, the researcher has completed this research using descriptive analysis method.

Results and Discussion:

Different sectors of the economy and their growth are interrelated. There is no reason to think that industrialization means neglecting agriculture. On the other hand, agricultural development is necessary for increased industrialization. Raw materials and food grains from agriculture are very important for industrialization. Development in the industrial sector has been very marginal. This is why the sector is employing fewer workers, leading to increasing unemployment and ultimately poverty. Economic growth is a key determinant of poverty reduction as it increases employment.

Need Industrial Development:

Industrial production processes help in assessing the change in the industrial sector. It serves as a metric that contributes to formulating and improving economic policies and strategies for the government. Industrialization is the transformation of a society from an agrarian to a manufacturing or industrial economy. Industrialization contributes to negative externalities such as environmental pollution. The separation of capital and labor creates inequality in income between labor and those who control capital resources. Despite the fact that the industrial sector accounts for only a fraction of an economy's total output, it is a key indicator of gross domestic product growth and economic performance due to its sensitivity to consumer demand and interest rates.

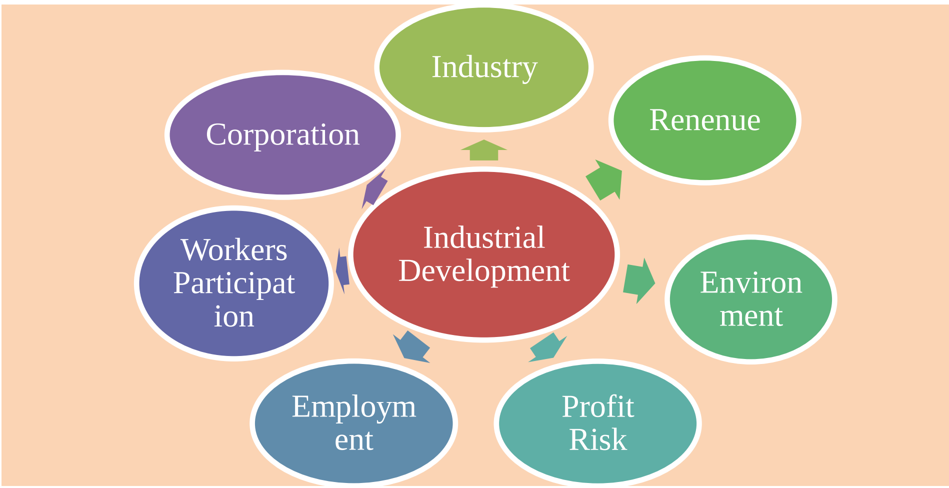
Industrial Development:

Poor workers were often housed in cramped, very inadequate quarters. Working conditions were difficult and workers were exposed to many risks and hazards, including cramped work areas with poor ventilation, trauma from machinery, toxic exposure to heavy metals, dust and solvents. Rapid industrialization led to severe pollution and exploitation of natural resources, causing long-term damage to the environment. The industrial revolution had many positive effects. However, the biggest negative aspect is the environmental damage caused by industrialization.

Financial Management and Indian Economy:

Financial management of an organization sets objectives, formulates policies, lays down procedures, implements programs and allocates budgets related to all financial activities of the business. Financial management in a company is governed by the principles of protecting the financial interests of investors, shareholders and ensuring business growth. Apart from safeguarding their interests, financial managers are also expected to ensure greater ROI that creates greater wealth for all stakeholders. There are certain objectives of financial management which are universally accepted by experts and business leaders and which clearly indicate the scope and functions of financial management.

Chart No. 1



Evaluation of Industrial Development:

Financial managers need to evaluate factors such as cost of current and fixed assets, cost of marketing, buffer capital requirements, long-term operation and human resource costs, etc. Successful businesses have clearly defined short-term and long-term financial requirements. For any business to grow confidently and gain a good market, adequate cash and liquidity is essential. Therefore, businesses raise funds through equity or debt financing. Financial managers make decisions to maintain a healthy balance between debt and equity to ensure that the financial health of the company is not affected.

Profit Maximization:

One of the primary objectives of any business is to make more profit, unless it is a physical organization. The profit a company earns determines its financial health and future growth. The money received as profit must be adequately utilized. They may need to be retooled to acquire assets and expand coverage, or spend to invest in marketing, acquiring other businesses, or acting as a buffer resource, all of which are considered by financial leaders. **Conclusion:**

Due to the development of industries, the citizens of the country get employment. Therefore, problems like unemployment, poverty and hunger are solved automatically. Therefore, the standard of living of the citizens of the country increases, and the per capita income of the country increases as employment is available to all. It adds to the gross national income of the country. All kinds of factors will be available for industry but if there is no industry, those factors will be of no use. Eg: A region produces a large amount of sugarcane. But if there is no sugarcane factory in that region, the sugarcane will not be of much benefit. Therefore, industrial development is very important. The economic development of any country depends on the industrial development of that country. The development of industrialization is necessary to raise the standard of living of the citizens of the country and to increase their per capita income. Per capita income is the income of every person in that country. Also, industrialization is the process of starting and developing industries in a region. Due to the development of industries, the citizens of the country get employment.

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