



DIC Drives Dreams: Role Of District Industries Centres In Promotion And Development Of Startups

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Abstract

The present paper highlights the need for immediate action and glances on importance of awareness about DIC. With studies revealing substantial knowledge and outreach deficits about District Industries Centres (DICs) in India among startups and MSME owners, awareness of DICs remains poor. Although many businesses ignore DICs, they offer essential help like training, loans, and incentives for tiny enterprises. This restricts their contact to district-level supports. Entrepreneurs should take full advantage of the services provided by DICs in order to advance their businesses, toward the success of their enterprises. The Government's ongoing efforts to assist startups in conjunction with the India's industrial sector will benefit from the resources that DICs provide. Raising awareness and working together will enable startups to continue to contribute to the economy of the nation and generate employment while fostering sustainable growth.

This research aims to assess the help that DICs provide in the growth of startups, particularly in the following areas: pay attention to the services offered, the issues entrepreneurs encounter, and the general effect on startup growth and sustainability.

Index Terms - District Industries Centre, Startups, Promotion of DIC, Awareness of Startups on DIC.

1.1. Introduction.

Although studies reveal major deficiencies in outreach and understanding of the services offered by District Industries Centers (DICs) in India, the level of awareness among small and medium-sized businesses (MSMEs) and entrepreneurs about these centers is still quite low. Despite the fact that DICs offer essential assistance to small firms, such as loans, subsidies, and training, many entrepreneurs ignore them. As a result, they have less access to district-level resources.

According to a 2025 study conducted in the Virudhunagar district, just 38% of the 50 MSME business owners polled were completely informed of DIC services, 42% were partially informed, and 20% were not at all. Attending Entrepreneurship Development Programs (EDPs) increases people's understanding. Microenterprises, which account for 72% of startups according to the survey, exhibit similar trends, underutilizing services such as financial connections (58% usage) and project guidance (65% usage).¹

The DICs, which were established in 1978, were intended to serve as a comprehensive resource for supporting micro and small businesses. Business owners as they establish and manage their firms DIC responsibilities include assisting with registrations, providing support via government programs, arranging training sessions, and collaborating with financial organizations. The efficacy and scope of DICs have changed over time across different locations impacted by socioeconomic, infrastructural, and administrative considerations.²

1.2 Statement of the problem

Despite the government's concerted efforts and the institutional framework offered by the DICs, many firms still struggle with challenges like a lack of financial resources and public understanding about plans, inadequate training, and weak market connections. It seems that there is a disconnect between the creation of policies and their implementation at the community level. The objective of this study is to examine:

- How well do the DICs accomplish their intended goal of providing assistance?
- Does DIC offer services that MSME business owners are aware of and capable of using?
- What obstacles prevent the DICs from operating successfully?

1.3 Objectives of the Study

The main objectives of this paper are broadly enlisted as follows:

1. To assess awareness of startup founders about DIC and make use of schemes from DIC.
2. To study the challenges businesses encounter to avail DIC services.

1.4 Study Scope and Importance

The study is centered on the Kalaburagi district and includes a fair representation of new businesses that have used or tried to use the help offered by the local DIC. The study covers both services and production companies that fit under the startup description. It is anticipated that the study's conclusions will give entrepreneurs themselves, local authorities, and policy maker's guidance on how to improve institutional support systems.

1.5 Research Methodology and Study Area

The research employs a descriptive and analytical methodology. The goal is to illustrate the District Industries Center's (DIC) function and operation in assisting startups, as well as to assess the degree of awareness, contentment, and difficulties encountered by startup entrepreneurs in relation to DIC services.

- A sample size of 50 startups was taken for the study based on convenience sampling method.
- The study uses a systematically designed questionnaire obtaining responses and personal interaction with owners or managers of startups for getting required information.
- The period of the study was one month that is November of 2025.

The study was carried out in the Kalaburagi District of Karnataka, which is thought to be a less developed industrial area with a sizable number of micro and small businesses, notably in industries like stone mining, stone polishing, agricultural product processing, and cement associated trades. Additionally, the district has an active DIC office that caters to the needs of the local industry.

1.6 Industrial Profile of Kalaburagi District.

Following data shows the present industrial profile of Kalaburagi district.

Table 1. Existing Industrial Estates in Kalaburagi District

Sl. No.	Taluka	Land Acquired in Acres	Industrial Sheds Built	Industrial Sheds Allotted	Industrial Sheds Vacant
1	Indl. Estate, Gulbarga	17.26	47	47	00
2	Indl. Estate, Kapnoor Phase I	35.00	59	59	00
3	Indl. Estate, Shahabad	23.00	06	05	01
4	Indl. Estate, Chittapur	15	08	08	00
5	Indl. Estate, Sedam	16.25	08	05	03
6	Indl. Estate, Chincholli	10	08	08	00
7	Indl. Estate, Aland	10	04	04	00

Source: KSSIDC, Kalaburagi Annual report 2024-25.

The table 1 highlights the number of industrial estates operating in Kalaburagi district and number of sheds allocated and vacant in each industrial estate.

Table 2. Industries in Kalaburagi District and their Average Daily Worker Requirement

Sl. No.	Particulars	Numbers	Percentage
1	Registered small scale industrial Units	16810	99.57
2	Registered medium scale industrial Units	62	0.37
3	Registered large scale industrial Units	11	0.07
	Total	16883	100
4	Generation of employment in SSI	71049	92.37
5	Estimated average daily workers employed in medium scale industries	291	0.38
6	Estimated average daily workers employed in large scale industries	5577	7.25
	Total	76917	100

Source: DIC Kalaburagi Annual Report 2024-25.

Table 2, Shows the number of small scale, medium and large scale industries registered and operating and number of daily wage workers employed in the industries. It is obvious from the study that a large percentage of industries (99.57%) and workforce (92.37%) are engaged in small scale industries.

Table 3. Details of Existing Micro & Small Enterprises and Artisan Units in the District

Sl. No.	Type of Industry	Number of Units	Percentage of Number of Units	Employment Generation	Percentage of Total Employment
1	Agro based	31	7.42	108	8.39
2	Cotton textile	13	3.11	77	5.98
3	Ready-made garments & embroidery	11	2.63	71	5.51
4	Wood/wooden based furniture	31	7.42	63	4.89
5	Paper & Paper products	06	1.44	26	2.02
6	Leather based	04	0.96	08	0.62
7	Chemical/Chemical based	04	0.96	21	1.63
8	Rubber, Plastic & petro based	03	0.72	18	1.40

9	Metal based (Steel Fabrication)	09	2.15	40	3.11
10	Engineering units	01	0.24	03	0.23
11	Repairing & servicing	289	69.14	771	59.86
12	Others	16	3.83	82	6.37
	Total	418	100.00	1288	100.00

Source: DIC Kalaburagi Annual report 2024-25.

The table 3 Shows number of small, micro and cottage industries involved in various manufacturing and service industries established in Kalaburagi districts. Vehicle repair and servicing and Agriculture based industries dominate the area. The study shows that approximately 60 percentages of small scale industries are in repair and servicing sector followed by agro based industry with 8.39 percent, cotton textile and readymade garments combined surpasses agro industry with approximately 11 percent industries.

1.7. Analysis of Data Elicited from Respondents

Following data shows the responses obtained by entrepreneurs about DIC and challenges faced by entrepreneurs in obtaining government schemes.

Table 4. Gender of Entrepreneurs Surveyed

Gender	Frequency	Percentage
Male	38	75
Female	12	25
Total	50	100

Source: Field survey.

The study shows maximum entrepreneurs are male with 75 percent responses and female entrepreneurs are 25 percent. It shows that business profession is still dominated by males in the study region.

Table 5. Place of Startup

Place	Frequency	Percentage
Urban	27	54
Rural	23	46
Total	50	100

Source: field survey.

A large portion of startups are located in urban areas with 54 percent responses in comparison with 46 percent startups are in rural areas of the Kalaburagi district.

Table 6. Awareness of DIC Functions

Awareness of DIC Functions	Frequency	Percentage
Aware of DIC functions	36	72
Unaware of DIC functions	14	28
Total	50	100

Source: field survey.

The study shows that majority of the entrepreneurs know about District industries centre functions and activities. However, when considering about entrepreneurs who are unaware of DIC functions is 28 percent which is still considered as a high percentage of entrepreneurs who are unaware of DIC functions. The study also reveals that entrepreneurs especially cottage and micro category are mostly unaware of DIC functions based on interaction with them.

Table 7. Reasons for Being Unawareness of DIC Functions

Reason for unawareness of DIC functions	Frequency	Percentage
Getting Support from DIC is complicated	4	28.57
Startup did not require DIC support	7	50
Never heard of DIC and its functions	3	21.43

Total	14	100
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Source: field survey.

It is clear from the study that from the respondents who are unaware of DIC functions a large portion that is 50 percent of entrepreneurs did not know about DIC as their business did not require any support from DIC followed by 28.57 percent opined that getting support from DIC is complicated therefore they did not get any awareness of DIC functions and 21.43 percent respondents opined that they never heard of DIC. The study shows that the entrepreneurs who are unaware of DIC and its functions were having very small businesses and are doing businesses in rural areas.

Table 8. Challenges Faced by Entrepreneurs in Establishing the Startups. (Rank 1 Represents Unmanageable and Rank 5 being Manageable)

Challenges Faced by Entrepreneurs	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total
Arranging funds	23	15	5	4	3	50
Arranging technological know-how	4	26	16	4	0	50
Arranging Location of startup	7	20	18	4	1	50
Buying Machinery	5	13	22	6	4	50
Finding skilled workers	6	10	20	10	4	50
Getting License	17	15	9	7	2	50
Lack of Entrepreneurial Skills	8	11	17	13	1	50

Source: field survey.

The table 8 shows the challenges faced by entrepreneurs in starting a business. The study shows that entrepreneurs are facing challenges in arranging funds, arranging technology and arranging proper location for the startups are major challenges followed by lack of entrepreneurial skills, finding skilled workers and getting license for the startup in the study area.

1.8. Major Findings

From the study it can be said that still a large number of entrepreneurs especially establishing business in rural areas are unaware of DIC's role and its functions, this may be due to poor communication of government schemes for entrepreneurs in rural areas or may be due to negligence of small entrepreneurs in properly establishing and expanding their businesses. Lack of proper knowledge and procedures to obtain DIC services is one of the limiting factors for establishing a successful startup. A large number of entrepreneurs taken for the study are first generation entrepreneurs without having any previous business knowledge or professional guidance from anyone which is hindering the success of their business.

Entrepreneurs in the study area have variety of challenges ranging from lack of entrepreneurial skills to acquiring updated technology to adopting technological knowhow. Apart from that entrepreneurs lack financial support and marketing knowledge.

1.9. Suggestions

- Planned regular entrepreneurship camps fuels awareness especially in rural and semi-urban settings.
- SMS alerts, regional media, and online platforms should be used to spread program information.
- Design easier, user-friendly applications for startup initiatives and new entrepreneurs.
- Set up help desks and handholding support at DIC for rookie entrepreneurs.
- Set up post-sanction follow-up initiatives to assess effectiveness and ensure the greatest possible use of resources.
- Set up channels for receiving beneficiary feedback.
- Train DIC officers in digital technology and program improvement processes and boost staff levels.

1.10. Conclusion

The District Industries Center is essential for fostering the growth of micro, small, and medium-sized businesses. Its potential is diminished by poor awareness, procedural delays, and resource limitations, even though it offers valuable help with credit connection, plan facilitation, and project guidance. By embracing digital adoption, outreach, and stakeholder participation, the DIC mechanism may be made into a more effective engine of local economic growth. The research confirms the crucial role played by district-level organizations in achieving the national goal of inclusive and long-lasting startups development.

Despite their positive impact, the effectiveness of DICs is often hindered by bottlenecks such as low awareness among rural entrepreneurs, procedural delays, and manpower shortages. Future success depends on strengthening these centers through;

Digital Adoption: Increasing the use of online platforms for smoother registration and application processes.

Increased Outreach: Enhancing awareness programs to reach a broader range of potential entrepreneurs.

Modernization: Upgrading technology and providing better training to staff to enhance service delivery.

The District Industries Centres are foundational to India's industrial strategy, effectively fostering self-employment and supporting the growth of small businesses at the grassroots level. They are essential for transforming job seekers into job creators, thus contributing significantly to the national economy.

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