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INDUSTRIAL ESTATES IN INDIA

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ABSTRACT

The Small Scale industry has emerged as the most dynamic sector of the Indian industrial economy accounting for over 55 percent of total value of industrial production, 40 percent of country's exports, and providing employment to 175lakh people in 31.75 lakh units. Small scale industrial units have contributed over 100 lakh entrepreneurs.

The structure of small scale industrial sector has been deepened and widened. A wide range of new small industries have come into being. In the field of capital and producer goods small industries units are manufacturing such items as machine tools, electrical and engineering equipment, chemicals etc.



KEYWORDS: COVID-19 pandemic , research analysis , Stockholders and shareholders .

INTRODUCTION

Among consumer goods small scale industrial units have been producing such items as bicycles, sewing machines, plastic products etc. The scale and scope of operation of Small scale industries have brought to the fore the importance of provision of institutional infrastructure and assistance at various levels. The success of small scale industries today depends solely on the well established institutional setup which is quite unique in the country.

KVIC is a statutory organization engaged in the task of promoting and developing khadi and village industries with a view to creating employment opportunities in the rural areas and thereby strengthening the rural economy. The KVIC was established in 1957 by an Act of Parliament. It is an autonomous body which took over from its predecessor the All-India Khadi and Village Industries Board set up in 1953.

The major objectives of the KVIC are:

1. The social objectives of providing employment.
2. The economic objective of producing saleable articles and
3. The wider objective of creating self reliance amongst the people and building up a strong rural community spirit.

The functions of the KVIC relate to planning, organizing and implementing programmes for the promotion and development of Khadi and village industries. It strives to promote marketing of khadi

and village industries products. The commission tries to encourage and promote research in the technique of production of khadi and the development of village industries. The KVIC also tries to promote and encourage cooperative efforts among manufacturers of khadi and persons engaged in village industries

Industrial Estates:

Industrial Estates are group of factories constructed on an economic scale in suitable sites with facility of water, transport, electricity, steam, bank, post office, canteen, watch and ward and first aid, and provided with special arrangements for technical guidance and common service facilities to the occupants. Important attributes of industry estates are the planned clustering and group character of industrial enterprises. These units are let out on rent or sold to industrialists. Small industrialists who have no capital to build their own premises or do not want it right in the beginning are in a position to acquire factory space at a reasonable rent. Industrial Estates have got the advantages of economies of scale and economies of agglomeration. Economies of scale can be realized by industrial estates in providing infrastructural facilities to small entrepreneurs. Economies of scale arise because an estate shelters a large number of small enterprises. All of them enjoy the advantages in common in the form of overheads and take the character of a single firm.

Industrial estate constitutes a strongin document to invest because it can capture the otherwise volatile external economies of agglomeration. An industrial estate with a number of industrial enterprises becomes a complex of interdependent and interrelated industries and avails of the advantages of agglomeration and external economies. An individual entrepreneur can save a great deal of effort, trouble and expenses in erectinga factory. Industrial estates serve as risk-absorbing device because the capital investment of the entrepreneurs for starting enterprises in the estates gets considerably reduced with the provision of large variety of facilities & services by the sponsors. Industrial estates by reducing the risk and by raising the profit for potential entrepreneurs can serve as a nursery for new entrepreneurs. The social overhead capital (SOC) in the form of industrial estates created by public investments aims at inducing directly productive private investment and enterprise.

Industrial Estates are covered by all the four variants of the concepts

1. industrial areas
2. industrial estates
3. industrial townships and
4. galas

Functional classification has divided industrial estates into two types (i) Conventional or general and (ii) Special type Conventional or general industrial estates provide accommodation to wide variety and range of industrial concerns. Special type of estates attempt the establishment of industrial units which are vertically or horizontally interdependent, Industrial estates in India are general & of conventional type.

The organizational classification has four types of industrial estates. (i) Government (ii) Private (iii) Cooperative & (iv) Municipal estates.

Industrial Estates in India

Industrial Estates Programme is one of the major policy components in the area of industrial development in the post independence period. The first Industrial Estate in India was set up at Rajkot in September 1955. The major objectives under lying the establishment of industrial estates in India are:

1. To encourage the growth of small scale industries
2. To shift small scale industries from congested areas to estate premises with a view to increasing their productivity.
3. To achieve decentralized development in small towns and big villages.
4. To encourage growth of ancillary industries in the townships surrounding major industrial undertakings both in public and private sectors; and

5. To foster the development of industry as well as entrepreneurship by providing economies and incentives.

The establishment of Industrial Estates is primarily the responsibility of the state Governments. The role of the Central Government is mainly to laying down of the policies of the purchase of the state Governments and advancing funds for implementation of the programme.

The Small Industries Development Organization

Small Industries Development Organization functions as a policy formulating coordinating and monitoring agency for the development of small scale industries. This organization maintains a close liaison with the relevant Central Ministries, the Planning Commission, State Governments, financial institutions and other organizations which are involved in promoting the development of the small scale sector. Its activities relate to all small scale industries excluding those which fall within the purview of specialized Boards or agencies like the All India Handloom and Handicrafts Board, the Coir Board, the Central Silk Board etc.

SIDO provides a comprehensive range of consultancy services and technical, managerial, economic and marketing assistance to small scale units through its network of various offices. The Development Commissioner of the SIDO is assisted by the following officials

1. Joint Development Commissioner
2. Director For Industrial Development and Raw Materials.
3. Director For Chemical Industries
4. Director For Industrial Estates
5. Director For Economic Investigation and Statistics
6. Director For Industrial Management and Training
7. Director who functions as Secretary of the Small Scale Industries Board and looks after the State Government Schemes, Publications and Publicity.

Financial Corporation mainly investment capital.

SSI sector also gets assistance from National Small Industries Corporation (NSIC) at national level and the State Small Industries Development Corporations at the state level in the form of supply of machinery on hire-purchase basis. The Small Industries Development Bank of India (SIDBI), the National Bank for Agriculture and Rural Development (NABARD) and the Industrial Reconstruction Bank of India (IRBI) provide refinance facilities to banks and financial corporations for financing small scale industrial sector.

“Commercial banks and financial institutions have played a significant role in supporting the SSI movement in India. Banks have continuously been evolving special schemes and approaches to suit the rapidly growing and changing needs of the sector. Provision of liberal credit facilities to the small scale units has been a hallmark of banks” support to the SSI over the years-¹.

The District Industries Centre

The District Industries Centre has emerged since 1978 as the nodal agency for the development of small & village industries. It provides all the support services needed for the small scale industrial units. More than 400 DICs have been set up to cover almost every district in the country. The funds for the programme are shared by the State & the Centre. The DICs are staffed by a General Manager assisted by managers in economic investigation, machinery, credit, raw materials, village industry, training & marketing.

The organized working of the DICs has resulted in a systematic process of industrialization. The DIC has emerged as the focal point for all industrial activities in the district. A wide variety of powers have been delegated to the General manager of the District Industries Centre. This has resulted in

¹ Vasant Desai: Small Scale Industries and Entrepreneurship. Himalaya Publishing House, Bombay. 2000 p-160

avoiding the frequent visits of the small entrepreneurs to the state capital for every small matter. The presence of specialists at the DIC has brought a new dimension to the effort to utilize local raw materials & skills. State Finance Corporations have accorded a high priority to development of small scale industries. A bulk of their sanctions have gone to this segment of priority sector. More than 67.3 percent of assistance extended by SFCs have gone to the SSI sector.

Excise Duty Concessions to Small Scale Industrial Units

An excise duty concession scheme for small industrial units has been introduced by the Government of India through its Notification No 1/993 CE to give tax benefits. The main features of the scheme are described below:

A unit which is not registered as a small scale industry may clear up to Rs 30 lakhs worth of goods without payment of duty but after filing a declaration with the department.

Registered small scale units are eligible to enjoy duty free clearance up to Rs 30 lakhs limit whether they are manufacturing only goods covered by one tariff item or several items. Small scale units which are availing themselves of the Modavat facility would have to pay the concessional rate of duty. However the concessional rates are subject to minimum of 5 percent.

Clearances of such small scale industrial units between Rs 30 lakhs and up to Rs.50 lakhs would suffer duty as the effective rate less ten percent. Clearances of small scale industrial units over Rs.75 lakhs would suffer duty at an effective rate less of five percent. For turn over, over Rs.75 lakhs there would be no concessions and the effective rate of duty in full would be payable.

CONCLUSION:

The Small Scale industry has emerged as the most dynamic sector of the Indian industrial economy accounting for over 55 percent of total value of industrial production, 40 percent of country's exports, and providing employment to 175lakh people in 31.75 lakh units. Among consumer goods small scale industrial units have been producing such items as bicycles, sewing machines, plastic products etc. The scale and scope of operation of Small scale industries have brought to the fore the importance of provision of institutional infrastructure and assistance at various levels. Functional classification has divided industrial estates into two types Conventional or general and Special type Conventional or general industrial estates provide accommodation to wide variety and range of industrial concerns. Small Industries Development Organization functions as a policy formulating coordinating and monitoring agency for the development of small scale industries.

The Small Industries Development Bank of India , the National Bank for Agriculture and Rural Development and the Industrial Reconstruction Bank of India provide refinance facilities to banks and financial corporations for financing small scale industrial sector.

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