

CHAPTER III

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CHAPTER III

PROFILES OF INDUSTRIAL ESTATES
I.E. M.I.D.C. SHIROLI & SHIVAJI
UDYAM NAGAR.

In the promotional policy for small scale enterprises, Government of India has decided to use industrial estate as an instrument for promotion of small scale enterprises because small scale industries play very important role in planned industrialisation of India. Industrial estate provides organised location to industrial units so that these units can avail of economies of scale. In the present work, we intend to cover both industrial estates i.e. Shivaji Udyam Nagar and M.I.D.C.

Udyam Nagar Industrial estate has been organised on co-operative basis, i.e. co-operative society registered under the Co-operative Societies Act.

M.I.D.C. Industrial estate, which is located at Shirol and Gokul Shirgaon, has been sponsored by Maharashtra Industrial Development Corporation.

Though in Kolhapur area, we have two industrial estates, more or less the pattern of industrial activity is on similar lines. In both these industrial estates industrialists carry out the job work. Only difference is that more sophisticated

machinery has been set up in M.I.D.C. industrial estate. In case of Shivaji Udyam Nagar it is found that there is no particular production except Rocket Engineering Works. All the industrialists produce items as per order of their customers. That is they have a system of tailor made production. Rocket Engineering Works is manufacturing Diesel Engines and exports them.

During the last decade, i.e. between 1970 and 1980, the industries have rapidly developed in Kolhapur. Kolhapur is known for manufacturing of Oil Engines. At present various industries in the district are engaged in various production and we get varied composition of output, such as C.I. casting, Steel castings, Agricultural implements, Pumps, Leather working machines, spare parts, non-ferrous casting, Bearing, Printing machinery, electrical motors, etc. A special feature of these units is that most of them are owned and run by small entrepreneurs rather than big industrialists. There are about 16,000 small scale units in the area of Kolhapur City and M.I.D.C. Shirol, Gokul Shirgaon, Uchagaon Vikram Nagar, Muoshingi and Rukadi. There are varieties of industries engaged in -

1. Manufacturing of Diesel Engines.
2. Manufacturing of spare parts for diesel engines.
3. Manufacturing of automobile components.
4. Manufacturing of agricultural implements.
5. Manufacturing of electric motors and pumping sets.
6. Manufacturing of steel furnitures.
7. Manufacturing of sugar machinery components.

8. Manufacturing of machines and tools.
9. Non-ferrous foundries and ferrous foundries are engaged in
 - (a) Steel casting and
 - (b) Other than steel casting.

The above mentioned are the broad categories of the industries. The castings and foundries are the basic industries which are engaged in manufacturing basic raw material for all above industries, in and around Kolhapur. They are supplying their castings all over India. It is very interesting to go through their history, their establishment, growth and expansion, technical development, modernisation, competition between themselves and declining progress along with general recessionary trends.

The origin of the engineering industry may be traced to repair workshops set up by the then Ruler Late Shahu Maharaja of Kolhapur State for his imported vehicles. He also established one technical school to train some local persons. After proper training, these persons have started their own workshops within the District. In those days, all the workshops were scattered in the town even in the residential areas. At that time, late Shri J.P.Naik, a well known educationalist of India and the son of the soil, was then a sitting member of the Kolhapur Municipality. He appealed to the Municipal Body to patronise the promising engineering industry of the City by shifting all the scattered units into specially demarcated area.

During the first five year plan, the demand for Diesel Oil Engines and pumps was increased due to the targets based on irrigation. By this time Kolhapur had got the chance to make quality engines. Kirloskar, Cooper and Ruston were the three major outsiders competing with Kolhapur engines. But the competition was not very stiff. Poor farmers were not ready to buy high priced engines. Therefore, Kolhapur provided heavy, sturdy, technologically proper and comparatively cheap engines.

3.1 HISTORY OF THE KOLHAPUR UDYAM CO-OPERATIVE SOCIETY LIMITED.

The society is established on 20th August 1957. At the time of formation, there were only 60 members. The industrial activity was in its stage of infancy and a new entrepreneur used to face all the odds. To solve such problems and to have unity amongst the industrialists, the society has been formed under the guidance and direction of late Shri Rambhai Samani and late Shri Y.P.Powar, their colleagues, late Shri S.M.Ghatge, S.A.Patil, D.N.Uchagaonkar, A.S.Teland, Shri Nana Tendulkar, Shivajirao Desai, D.R. Nalwade etc. This is the first Industrial Co-operative Society established in Maharashtra.

In the initial stage, there were hardly 50/60 engineering units and the total number subsequently went upto 500 to 600.

There are about 1000 to 1200 employees. Most of the units have taken the loan from Maharashtra State Financial Corporation, State Bank and other Urban Co-operative Banks. The total production of the industrial area is 3 crores 57 lakhs and 19 thousands approximately. Following are the activities of the Society:

1. To procure land for the industrial estate after its development, it can be given to the members of the society, in the mode of either developed plots, sheds or buildings, etc.
2. To run the society's own raw material depot and provide raw material to the small scale industry who are having S.S.I. registration.
3. To run the Maharashtra State Small Scale Corporation depot on commission basis and to provide the material to the small scale industry.
4. To store the raw material under sale letter scheme and subsequently give it back to the units concerned.
5. Arrange any other scheme, public project for the industrial growth and to take suitable measures to complete the same.

This co-operative society has total membership of 520 with authorised capital of Rs. five lakhs and the subscribed share capital of Rs.1,96,650. At present the society has built up sheds/buildings and developed plots and distributed them to the members. All the sheds and plots are firstly given on hire purchase basis and then sold to the members on freehold basis. The total expenditure for this scheme is Rs.21,12,695 (the then cost). Total land acquired for this

scheme is 14 Acres, 27 Gunthas. Society has procured this land from the private land owners and no Government land is acquired for this purpose.

The society's industrial estate is located and divided into two parts named as Shivaji Udyam Nagar and Y.P.Powar Nagar respectively. Shivaji Udyam Nagar is established in the initial starting stage. There are 55 buildings in this area and allotted to the 55 different members for the use of industrial purposes. In Y.P.Powar Nagar 45 buildings and sheds are built up and given to 45 members. All the 32 developed plots are held in Y.P.Powar Nagar and distributed to 32 members.

In Shivaji Udyam Nagar, there are 24 cast iron foundries while in Y.P.Powar Nagar there are 9 foundries, and rest of the industrialists in both the areas manufacture diesel engines parts i.e. piston irons, piston rings, repairing, pattern and job work and also auto spare parts, auto repairs, steel fabrications, tractors and trailers and also they are manufacturing diesel engines and electric motors, repairing and centrifugal pumps too.

Categorywise registration of units is as under:

1. Large Scale Units are registered under Director General Industrial Development (D.G.I.D.)
2. Registered under medium scale industries.
3. Registered under small scale industries.

3.2 MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION

The Maharashtra Industrial Development Corporation has been put in charge of all 68 of the industrial estates in the State. It was set up on 1st August, 1962¹ under the provision of Maharashtra Industrial Development Act, 1961, with a view to promoting and assisting growth and development of industries all over the State. The main objective of M.I.D.C. is to achieve balanced industrial development of the entire State with particular emphasis on the development of industries in the developing parts and for this purpose provide at various locations in each district of the State, basic infrastructure in the form of developed plots, roads, water supply, drainage and common facilities to facilitate entrepreneurs in setting up any industry with ease and speed. For the pricing purposes, M.I.D.C. has divided the State in four groups according to which the rates vary. All developed areas are grouped under 'Group A', the fairly developed are as 'Group B' and 'Group C' less developed areas and 'Group D' as least developed areas. The 'Group A' areas have the highest rates, Kolhapur has come under the 'Group B' as fairly developed area.

IMPORTANT ACTIVITIES OF M.I.D.C.

- (a) To provide developed plots with clear titles to entrepreneurs for setting up their industries in

1 - MIDC Bulletin - An outline of activities as on 31.3.1986
Public Relations Division, MIDC, Bombay.

such plots and also to provide plots for industrial housing, and common facilities.

- (b) To provide basic infrastructure in industrial areas like roads, water supply, drainage, street light, etc.
- (c) To provide facilities/amenities such as build-up accommodation for banks, post offices, telephone/telex exchange, police station, fire station, Employees' State Insurance Scheme, hospitals, dispensaries, canteen, shops etc.
- (d) To make special efforts for encouraging technicians, small scale entrepreneurs, by providing readymade sheds/galas in various industrial areas and help them in setting up their own industries.
- (e) To provide industrial housing by construction of residential buildings.
- (f) To establish major water supply schemes for helping industrial and urban growth.
- (g) To undertake on behalf of the Government/Semi-Government agencies, projects on deposit contribution basis, since M.I.D.C. has acquired expertise in expeditious implementation of different types of projects, for example development of Film City, SEEPZ etc.

3.3 PROFILE OF M.I.D.C. SHIROLI INDUSTRIAL ESTATE

Shiroli Industrial Estate is very large as compared to the Shivaji Udyam Nagar Industrial Estate. It was

established on April 1st, 1971. Initially, there was only unit established there on 25th May, 1967, i.e. Mayur Industry.

The total area planned for the development is 319.00 hectares of which M.I.D.C. has possessed 299.90 hectares. Out of this 299.90 hectares, 159.35 hectares area is possessed by Government and 140.57 hectares area is possessed by private industrialists. By April 1974-75, there were only 50 plots and 12 sheds. Subsequently, they were increased to about 460 plots. Out of these 460 plots, 415 plots were allotted at the end of March, 1987, of which 330 plots and 71 sheds have been given only for industrial purpose. Out of these 71 sheds, 65 sheds are functioning and the remaining are about to function. By March, 1987, 229 industries had gone in production and their approximate capital investment was 1298 lakhs and their annual turnover was Rs.2007 lakhs and they provided employment to about 4032 people. Out of these producing units, only 4 units were closed. It is found that 71 industries have gone in for construction.

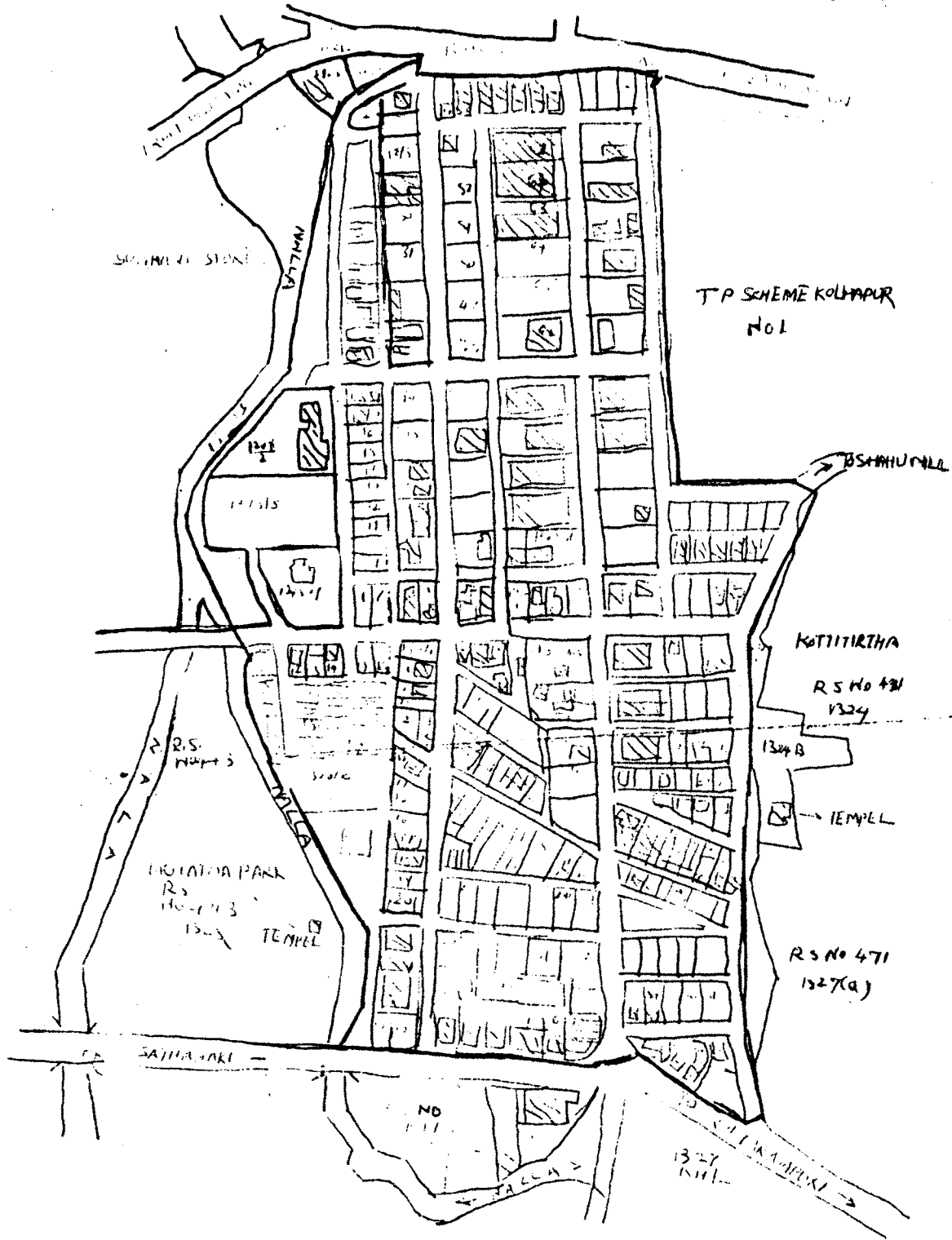
Most of the plots have been taken up for small scale industries. The sectoral pattern of industries shows that the largest number of plots are for engineering type of industries. Some of the largest units in this area are 'Menon Piston Private Ltd.' in technical collaboration with 'Nippon Piston Rings Co., Japan'. Its product is automobile pistons and piston rings and they export to Russia for

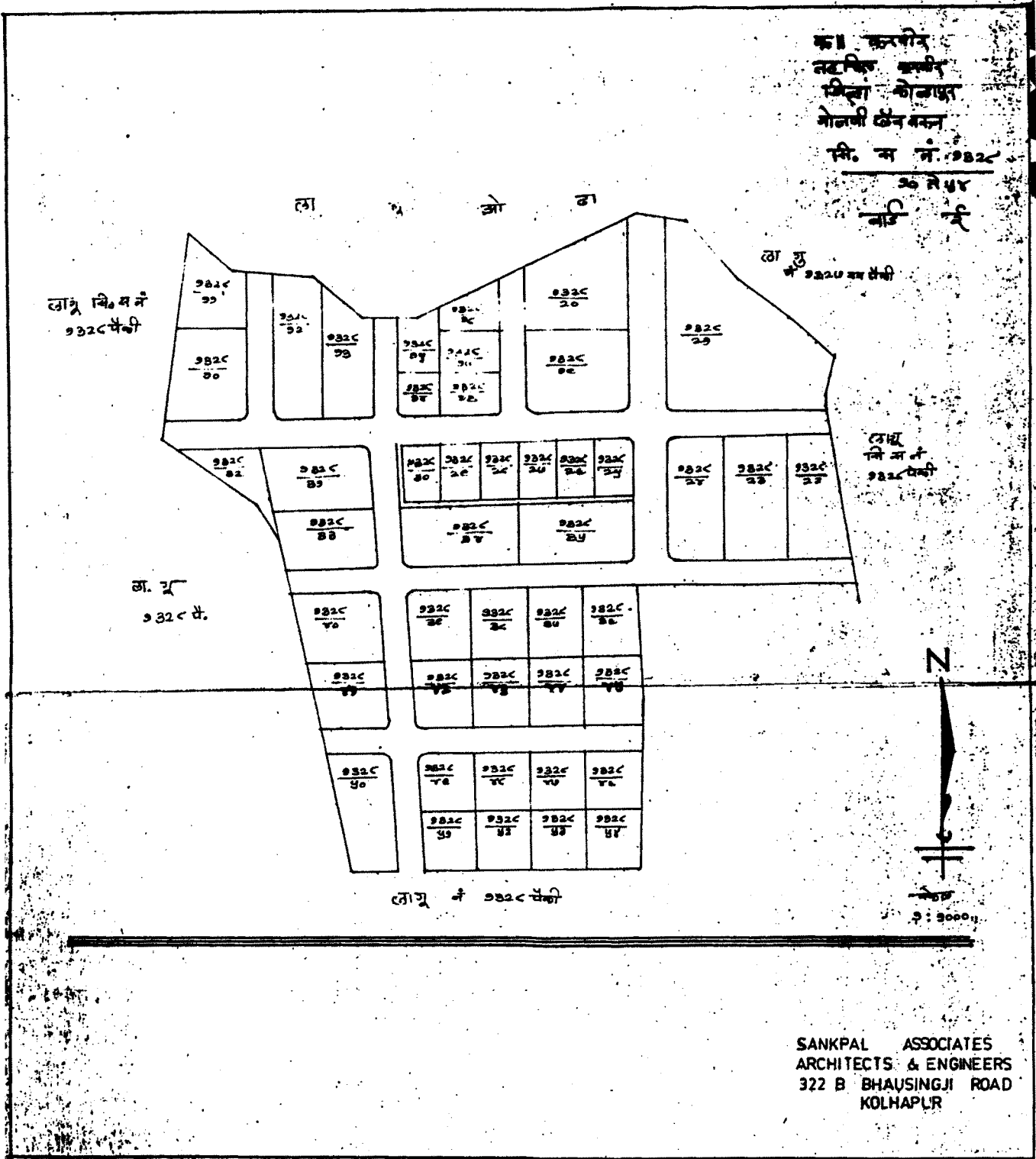
'LADA MOTORS'. Another is Machinenen Fabrik Polygraph (India) Ltd. It produces automatic printing machines and exports them to West Germany and Russia.

All the plots are given to the plot-holders on lease basis. According to the rule of M.I.D.C., it normally executes an agreement to lease, which is like a licence to enter upon the land. After substantial utilisation of allotted land a long term lease for 99 years is granted by M.I.D.C. If the allottee does not want to use the land, he can give the possession receipt back to M.I.D.C. But in case of Shivaji Udyam Nagar, long time before, all the plots and sheds are first given on hire purchase basis and then sold to the members on freehold basis. Therefore, they are themselves the owners of their plots or sheds and hence they have authority to sell their plot or shed to another person if they do not want to use the plots. However, some sheds are allotted on the hire purchase scheme and they pay rent after one year. M.I.D.C. has its own pipe line for water supply. Industries which are established in Government possession area is required to pay Rs.2 per Metric Qube and the industries which are established in private possession area are required to pay Rs.4 per Metric Qube and water supply for domestic needs is provided by M.I.D.C. at a concessional rate, i.e. it is provided at Rs.1.50 per Metric Qube. Shivaji Udyam Nagar industrial estate is safe from such heavy rates of water supply. Corporation provides them water at concessional rates. Due to very few chemical factories, creation of pollution problem is nil.

SHIVAJI UDYAMNAGAR

KOLHAPUR
MAHARASHTRA STATE





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मकान नंबर - 23.2.57
मकान नंबर - 24.2.57

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