

## **CHAPTER - 2**

### **ISLAMPUR TOWN : AREA UNDER STUDY**

#### **2.1 INTRODUCTION**

Industrialization has a major role to play in the economic growth of a developing country like India. The process of planning for growth was launched in 1950-51, with formulation of the first five year plan. The country has witnessed nearly four and half decades of planned development. It has been able to make considerable progress in almost all the sectors of the economy. In India the present liberal policy is changing the economic picture of the country. Industrial sector has also welcomed the new policy. The process of industrialization has also increased the new generation of entrepreneurs who have come forward, and showing their skill through establishing various kinds of production unit. The 'GATT' proposal and the role of our country has opened the doors, to new entrepreneurs for global market.

Whenever we think about the country's industrial progress, we always remind the role of small scale industries, because this sector has always an important role in country's economic or industrial progress. "In the year 1985-86 the small industry sector produced an out-put valuing Rs.38,050 crores at 1979-80 prices, employed around 96 lakhs of persons in terms on value added it contributed around 50% of total manufacturing sector in the country" [1].

Realizing the importance of industrialization as means to achieve rapid economic growth, number of measures both at national and state levels have been taken during the last forty years of planning to help develop industrial sector in the country [2].

Though the efforts are made at national and state level for industrial growth, our country is not showing the performance which we were expecting. The various reasons like shortage of raw materials, and other inputs, infrastructural difficulties, inadequate demand for products manufactured obsolete machinery

and technology and consequent high costs are responsible for unsteady growth.

The unsteady growth of industrial sector is gripped with the phenomenon of sickness which is engulfing a large variety of industries to large, medium and small-scale sectors year after year. Social progress is achieved by the constant revolutionising of the technical forces of production, by new discoveries of processes and products. It is inevitable that outdated technologies and products which no longer have a market, and such kinds of units suffering under the sickness. The increased magnitude of industrial sickness has become the chief bottleneck for the rapid growth of industrialization in the country.

'India has made an impressive progress in her industrial front during her five year plans. Today she ranks at the seventh among the most industrialized countries in the world. However, there has been the other side of the coin also. Alongwith the tremendous progress made in the industrial sector she has mixed experiences of great industrial failures also. Growing sickness in industry has

been one of the major attributions to industrial failures which is continuously on increase' [3]

The experiences of highly industrialized countries well exemplify that alongwith industrial development, the existence of certain degree of industrial sickness is quite natural.

## **2.2 CONCEPT OF INDUSTRIAL SICKNESS**

Here the attempt has been made to clarify the concept of industrial sickness.

"Sickness is easy to understand but difficult to define. It is a relative term. In common parlance, a sick industry is one which is not healthy" [4]

According to the Reserve Bank of India (RBI 1988) [i] A unit may be considered sick, if it has incurred cash losses for one year and in the judgement of the bank, it is likely to continue to incur cash losses for the current year as well as the following year [ii] The unit has an imbalance in its financial structure such as current ratio of less than 1.1 and worsening debt-equity ratio i.e. the ratio

of total out-side liabilities to the net worth and [iii] when the cumulative losses exceed capital and reserves. Thus, the emphasis is the RIB's definition of sickness is on profitability liquidity and solvency' [5].

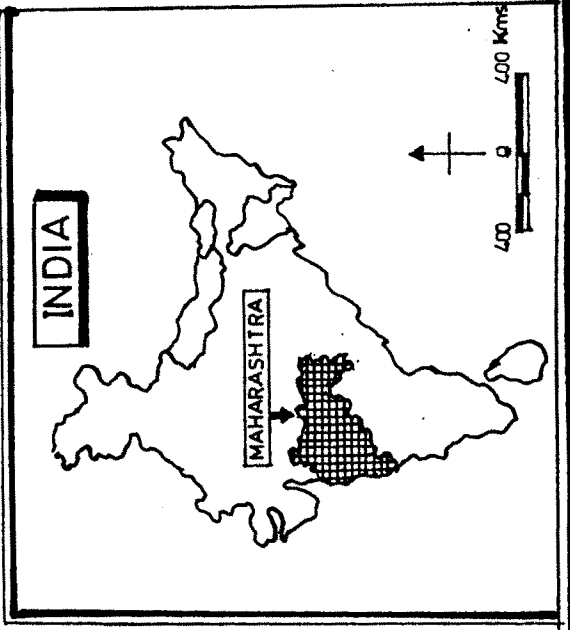
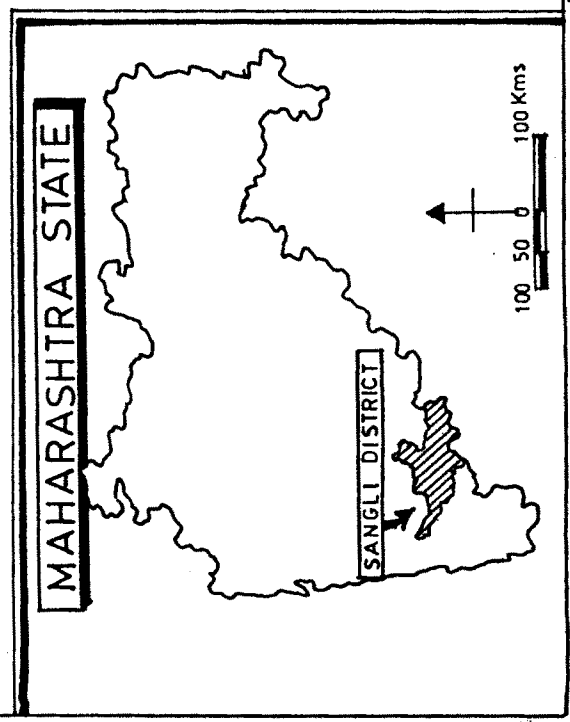
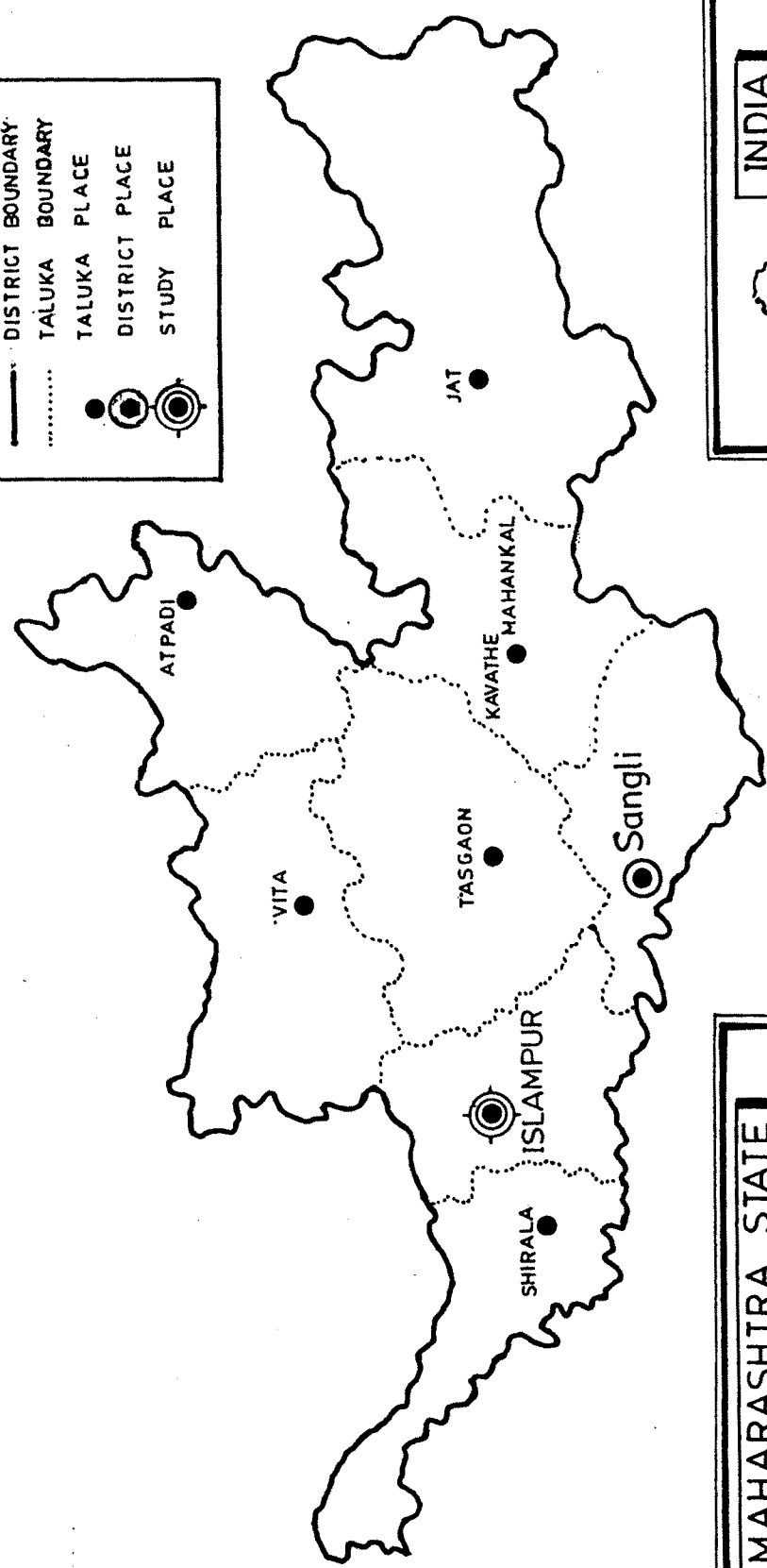
### **2.3 ISLAMPUR : AREA UNDER STUDY**

'Islampur town being an important tahsil centre, occupies a key position in administrative set-up of the district as well as in developmental activities taking place in surroundings. Being located just near the cross roads Pune-Bangalore national highway and Sangli-Peth state highway, it assumes as a high accessible activity centre. The town is located at a distance of 40 kms to the west of Sangli town on Sangli-Peth state highway which joins Pune-Bangalore National high-way (NH.4). The town is situated on 17°-20' north latitude and 74°-20' east longitude at height of about 800 mtrs. above M.S.L. The location of area under study is shown in Fig.2.1.

● SANGLI DISTRICT ● FIG. 2.1

**INDEX**

- DISTRICT BOUNDARY
- TALUKA BOUNDARY
- TALUKA PLACE
- DISTRICT PLACE
- STUDY PLACE



The hinter land of town situated with number of villages, is well linked with the town in addition to the inter-linking of major towns - Sangli Miraj in Sangli district and Kolhapur Karad Pune in the adjoining districts. The river Krishna flows about 8 kms. to the north of the town' [6].

The Class B Islampur municipal council was established in the year of 19th November 1953. It's total population as per 1991 census is 42,102. The total area of municipal council is 33.03 sq.km.

The following table shows the industrial activity in the year of 1968.

TABLE 2.1INDUSTRIAL ACTIVITY 1968

Name of Unit	Items Produced	Average Daily employ.	Size of ele. power conn.
Pawar oil mill	Seed oil & oil cake	14	40 H.P.
Awate oil mill	Oil seeds cakes	10	30 H.P.
Rajaram Phalle oil mill	Oil seeds cakes	9	10 H.P.
M.Rajaram Stone Crusher	Stone crushing	25	30 H.P.
Mangal Pipe (Kumbar)	Pipe factory & crushing	15	15 H.P.
Walwa Taluka Cement Vastu	Cement pipe	13	10 H.P.
Khankhale Industries	Ground-nut seeds	3	5 H.P.
Gaikwad Brothers	Ground-nut seeds	5	2 H.P.

Source : Integrated Urban Development Planning, Govt. of Maharashtra

I.U.D.P. 1981-82).

The table shows that different type of small industries were existing in Islampur in 1968. But the real boost came after 1968 when the sugar factory was established.



## **2.4 ECONOMIC ACTIVITY OF THE TOWN**

' Islampur town having prominent location has developed as trading centre. The industrial activities are coming up gradually and in near future its economy will get changed from purely agrarian to agro-industrial economy. The sugar factory established near the town has laid down the foundation of development of agro based industries. There was no major industry as such in the town in the past. But still the industrial activity was in the form of oil mills which extract ground nut oil, cement pipe factories, stone crusher etc. The other small industrial units were in the form of repair work-shop, fabricating units, printing presses etc. But the sugar factory established is knocking the door of industrial boost of the town' [7] The integrated development plan of Islampur is shown in Fig.2.2.

Late Shri Rajaram Babu Patil, Ex-MLA has established 'Walwa Co-operative Sugar Factory Limited, Sakharale' in 1968 near Sakharale village about 3 kms from Islampur. Now this factory has been renamed as 'Rajaram Babu Patil Sahakari Sakhar

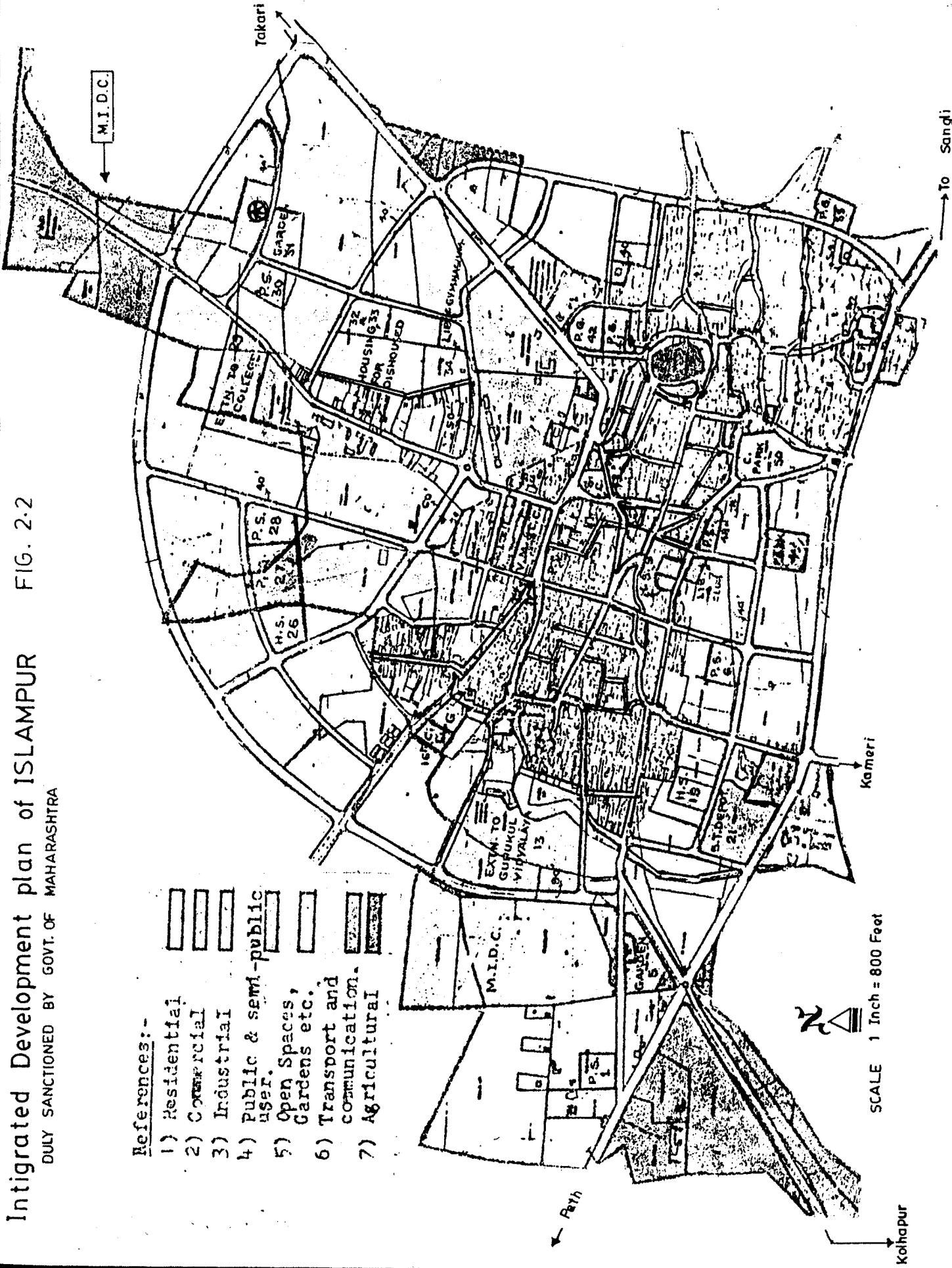
# Integrated Development plan of ISLAMPUR

FIG. 2.2

DULY SANCTIONED BY GOVT. OF MAHARASHTRA

References:-

- 1) Residential
- 2) Commercial
- 3) Industrial
- 4) Public & semi-public user.
- 5) Open Spaces, Gardens etc.
- 6) Transport and communication.
- 7) Agricultural



Karkhana Limited, Rajaram Nagar'. This has become the foundation for inviting agro-industrial development of the area. '

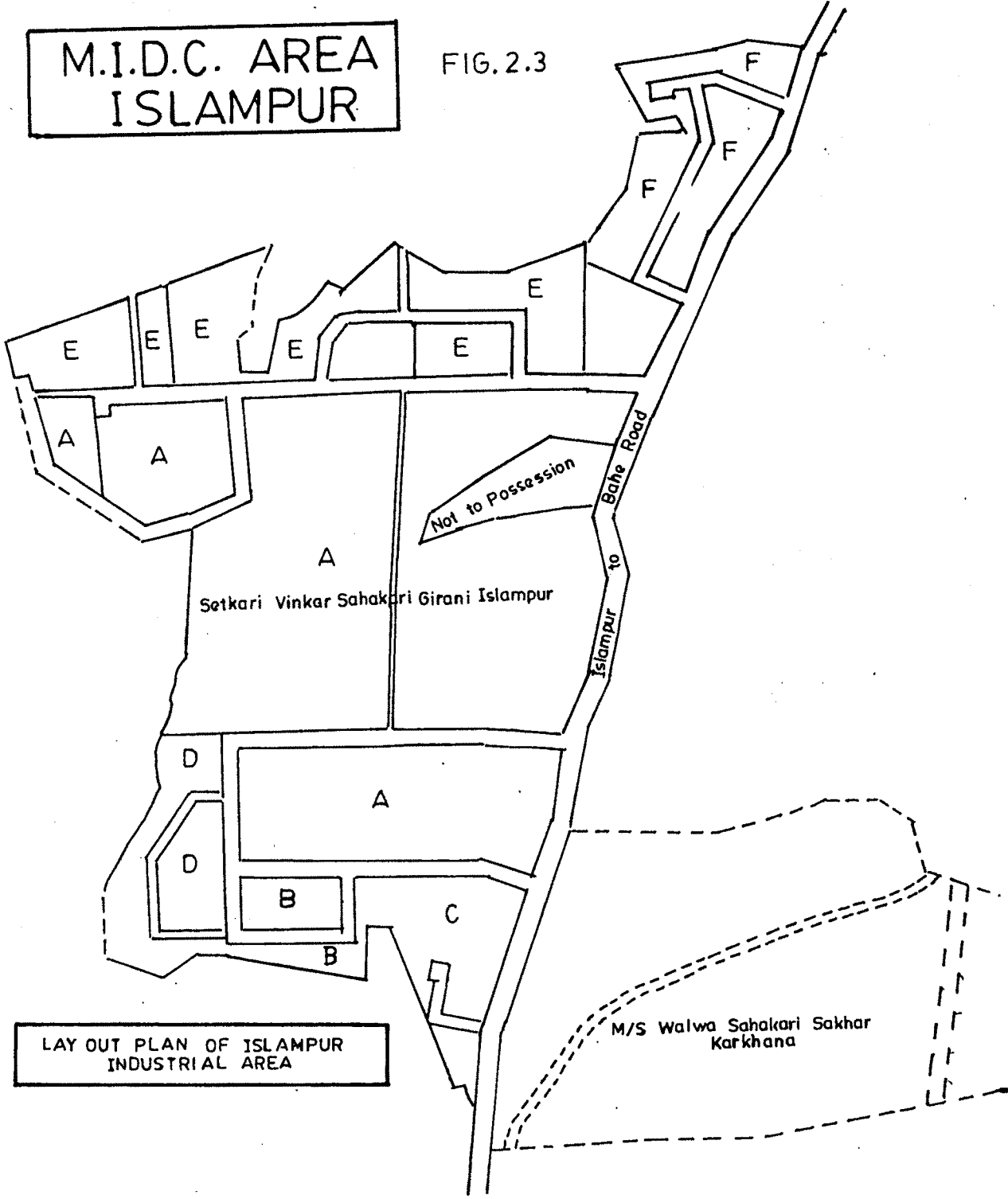
'The Maharashtra Industrial Development Corporation has already acquired a vast area just to the north of Islampur Municipal limits. The M.I. D.C. area of Islampur is shown in Fig.

2.3. The Sangli-Miraj Regional Planning Board has anticipated the development in future and for proper planning has identified Islampur Urban complex. The major proposals of Sangli Miraj Regional Planning Board in this complex are - i) The estimated population by 2001 will be 1,15,000 in the complex as whole. ii) The work-force estimated indicate that about 7300 workers will be engaged in the secondary sector 35 hectare more land on Peth-Islampur road than as notified by M.I.D.C. for industrial purpose has been zoned for wherein industrial development is at take off stage.

- Industrial zone of 127 hectares has been proposed for estimated and work-force'''

M.I.D.C. AREA  
ISLAMPUR

FIG. 2.3



LAY OUT PLAN OF ISLAMPUR  
INDUSTRIAL AREA

M/S Walwa Sahakari Sakhar  
Karkhana

The details regarding how the composition of workers has changed during three decades are presented in Table 2.2 [8].

TABLE - 2.2

MAIN WORKERS IN ISLAMPUR

Sr.No.	Category	1961	1971	1981
1.	Cultivators	2869 (64.22)	1852 (47.99)	2002 (21.20)
2.	Agricultural Labours	614 (13.74)	858 (22.23)	1455 (15.41)
3.	Household Industries	601 (13.45)	354 (09.17)	534 (5.65)
4.	Other than Household Industries	383 (8.57)	795 (20.60)	5449 (57.72)
	Total	4467 (100%)	3859 (100%)	9440 (100%)

( source : District Census hand-book Year 1961/1971/1981)

The table indicates that the number of total workers has decreased in 1971 but it again increased in 1981. The number of workers were in majority in agricultural sector in 1961 and 1971 but in 1981 the number of workers in industrial sector were in majority. Thus as far as the composition of workers is concerned, it has changed over a period of time and it is mainly due to the establishment of co-operative sugar factor and M.I.D.C.

**REFERENCES**

1. Panda R.K. and Meher R.K. Industrial Sickness - A study of small scale industries, PP 2-3
2. Ibid P 1
3. Khanka S.S. Industrial Sickness in India PP 16-17
4. Ibid P 1
5. Ibid P 2
6. Government of Maharashtra Integrated Urban Development Planning, 1981-82
7. Ibid -
8. Government of India District Census Hand-book 1961/1971/1981.