
CHAPTER I: INTRODUCTION

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1.1 Objectives of the Study

The purpose of this study is to make a critical examination of Industrial Estates in general and Dhatav-Roha Industrial Estate in particular about its performance through a managerial view point. This attempt at the assessment has been in the light of the objectives of an Industrial Estate, and managers' expectations, their fulfilment and the present situation. Before embarking on this study it may be useful to review briefly the idea of an industrial estate, the meaning of it, its evolution, its variants and its origin in India. This is followed by a discussion of the objectives of Industrial Estates and Physical Planning of Industrial Estates in India.

In early stages of economically developed countries, the growth was supplemented by institutional measures. The setting up of an Industrial Estate is of the important institutional measure. It is a good instrument of social technology of development. An industrial estate is a proved tool of industrialisation in both the developed and the developing countries.

1.2 Methodology and Hypothesis of the Study

It was rather difficult to know the managerial view point on the performance of the industrial estate only through providing closed end or open end questionnaire. Researcher found that if only

a questionnaire is provided, managers did not answer exactly. Their oral replies are more useful to arrive at the conclusions. So, free discussion with managers, their staff and with workers was necessary. It was more useful to judge the facts and their opinions beyond their answers. At the time of free discussion it was found that keeping managers on a tract was also required. Open ended questionnaire of the scheduled nature was provided to managers along with free discussion. The nature of some questions is like opinionnaire. A separate questionnaire is also prepared for the staff and for workers. When workers were provided the questionnaire, they preferred to answer orally to giving in writing. So, their responses are noted. It was decided to take a sample of 35 per cent of the industries in the estate for the general information. So, 14 industries were selected. However, for the detailed investigation 5 industries were selected. In those 5 companies there are 574 workers out of whom 200 workers' responses are collected. For 14 units the criteria for selection was -

4 companies whose basic capital is less than Rs. 1 crore.

7 companies whose basic capital is in between Rs. 1 crore and Rs. 10 crores.

3 companies whose basic capital is above Rs. 10 crores

Hypothesis: The policy of the Government to encourage the entrepreneurs to set up the industrial units in economically backward region and to assist them has been successful from the

view point of those managers of industrial units in Dhatav-Roha industrial estate. It is also expected that at the time of evaluating the data, the following objectives for establishing an industrial estate would be examined;

- 1) Whether small enterprises development is fostering by promoting new entrepreneur's units in the estate?
- 2) Whether this backward area is developing?
- 3) Whether the estate leads to the decentralisation of industries?
- 4) Whether unemployment problem has been solved to a certain extent as a result of the setting up of this industrial estate?

1.3 Limitations on the Study

A] Data of this study relates to six years only. From it, it is not possible to infer the economic position of the units in the Industrial Estate before they entered that. What we know is just the economic position of the units in an industrial estate at a particular point of time. If there were time series data beginning with the conditions of the units before they entered the industrial estate and for the latest period one could have been in a better position to really measure the effectiveness of the industrial estate by studying the behaviour of the units over time through the managerial views. The task could be fulfilled more effectively if such time series data were available

of the units in the said estate. For the reason that it is extremely difficult to gather time series data from small enterprises which scarcely keep account, such data could not be collected. It was also beyond the resources of an individual, particularly in terms of time.

B] Many industries in Dhatav Industrial Estate have been shifted from urban areas, with Head Office and Main Factory in cities like Bombay, Pune and Kolhapur. The managers are responsible for the production and they are simply engaged in executing the orders from their Head Offices. So, they were not willing to speak freely regarding the financial matters, marketing, yearly profit etc. They maintained some secrecy regarding issues concerned with company matters.

C] One way of judging the performance is the examination of sales and profits per year. Those figures are not available as those are not independent units. Therefore, the regular test of performance of the industrial units from this angle was not possible. Production figures were, therefore, taken as a basis.

D] All the industries which are engaged in the production in Dhatav Industrial Estate have invested the amount nearabout Rs. 1 crore as a basic capital at the time of their establishment. Therefore, as per the Government yardstick, they will not be measured as small-scale industries and conclusions may not relate directly to small scale industries. But it is notable that

managers consider their industries as small industries.

1.4 Background of Dhatav Industrial Estate

A] Social and Economic Background

Before the establishment of an Industrial Estate, Dhatav was quite small village with about 30 huts. Killa was another small village at the distance of 8 km from Dhatav, now both villages are absorbed by the industrial estate. Roha is a Taluka place at a distance of 3 km from first end and 23 km from the last end. It is a branch-road from the Highway - Bombay-Goa Road. Maharashtra Industrial Development Corporation is an agency which has undertaken the responsibility of Dhatav Industrial Estate. Roha is a town with marketing facility. So, this Industrial Estate is known as Dhatav-Roha-Industrial Estate in the Raigad District. Now there is no single sign of either Dhatav or Killa villages. Natives left their those villages and are living in Roha.

Before 300 years Roha and other areas were under the rule of Mohamedan state at Murud. It was known as "Janjira Sansthan". A majority of the population is of Maharashtrians, but traders in the market are Gujarathi, Marwari, coppersmiths and Banias and some of them are Muslims. The percentage of native Hindus engaged in trading is very small.

Roha is a religious village with nearabout 15 temples and 3 Prarthanamandirs (Masjids). People by all castes and religions believe in the 'Dhavar' (Daha Veer, the power of the Great Shiva).

Near Pune at a distance of 18 km there is 'Mulshi dam'. Stored water comes down at the West of Sahyadri. Tata Electrical Company generates the power at Bhira from that canalised water and then that joins to Kundalika river. Dhatav Industrial Estate is situated at the shore of Kundalika. So, Kundalika is useful for farmers and for the estate.

Basic business of natives was farming. Now they are facing problems in using the water of Kundalika as industries are using it to drain untreated effluent water. But land-holders have constructed some buildings with very small rooms and they are giving those rooms on rental basis by contract of 11 months. Roha is a better marketing place; because of this industrial estate there is a little rise in trading.

As regards the educational facilities, there is a secondary school, with Junior College in only commerce. One society started a Senior college in commerce. Industrial estate requires science graduates rather than commerce graduates, but there is no provision of science college or any other training institution like I.T.I.

B] Topography, Geology and Climate

Roha is situated along the left bank of river Kundalika and belongs to the Central Kolaba District (newly named as Raigad District). River Kundalika stretches a navigable tidal inlet falling into the sea at Revdanda. Between Roha and Kolad (ends of the Industrial Estate) the river bed is rocky and banks high with some

fine mango groves,

The river Kundalika emerges from a deep gorge of the Sahyadri, flowing for about eight miles in north-west direction, the river turns due west for about 20 miles near Roha and it changes its direction to north-west and flows for about thirty miles to reach the Arabian Sea.

The area is characterised by undulating topography and irregular hill ranges. It is also characterised by dark coloured volcanic lava flows and laterites. Roha enjoys dry and humid climate. It receives annual rainfall of about 150 mm. The month of May is the hottest month with a mean maximum temperature at 31°C. In the period of December to February the weather is cooler. Relative humidity throughout the year is recorded between 65 per cent to 75 per cent. Winds are very strong and blow from West during Monsoon season.

1.5 List of Industries Surveyed and the Classified
General Information

M.I.D.C. INDUSTRIAL ESTATE DHATAV (RAIGAD)

Total plots for Industrial units	80	○
For the Housing purpose	2	
Units which have been taken plots		
but not started the construction	19	-20
		<u>59</u>
Sick industries (completely closed down)		<u>-20</u>
Units in working		39

Sample of Working Units 35.89 per cent * 14

<u>Names of Units Surveyed</u>		<u>Names of Managers</u>
*1)	Roha Benz Chemicals ..	Shri V.R. Shirkhedka
2)	M/s Kundalika Chemicals ..	.. V.R. Warange
3)	Roha Dye Chem, Pvt. Ltd. ..	.. B.J. Navaloor
4)	Vital Organics Pvt. Ltd. ..	.. A.G. Keni
5)	Fairdeal Corporation Pvt. Ltd.	Dr. P.Y. Pandit
6)	Rathi Dye Chem. Pvt. Ltd. ..	Shri K.S. Dalal
7)	Wellman Chemicals (M/s. Wellman-Hindusthan Ltd.) ..	.. A.G. Deshpande
*8)	Unichem Laboratories Ltd. ..	.. P.P. Bardeshkar
9)	M/s. Albright Morarji and Pvt. Ltd.	.. S.D. Gajare
10)	The Dharamasi Morarji Chemicals Co. Ltd. ..	.. C.L. Koppikar
11)	Western India Erectors Ltd, (Chemical Division) ..	.. V.J. Deshmukh
*12)	Excel Industries Ltd, ..	.. B.V. Gandhi
*13)	Nirlon Synthetic Fibers and Chemicals Ltd, ..	.. S.S. Banerjee
*14)	Colour Chem. Pvt. Ltd. ..	.. R.M. Tillu

*The sample survey is taken of 14 working units for the general information and of 5 units in detail (for the analysis of production cost per worker and working conditions etc.).

The Table showing the consolidated general information of Units
(Dhatav-Roha, Raigad)

Name of the company	Total Investment in Rs.	Labours, Tech and others:		Administrative staff	Total	Whether land is obtained for staff colony	Plot No. of Plot in Sq. Mtrs.	No. of vehicles owned	Whether labours are organised	
		Temp.	Perman.							
Roha Benz Chemicals	1.5 lakhs	3	-	1	4	No	29	2450	-	No
M/s. Kundalika Chem.	4 lakhs	3	-	2	8	-	35	2048	-	No
Roha Dye Chem. Pvt. Ltd.	64 lakhs	72	-	5	77	Yes (Privately)	42	31241	-	Yes (INTUC)
Vital Organics Pvt. Ltd. Industry	Small scale	69	-	3	72	No	41& 41A	31662	-	Yes (Chem. Mazadoof Sanstha)
Fairdeal Corp. Pvt. Ltd.	More than 1 crore	81	-	3	109	Yes (Privately)	19	18124	2	Yes (Fairdeal Employees Union)
Rathi Dye Chem. Pvt. Ltd.	1.3 crores	61	-	1	67	Yes (Privately)	40	20761	-	Yes (Sarve Shramik Raigad Kargar Sabha)
Wellman Chemicals (M/s. 'S' 'W')	1.5 crores	21	-	4	38	-	3	48885	1	Yes

1.6 AN OUTLINE OF M.I.D.C. ACTIVITIES*

Maharashtra Industrial Development Corporation was established by the State Government on 1st August 1962 under the provisions of Maharashtra Industrial Development Act, 1961 (MAH, III of 1962) with a view to promoting and assisting in the rapid and orderly establishment, growth and development of Industries all over the State.

The main objective of MIDC 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 entrepreneur in setting up his industry at any of these centres with ease and speed.

II. Important Activities - The important activities of MIDC are:

- a) to provide developed plots with clear title to entrepreneurs for setting up their industries in 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.

* Personal Diary of Executive Engineer, M.I.D.C., Dist. Raigad (provided by the Government)

- c) to set up industrial areas at suitable locations in the coastal region for facilitating establishment of chemical industries which have effluent problems and to provide facilities in such industrial areas in the form of abundant water supply and common effluent charge system.
- d) to provide facilities/amenities such as built up accommodation for Banks, Post-Offices, Telephone/Telex Exchange, Police Stations, Fire Stations, Employees, State Insurance Scheme, Hospitals/Dispensaries, Canteen, Shops, etc.
- e) to make special efforts for encouraging technicians/small scale entrepreneurs, by providing ready made sheds/galas in various industrial areas and help them in setting up their own industries.
- f) to provide industrial housing by construction of residential buildings.
- g) to establish major water supply schemes for helping industrial and urban growth.
- h) to undertake on behalf of the Government/Semi-Government agencies projects on Deposit Contribution basis, since MIDC has acquired expertise in expeditious implementation of different types of projects like, for example Film-City SEEPZ etc.

III. Spread of Activities

Since the inception of MIDC it has established at least

one industrial area in every District of the State except Gadchiroli, the newly created district, thus covering 29 districts out of 30 districts with its activities.

IV. Land Acquisition

The land for setting up Industrial Areas/Estates is acquired under the provisions of MIDC Act, 1961 by the State Govt. and placed at the disposal of MIDC for the purpose of development. The Govt. owned lands forming a part of Industrial area are also placed at the disposal of MIDC alongwith the acquired lands.

V. Regionwise Distribution

Keeping the objective of Balanced Industrialisation of the State in mind 64 industrial areas are distributed with a major emphasis on developing parts. The break-up is as under:

Developing parts	...	51
Developped parts i.e., ENR & EMR	...	13
	<u>Total :</u>	<u>64</u>

VI. Development of Industrial Areas

In last 21 years MIDC has allotted 13,644 plots covering an area of 7,206.89 hectares in various industrial estates.

VII. Work sheds/galas for Small Entrepreneurs/Technicians

To facilitate small entrepreneurs for setting up their industries at minimum initial cost, ready-made accommodations are

provided by MIDC in form of worksheds and galas in multistoried building, thereby relieving these entrepreneurs of the burden of construction of the building for setting up their industries.

VIII. Industrial Housing

- i) Recently a decision has been taken at MIDC that it shall hereafter provide sizeable areas for residential use. Out of the existing 64 industrial areas, provision for residential zones has already been made in 15 industrial areas comprising approximately 700 hectares and efforts are being made for sparing at least some land for residential use in other remaining areas.
- ii) Residential zones in most of the existing areas have already been developed, and plots are allotted for construction of residential buildings for housing the workers and executives.
- iii) MIDC has already made a beginning by construction through its own resources, building with 90 tenants at Tarapur at a cost of RS. 25 lakhs during 1980-81. The work of construction of 876 tenements in 15 industrial areas has been nearly completed.
- iv) Filtered Water Supply: Pure and abundant water supply is one of the basic needs of any industry. Naturally MIDC has given priority for development of water supply schemes at various locations to make sure that in MIDC industrial

areas in every district, there is adequate filtered water supply available and the entrepreneur can set up his industry with confidence. This is important, since in many districts filtered water supply in abundant quantity is not available even at district headquarters and it is certainly not adequate for the industrial units. This shortcoming had proved to be one of the basic constraints in industrialising the backward areas.

- v) Drainage Scheme: Chemical industries generally have a liquid industrial effluent. This effluent creates pollution problem. MIDC has set up industrial areas in coastal regions where facilities are provided for collection of treated effluent which is carried in a common pipeline by MIDC upto a suitable point in creek or the sea as per the advice of Maharashtra Prevention of Water Pollution Board.

Thus, along with the provision of water supply MIDC also gives importance to the effluent disposal schemes and so far MIDC has implemented drainage schemes as indicated below:

<u>Name of completed scheme</u>	<u>Cost break-up (Rs. in Lakhs)</u>
1 Roha ...	100
2 Dombivli ...	61
3 Kalyan-Bhiwandi ...	5
4 Badlapur ...	16
5 Thane ...	3
	<u>Total 185</u>

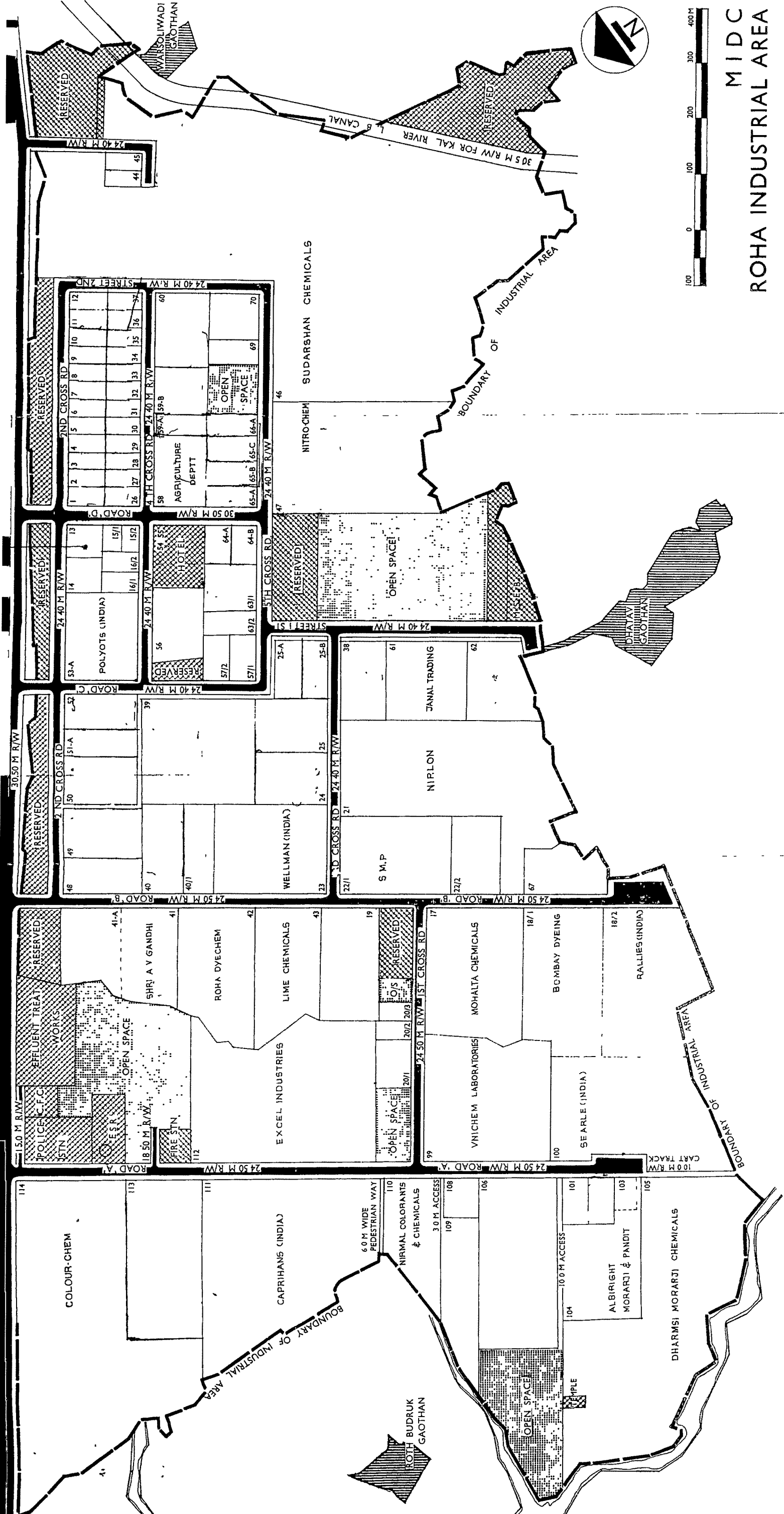
Schemes in progress

1	Trans-Thane	139
2	Patalganga	93
3	Tarapur	116
4	Taloja	29
5	Ambernath	<u>5</u>
	Total	382

XI. Common Amenities

Development of industrial areas is a comprehensive activity since efficient operation of industries is dependent on availability of a number of other common facilities which have close interaction with the industrial activity.

MIDC therefore provides in every industrial area buildings for accommodating utilities like Post-Office, telephone exchange, telex exchange, hospitals and dispensaries, canteen shops, police station, fire station, commercial banks etc. Separate plots are also made available if required for providing such activities depending on the scale of activity necessary in a particular area. MIDC also provides land for hospitals, ITI within MIDC to facilitate establishment of police station and chowkies have been built by MIDC to facilitate establishment of police force within the industrial area which can improve the security arrangement and maintain the law and order within industries.



MIDC
ROHA INDUSTRIAL AREA

