

- CHAPTER : IV -

:: SCHEME OF INDUSTRIAL ESTATE IMPLEMENTED BY GOVERNMENT OF ::
MAHARASHTRA.

4.1 Need for Industrial Estates in Maharashtra :

70% of industrial labour was concentrate in Bombay and Thane West in 1962. Since 1958 a number of study groups and committees have been appointed to control the industrial expansion in this geographical area e.g. Barve study group (1958). Gadgil Committee (1965). Bombay Metropolitan Regional

Planning Board (1967) recommended stringent control measures on the expansion of industries in the area.

State Government set up two institutions in 1962 to achieve industrial development and backward regions. These institutions are - (i) MIDC, (ii) SICOM MIDCs main objective is to establish and develop the ~~XXXXXXXXXX~~ industries in a systematic manner and for the supply of all facilities MIDC provides infrastructural facilities like Roads, water, - electricity and improved sites buildings or sheds in different parts of the state.

In 1966 state Industrial and Investment Corporation of Maharashtra has been set up to provide facilities and concessions to entrepreneurs starting their units in developing or backward regions. Planning of the project, supply of assistance and incentives to the projects guidance in respect of capital investment, installation services financial - assistance in the form of loans, guarantee in respect of capital raising and investment, equity participation these are the ways in which SICOM assists the entrepreneurs. In 1964 state Government introduced a package assistance programme to promote dispersal of industries from 1969 April. The implementation of this scheme has been entrusted in SICOM.

Maharashtra Small Scale Industries Development Corporation has been set up in 1962. This MSSIDC acquires raw materials and distributes them to the small scale industrial units. This MSSIDC arranges marketing of products, hire purchase machinery, provides warehousing facilities for storing the produced goods, raw material etc.

Besides this regional development corporations viz Marathwada, Vidarbha, Western Maharashtra and Konkan have been set up (From 1967 to 1971).

The Commercial Banks and IDBI also supply finances to SSI in backward regions.

MIDC setup in 1962. The study of MIDC will be made on the basis of -

- i) Development of plots and its distribution.
- ii) Construction of sheds and its distribution.
- iii) Expenses incurred on developing industrial estates.
- iv) Capital invested in the industries whose manufacture of production has taken place.
- v) Employment created in these industrial estates.

From 1974 to 1983 490 plots have been demarcated and

391 plots have been disbursed in Kolhapur, In Maharashtra 19,980 plots have been created and 13,644 have been disbursed. In Kolhapur 2.23 sheds per lakh persons were given in 1983, and Rs.11,31 have been spent per head. Kolhapur spent 283.41 lakh on these sheds.

The rates of land and water less charged are lower in backward region upto 1983, 1129 lakh capital was invested in Kolhapur. The per head investment according to 1981 population was Rs.45.05 upto 83 and 3769 persons were employed during this period.

BESIDES MIDC AND SICOM :

Scheme of package assistance has been introduced by the state -

- (1) 75% of project costs.
- (2) Electricity concession.
- (3) 8% of capital investment shall be repaid.
- (4) Octroi concession.
- (5) Training to workers.
- (6) Preferential treatment in respect of purchase of construction goods.
- (7) 25% grant for financing industrial house.

As a result of these incentives 1174 employment per lakh persons was created in Kolhapur.

After independence the growth of industries in India is most concentrated in urban area. Rural area people come to big cities to get employment in these industries. This exodus from rural to the urban areas results in problems of housing, primary services such as water, sanitation, transport, electricity and other social amenities, while the development of rural areas suffers due to such emigration. In Maharashtra out of the total number of registered factories, nearly 47% are located in the Greater Bombay alone, giving employment 60% of the total factory workers in the State. It is important, therefore, that these imbalances in levels of development are progressively reduced by evenly spreading out small industries in less developed areas to minimise the migration of rural population to cities and to provide employment opportunities in rural areas.

It is realised that the establishment of industrial estates could be an effective method of fostering industrial development on a decentralised pattern and thus relieving congestion in big cities, which consequently could also help in clearing the slums. As a scheme of assistance to

small industries, industrial estates has its own importance and usefulness much beyond the scope of an ordinary scheme of financial aid. An Industrial Estate is a cluster of factories constructed on an economic scale on suitable site with facilities of water, transport, electricity, bank, post office, telephone, canteen, watch and ward and at some places, special arrangements for technical guidance and common service facilities. The estate combining in itself some of the important schemes of assistance to small - industries and provide an ideal tool for integrated development.

The scheme envisages acquisition of suitable land near urban and semiurban areas, having the potential growth of new industries and possibilities of attracting these which are located in the unregulated or congested areas in the town. The area is developed by providing roads, water supply and electric power and by laying out suitable plots for factory buildings open spaces for parks, future expansion.

4.2 SPECIAL FEATURES :

- (1) Industries are established in a well laid-out and pleasant surrounding where sufficient space can be reserved for future expansion.

- (2) An individual unit in such an estate has to spend proportionately less amount for the facilities developed because the expenses are shared by a large number of units.
- (3) A common facility centre, usually provided in an industrial estate, has specialised and expensive machinery which any single small industry can't afford to purchase or utilise to full capacity. This specialised equipment is available for use to small industries on normal payment in the estate itself.
- (4) Training centres can be established in the estate itself for the specialised training needs of the units in the estate industries.
- (5) The co-operative society under taking development of the Industrial Estate may under take to function as a registered stockist of controlled and scarce raw materials for the benefit of its members. Some stocks of essential raw materials can be built-up by this society to tide over difficult periods of raw materials shortages.
- (6) An Industrial Estate can be established with a specific purpose of serving a large industry or an assembly unit, for which specialised common facilities and

technical services can be created.

4.3 ORGANISATIONAL PATTERN :

Industrial Estates are organised by -

- 1) Government.
- ii) Local bodies or Municipal Corporations or
- iii) Co-operative Societies of Entrepreneurs.

In the estates financed entirely by Government i.e. type (i) development of land and construction of standard sheds is undertaken by Government and made available to the entrepreneurs on rental or hire purchase basis. In type (ii) the state Government advances loan to local bodies or municipal corporations on certain terms and conditions governing rate of interest, period of repayment etc. The local bodies or municipal corporations utilise these funds for acquisition and development of land to enable it to give developed plots therein either on out right sale or on lease rent to the entrepreneurs. The entrepreneurs should build the sheds either themselves or through. Co-operative society formed by such members, Local bodies or municipal corporations derive benefits of octroi duty and other taxes as a result of industrialisation fostered through such estates.

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In type (iii) entrepreneurs from co-operative society. To such a co-operative society Government gives land either on lease or rent basis. The Co-operative society undertakes development of the land and construction of factory sheds and other buildings on behalf of member entrepreneurs. For this purpose, Government gives assistance to the society in the form of equal share capital and loan under Government Guarantee Scheme.

To achieve maximum results out of limited financial resources, the state Government have decided to adopt type (iv) as a pattern of development of Industrial Estate in the state. The State Government acquires the land for the society and lease it out to the society on long term lease. The society develops the land and constructs factory sheds for the member entrepreneurs with financial assistance from Government. It can also allot open developed plots to its members for construction of sheds according to their own requirements, out of their own resources.

4.4 PATTERN OF FINANCIAL ASSISTANCE :

TO CO-OPERATIVE SOCIETIES :

The land acquired by Government is leased/rented to

the society without any rent for the first two years, for the next three years annual rent charged is $\frac{1}{2}\%$ of the calculated full rent equal to $2\frac{1}{2}\%$ interest on the full value of the land and thereafter, from the 6th year full annual rent is charged is equal to 5.7% interest on the full value of the land. The entrepreneurs forming a co-operative societies raise 20% of the total cost of the project excluding the cost of land as a share capital of the society, State Government contributes equal matching share capital.

Remaining 60% of the capital is raised by borrowings from financing institutions like life Insurance Corporation of India and the Maharashtra State Financial Corporation against the guarantee of the State Government. This pattern of financial assistance is available only to the estates which approved during the plan period other private co-operative estates which desires to establish estates at places other than those approved by Government, have to find their own financial resources and would required " no objection certificate " from the Industries Commissioner (from the point of view of location and suitability of Industries proposed to be established)

Since the schemes of industrial estates is used as an effective instrument of dispersal of industries in the state,

this pattern of assistance is not made applicable to the co-operative industrial estates desiring to established industrial estates in the Greater Bombay area. Such societies themselves have to acquired land and raise 40% of the share capital, the remaining 60% is raised by borrowings from the financial institutions against Government guarantee.

4.5 REGISTRATION :

Application for registration of a co-operative Society is made to the district - Deputy - Registrar of the District in which the estate is proposed to be located. The Deputy Registrar is expected to provide guidance regarding the formalities to be completed, drafting of byelaws etc. The applicant members have to submit a " No objection Certificate " to the Deputy Registrar from the Directorates of Industries. This certificate is issued by the Industries Commissioner, if the location is approved in the plan period and the Government would be able to assist the society - financially in accordance with standard pattern. If a co-operative Society is prepared to finance the project from its own resources, the Directorate of Industries may issue a " NO objection certificate " provided the location offers promise of development of small industries and the individual schemes are approved by Directorate.

4.6 SELECTION OF PLACES :

Before selection of places for location of Industrial Estates is finalised, a techno-economic survey regarding feasibility of establishing the estate is - conducted. The Government in Industries and labour Department decides if on a possibilities of viable industries at place where the industrial estate is proposed to be located.

SELECTION OF SITE :

After the board selection of place is approved selection of site for location of industrial estate has to be undertaken. This is done in consultation with the - Collector of District, the local Executive Engineer of the Building and Communication Department, the regional Town planning Officer, the Deputy Director of Industries and the local entrepreneurs, organising the co-operative society, availability of suitable land with acceptable foundation condition, water, power, communications, and other factors are taken into consideration for selection of site. The area of land to be proposed will depend upon the total number of active member entrepreneurs and their requirement of plot built-up shed. Generally, one acre of land can accommodate 3/4 units whose requirement of built up shed is about - 60'x30' with plot size 130' x 65'. About 25% of the total

land worked out above, should be proposed in addition to allow for expansion.

4.7 ACQUISITION OF LAND :

After the site is selected and approximate cost of land is ascertained, the next step is to be acquire land for the Society. If the site selected is Government land, the Industries Commissioner approaches to the Revenue - Department of the Department concerned through the Industries and labour Department, for banding it over to the Industries Commissioner. If it is private land, the Industries - Commissioner will request the collector to initiate land acquisition proceeding under the land Acquisition Act, 1884. The Collector may also examine whether the land can be acquired by private negotiations to expedite taking over the land early.

HANDING OVER LAND :

After notification under land Acquisition Act, the possession of land is taken by the Local Industries Officer on behalf of the Industries Commissioner and simultaneously handed over to the Co-operative Society, the same day. The land is leased/rented for a period of 90 years with provision for revision of rent after every thirty years.

4.8 LAYOUT PLAN :

Generally, time required for getting actual possession of land proposed for acquisition is considerable hence, during this period action is taken to get the layout plan of the estate prepared by the town planning Officer.

While preparing the lay-out plan, the Town planning Department ensures that -

- (a) The lay-out plan is in Conformity with the Master plan of the town.

- (b) Building line and central line, set-backs (i.e. on one strip of land parallel to a road) as prescribed under Fibbon Development rules, are provided in the layout.

Generally, accepted norms for the use of land to be observed in the lay-outs of an Industrial Estates having total area between 10 to 30 acres are as following :-

% of total area of land proposed :

	%
Under factory plots	65
Under Roads	20
Under Open Spaces	10
Under Other Ancillary	05
Building.	---
	100

DEMAND STATEMENT :

To fruit-fully utilise the time which is required for land acquisition, it is necessary to get the lay-out plan and the detailed schemes prepared. The basis of preparation of a layout plan and the detailed scheme is a 'Demand Statement' of the factory. A demand statement is furnished by the society in the standard form prescribed for the purpose, soon after the site is selected and over information regarding -

- (1) The nature of industries proposed to be established.
- (2) Names of the entrepreneurs.
- (3) Number of sheds and area.
- (4) Power and water requirement.

This basic data enables the Industries Commissioner to plan the scheme of Industrial Estate.

The demand statement is scrutinised by a committee of technical Officers in the Directorate Industries from the following angles :-

- (a) Raw-material availability.
- (b) Seasonableness of area.
- (c) Hazardous nature of industries.
- (d) Problems of effective disposal.
- (e) Water requirement.

In addition, the Committee examines -

- (1) Whether the industries seeking accomodation in the estate are small industries. Certain industries are likelly in the initial stages to begin as small-scale industries but are bound to grow into medium and large scale industries. It is not desirable to allow such industries in the industrial estates.
- (2) Whether any entrepreneur having interested Director or partner in a large - scale industry has applied for accommodation in the estate.

After broad approval is given by the technical committee, every member of the society has to submit the detail scheme of his proposed industry in the prescribed forms to the Industries Officer of ~~District~~ District concerned, for approval and also certifying the reasonableness of number of plots required for his industry.

PREPARATION OF THE SCHEME OF INDUSTRIAL ESTATE :

On receipt of the layout plan, a detailed scheme is prepared by the society, indicating the total cost of - development for the whole area. Cost of factory sheds and other buildings, giving separate details of sub-estimates for

- i) Roads.
- ii) Water supply.
- iii) Drainage.
- iv) Electrical street lighting.
- v) Factory sheds together with the plans.

For buildings such as canteen administrative offices, watch and ward etc, the cost may be worked-out on the plinth area rate basis, as prevailing for structures in the locality.

The detail scheme showing the total out-lay involved is required to be submitted by the society to the Industries commissioner, for technical approval.

CONSTRUCTION PROGRAMME :

The Society can undertake the construction of factory sheds only on receipt of technical approval to the scheme from Industries Commissioner.

The construction programme can be undertaken by the society itself or by giving the work on contract. The Society will be entirely responsible for getting the work done - according to the prescribed specifications and to the satisfaction of the member entrepreneurs. The society, therefore, should engage experienced engineering Staff

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supervise the work and may charge extra supervision charges.

NUMBER OF PLOTS TO BE ALLOTTED :

Generally, no member should be allowed to have more than one shed in the estate, unless the Directorate of Industries certifies that the requirement of plots for the proposed industry is more. Similarly, care has to be exercised to ensure that one member does not start more than one industry since the benefits are intended to be extended to as large number of personal as possible.

CLEARANCE FROM THE CHIEF INSPECTOR OF FACTORIES :

The factories Act, 1948, provides that the plans of a factory building with the lay-out of machinery proposed to be installed there, has to be approved by the Chief Inspector of Factories. In Industrial Estate, a few type of designs of factory sheds have already been approved by the Chief Inspector of Factories, Hence, in the case of approved standard type of plans, approval of the Chief Inspector of Factories prior to construction is not necessary, but the layout plan of a machinery has to be approved by him before installation of machinery.

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4.9 COMMON FACILITY CENTRE :

Industrial Estates always require certain specialised machines and equipments which each individual unit can ill afford to buy, or utilise to full capacity. A workshop, equipped with suitable specialised equipment is very useful to small scale industries and can serve an individual estate as a common facility centre such a work-shop is provided by Government at its own expense, in certain industrial estates. For the use of the facility, charges for job work are fixed as far as possible on a no profit no loss basis.

LOAN UNDER GOVERNMENT GUARANTEE :

Application for loan to cover 60% of the cost of the programme is submitted to the Industries Commissioner in the prescribed loan application form through the District Deputy Registrar of Co-operative Societies alongwith the latest balancesheet of the society.

FINANCIAL PICTURES FOR REPAYMENTS OF LIABILITY :

The liability of every member of the society is four times his own share capital contributions to the society. This does not include the lease rent of the land and the management expenses payable to the society. Hence, the management of the society should give a clear financial picture of such liabilities of each member. The liabilities are as following :-

1. Initial payment of individual entrepreneurs by way of share-capital contribution at the time of placing his demand on the society for a developed plot and shed.
2. Annual repayment of Government share-capital received by the society for development of land and construction of shed in 15 equal instalments.
3. Repayment of loan received by the society under Government guarantee, as under :-
 - a) Interest every six months.
 - b) 25 Six monthly equal instalments.
(The first instalment payable after completion of 2 years.)
4. Annual payment for lease rent of land as below :-
 - a) No rent during first two years.
 - b) At 4% interest per annum on the cost of land for next three years.
 - c) At 8% interest per annum on the cost of land from the 6th year onwards for 25 years.
 - d) After 30 years, as will be decided by Govt.
 - e) Proportionate charge of the service rendered and managerial expenses of the society.

A financial picture showing the liabilities of the society and its individual members should be worked out according to a typical financial pictures prepared by the Directorate of Industries.

Maharashtra is one of the highly industrialised states in the country. The industrial progress of Maharashtra is mainly due to the industrial progress of Bombay City in which about 47% factories are located out of the total registered factories in Maharashtra giving employment to about 5 lakhs of the factory workers. In fact, industries are centralised in the Bombay-Pune belt only. The problems of regional disparities has become very acute. And the concentration of industries have given rise to many - problems such as housing, transport, water supply, slums etc. The problem of location of industrial units, needs to be tackled in a planned manner. The State was also required to make planned efforts for correcting imbalances and removing the defects in the economy.

The techniques of industrial estates has been regarded as an effective method for promoting the growth and development of small scale industries. This programme has been also considered useful in relieving the congestion of

industrial units in big industrial units in big industrial centres and big cities. So, the scheme of industrial estate has implemented by the Government of Maharashtra dispersal of industries.

¹Maharashtra has made very remarkable progress in the establishment of industrial estates. The state occupies the second place in the country in this regard. Maharashtra is the only state in India which has developed the largest number of Co-operative Industrial Estates.

1. Scheme of Industrial Estate Implemented by Govt. of Maharashtra. Information provided by Directorate of Industries (Industrial Estate).

CONCLUSION :

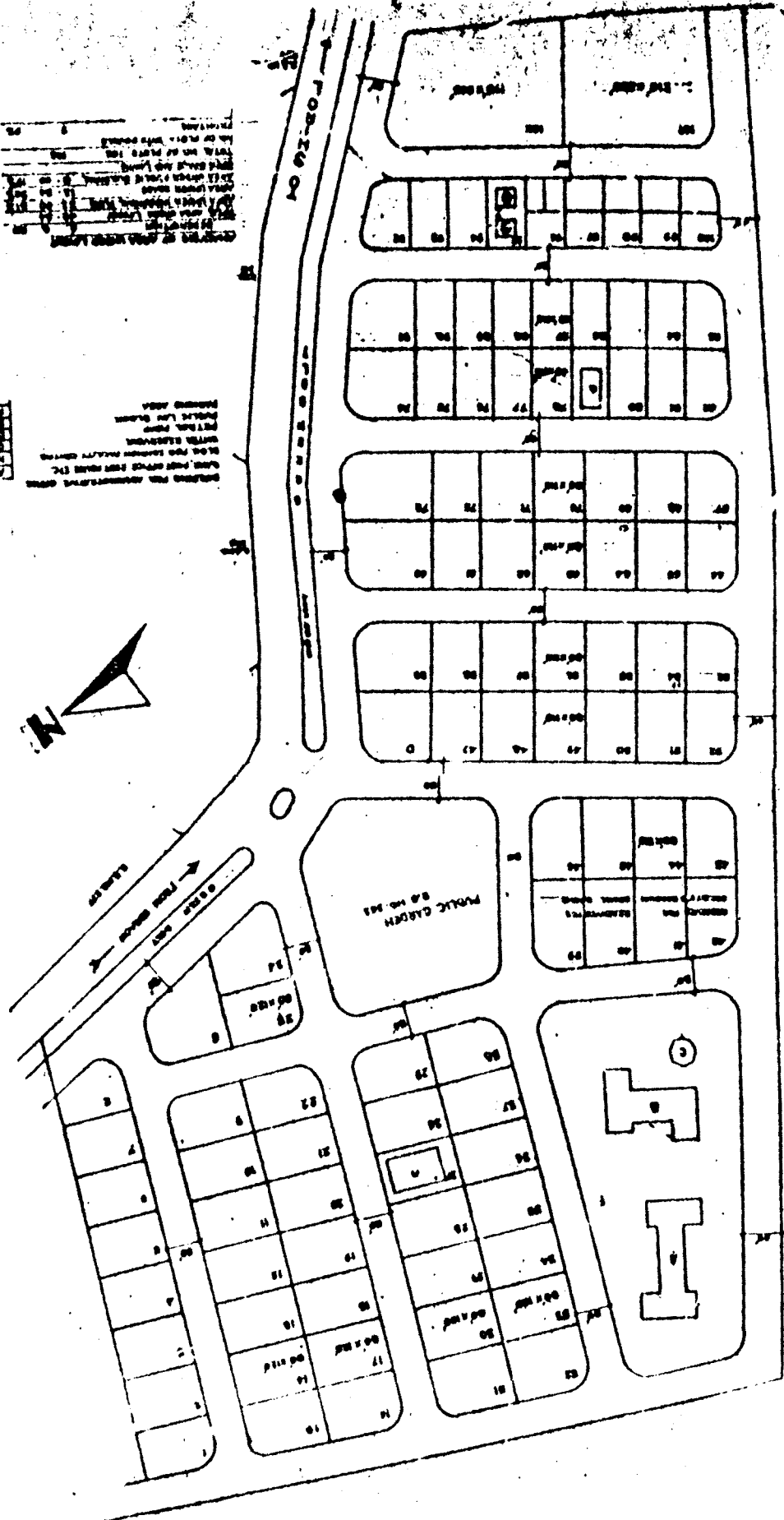
In this Chapter researcher has made an attempt to give assistance given by Maharashtra State for the development of industrial estates mostly in rural areas, urban areas and semi-urban areas. Government of Maharashtra is trying for reducing imbalance between urban area and rural area.

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LAYOUT PLAN OF JAYSINGPUR INDUSTRIAL ESTATE
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