

CHAPTER : 5

DEVELOPMENT OF INDUSTRIAL UNITS IN KOLHAPUR (AT SHIROLI AND
GOKULSHIRGAON

EVOLUTION OF ENGINEERING INDUSTRY IN KOLHAPUR

Prior to 1945, we can say Kolhapur city possessed all the features of under developed economy. It was industrially underdeveloped. The incidence of population was not so serve as to try for living with means other than peasantry. Transport facilities were not available. And labour intensive techniques were used in agriculture and industry. Agricultural



implements were simple and manufactured in household industry.¹

2. TRANSFORMATION FROM TRADITIONAL TO MODERN

Since 1920 Kolhapur District is progressing in the field of industry. Kolhapur has grown from its earlier stage of "House hold industry to the present small scale and large scale size.

(1) HOUSEHOLD INDUSTRY

A 'Household Industry' is defined as an industry conducted by the head of the household himself and/or mainly members of the household at home/or within the village in rural areas and only at home in Urban areas. In earlier period we find there were (1) Iron works (2) Mechanical workshops (3) Motor repairing workshops.

1. IRON WORKSHOPS

These concerned with turning and moulding iron-smithy, There main work was that of manufacturing and repairing iron tools and repairing agricultural implements like ploughs.

2. MECHANICAL WORKSHOPS

There were 16 such workshops repairing various machines.

3. MOTOR REPAIRING WORKSHOPS

There were 23 such workshops. They did the work of repairing motor engines as well as that of rehauling, oiling etc.

3. MODERN PERIOD

The establishment of sugar mills forced the farmers to cultivate sugar cane for the greater supply firstly they used imported oil engines for lifting the water. But, control on imports and Swadeshi movement encouraged some 'Mestries' to produce such oil engines. During 1942-47, the plots at Udyamnagar were allotted and subsidies were given to producers of oil engines and this industry flourished.

1. Modern Engineering Industry in Kolhapur - It comprises of large-scale medium scale and small scale units. The plants now consist of sophisticated machines and equipments needed in the manufacture of engineering goods. The production consists of some of the spares and components needed for oil engines, automobiles, scooters, agricultural implements etc. Engineering industry is more capital intensive but it also creates the employment. And along with industrial development percentage depending on non-agricultural occupation is rising.²

Mainly diesel engines were produced in Kolhapur. These were of 3 types (1) Marine, (2) Automotive, (3) Stationary Horizontal and vertical.³ In 1969 there were 350 units engaged in light engineering industry with Rs. 2.5 cr. of investment and employed 3,500 persons. In 1974 there were

600 units with Rs. 15 Cr. investment. The units shifted from 'C' Ward to 'E' Ward (Udyamnagar). All this has become possible because of the entrepreneurship in Kolhapur and infrastructural facilities provided by the Govt.⁴

2. Role of Entrepreneur : The entrepreneurs in Kolhapur were helped and encouraged by the Late Shahu Maharaj and due to his efforts the industry transformed from traditional to modern industry. The first generation of entrepreneurs was self made. They were not the graduates of any university, but were dynamic men, without giving much thoughts to the theoretical planning they started their own units. 'Learning by doing' was the main principal. And thus light engineering industry in Kolhapur became a school of entrepreneurship. They started their career as turners or apprentice. They faced the difficulties of capital, imperfect market, monopoly of others etc. But they overcame these difficulties. 'Manufa

DEVELOPMENT OF INDUSTRIAL UNITS IN KOLHAPUR (AT SHIROLI AND GOKUL SHIRGAON)

Development of engineering industry arose out of the need to irrigate the land in Kolhapur District. The rains are irregular and uneven besides. The mud on the mountains in surrounding regions filled the depths of rivers, so there was an acute need to irrigate the lands. The early mistries

could repair and maintain the diesel - oil engines. In due course they learnt by doing. The establishment of Kolhapur sugar mill in 1934 created an assured market for sugar cane, which was used otherwise for 'Gur making'. The use of diesel oil engine for lifting water replaced the traditional 'phad' system, and, slowly manufacturing of spare parts and assembling of them created a large scope for spread of engineering industry.

Kolhapur enjoyed as a 'gate-way- of Deshi', because it was through Kolhapur, road transport to Konkan and Karnatak, Pune and Bombay and used for trade.

Thus the residence of fabricators, automobile and truck workshops and repair shops encouraged the spread of engineering industry.

In 1941, Kolhapur municipality allocated an area measuring 42 acres at one end of the city to locate a cluster of small industrial units spread over in the town. In 1950-51, the Government of India banned import of diesel-oil engines. It accelerated the growth of the oil engine industry as it did in case of bicycles and sewing machines industry in Ludhiana.¹

In Kolhapur, the practical minded self-made artisans caught the opportunity of 'taccavit loans provided by State Government for purchase of diesel oil engines, manufactured in Kolhapur. But the Kolhapur Oil engine industry was put to serve test during this period. Recovery of taccavi loans,

1. Pathak, H.N. : Small scale industries in Ludhiana, E.P.W. 1970 P. 1091-97

which were granted for buying diesel oil engines, being very unsatisfactory, state Governments of Punjab, Utter Pradesh and Andhra Pradesh discontinued granting loans. This gave a rude blow to Kolhapur oil engine industry. Vertical, light and economical oil-engines introduced by Kirloskars and coopers drove Kolhapur Horizontal and heavy oil-engines off the market, these events brought unprecedented slump in Kolhapur Oil-engine industry.¹

The experience taught a lesson to the progeny of entrepreneurs in Kolhapur. If an entrepreneur wants to survive with success in the industrial world, he has to be well acquainted with the changing market for the products. He must study the resources, demand, the skills available in the region and try to utilize them for diversified products rather than depend on one type, of product for generations to come. The way out was diversification and ancillarisation.² Going back from independent productive activity to ancillarisation was a painful process for oil engine producers, but success awaited there.³

"Formerly the entrepreneur sold what he produced, now, he had to produce what could be sold, formerly he set his own standard, now, he had to adhere to the specifications of his principals. He had to spend considerable time on liaison

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1. Bhanshali S.G. 'Entrepreneurship Development. Himalaya Publishing House P. 31.
 2. Pandit S.B. 'Engineering industry in Kolhapur' unpublished project.
 3. Op. dit. p. 31

with principals. In the beginning he could not be choosy about contracts, By experience gradually they adopted the shifting practices and chose their principals. Diversification of principals with a view to maintaining the flow of orders to match their capacity, ensure timely payments for supplies and production of variety of components were the guide posts of this endeavour. Optimal principal mix, area-mix and product-mix were the features of the new strategy adopted by them. It indicated fundamental change in the character of Kolhapur entrepreneur.¹ Production was supply oriented. In the earlier phase and it became demand-oriented in later phases of industrial development.

In sixties many foundries and forging shops were set-up. Establishment of eleven sugar mills in and around the Kolhapur district created demand for fabrication of sugar mill machinery and reconditioning of rollers, bearings, crushers, etc. Commercialisation of agriculture indispensable for Sugar mills brought about mechanisation of agriculture. Production of multi-furrow bar-point as well as disc-ploughs, disc-harrow, surry side-cutting redgers, tillers, levelling blades, reversible mould board ploughs and automatic hitch hooks were added. Trailers required to transport sugarcane from farm to factory were also begun to be fabricated.² In 1966 one Maharashtra co-operative Engineering society was set up. Later on, one unit of H.M.T. was also set up.

1 : Bhanushali S.G. - Entrepreneurship Development. P.32
2.: I bid 32.

In seventies light engineering industry came to be decentralised up to taluka level. " Kolhapur began to produce a variety of engineering goods. Components used as original equipment for tractors, automobiles, photophone equipment, marine engines, locomotives now come to be produced at Kolhapur."¹

In the eighties technically qualified persons having theoretical background emerged in the M.I.D.C. areas at Shirol and Gokul Shirgaon. The entrepreneurs entered into resource-based, demand based and skill-based industries. The technological contents of production increased, and application of modern techniques of production and management began. With increase in technological contents, sophisticated automatic and costly machines were brought in and installed, demanding huge investment.

Thus within four decades of industrial development in Kolhapur city, a shift from (1) traditional technique of production to sophisticated techniques of production, (2) from simple product to diversified products, (3) from unplanned industrial clusters in udyam nagar to planned industrial clusters in two MIDCs in Shirol and Gokulshirgaon with their manifold linkages emerged.

Industrial estates were introduced in India from the first five year plan. As made clear earlier small scale

industrial units suffer from many handicaps, one such handicap is the adequate place for installing their plants.

Industrial estate is a tract of land divided and subdivided in number of plots which are used for industrial, commercial common facility and residential purposes, equipped with all amenities such as supply of water, electricity, roads, posts telephone, telex, banks, dispensaries, hospitals, canteens, recreation etc.

Industrial estates are generally located away from the city or urban areas to avoid 'social costs' such as air, water, sound pollution, congestion etc.

In Kolhapur M.I.D.C.s at Shirolī (1971) and Gokul - Shirgaon (1982) have been set up. These industrial areas enable the expansion of industrial units besides avoiding evils associated with concentration of industrial units in Udyamnagar. Kolhapur has been included in 'B' category viz developing area, for getting various facilities, concessions to the industrial units.

In the following table information about M.I.D.C. of Shirolī and Gokul shirgaon is given along with infrastructural facilities. The following table presents the information.

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LAYOUT PLAN OF GOKUL SHIRGAON M.I.D.C. AREA KOLHAPUR

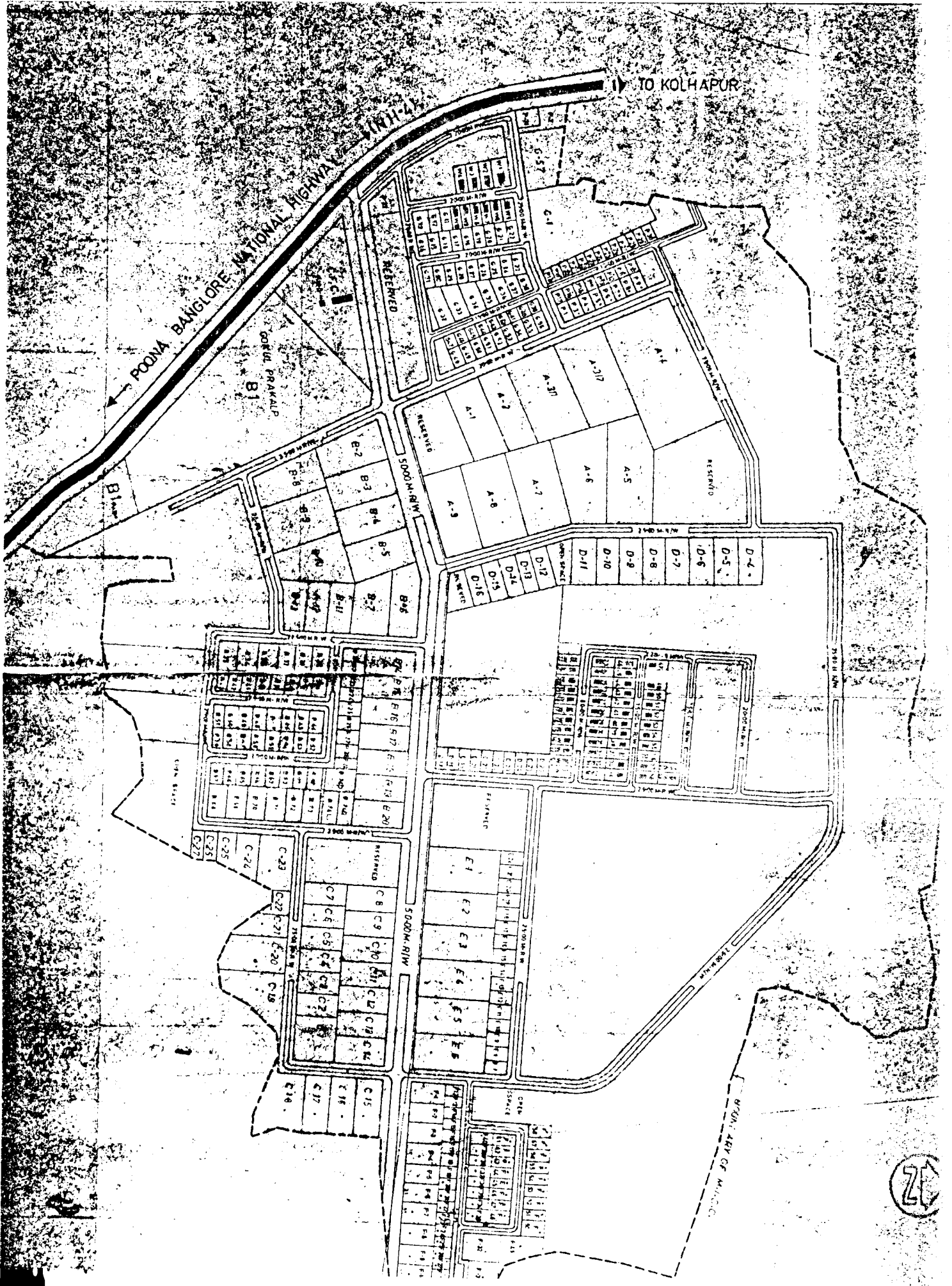
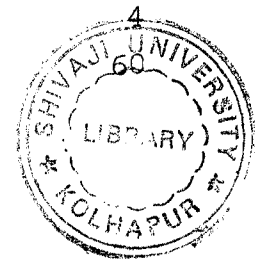


TABLE : 5-1

Items	Shiroli(est- ablishment 1971)	Gokul-shirga- on(establish- ment 1982)
1. Date of Establishment of the Industrial area	April 1971	March 1982
2. Planned area (Hect.)	319.00	225.14
a) Private	141.00	227.14
b) Governmental	178.00	-
3. Area in possession (Hect)	291.90	218.34
a) Private	140.57	213.34
b) Government	159.33	218.34
4. Area to be in possession (Hect.)	19.10	8.80
a) Private	00.43	8.80
b) Government	18.67	-
5. Developed area (Hect)	213.82	143.64
Undeveloped area	86.08	-
6. Total number of developed plots	492.00	75.00
a) Industrial plots	363	268
b) Commercial plots	29	32
c) Residential plots	25	-
d) Common facility plots	71	5
e) Plots under sheds	-	60
7. Area of the developed plots (Hect)	153.03	92.01
8. Total number of allotted plots	441	288
a) Industrial plots	253	221
b) Commercial plots	15	3
c) Residential plots	-	-
d) Common facility plots	2	-
e) Plots under sheds	71	-



9. Total area of allotted plots (Hect)	136.23	71.59
10. Total number of plots to be distributed	51	75
a) Industrial plots	10	47
b) Commercial plots	14	28
c) Residential plots	25	-
d) Common facility plots	2	-
e) Plots under sheds	-	-
11. Total number of Industrial units in production	243	81
12. Total number of Industrial units under construction	64	65
13. Total number of industrial units yet to be constructed	38	82
14. Total number of Industries closed	25	-
15. Number of sheds constructed	71	60
16. Number of sheds distributed	71	60
17. Number of sheds to be distributed	-	35
18. Number of sheds in which production has started	65	25
19. Number of sheds in which production has not taken place	6	-
20. Capital investment in industrial area (in lakhs)	2402	1223 (Upto 85)
21. Production in Industrial area (in lakhs p.a.)	4208	3942
22. Employment generation (Nos.)	5832	1363

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23. Category of area	B	B
24. Expenditure incurred on infrastructural facilities in industrial area (lakhs)	144.00 Upto 1988 March.	288
25. Rates of plots		
a) Industrial	25 per sq.mtr.	Rs. 25-00
b) Commercial	38 per sq.mtr.	Rs. 38-00
c) Residential	25 per sq.mtr.	Rs. 25-00
d) Common facility	38 per sq.mtr.	Rs. 38-00
26. Water charges (per cubic metre)		
a) For industrial purposes	2 per q.mtr.	
1. In corporation area	4.20 "	Rs. 2-00
2. Outside Corporation	4.20 "	Rs. 4-20
b) For domestic uses	1.00 "	
1. Project affected grampanchayat	1.50 "	Rs. 1-00
2. Other grampanchayat and Corporations	1.50 "	Rs. 1-50

contd.

Item	Shiroli Infra- structural facilities in M.I.D.C. Area	Gokul shirgaon Infrastructural Facilities in M.I.D.C. Area.
1. Water supply potentiality (per day in cubic metre)	2400	15000
2. Per day use of water (cubic metre)	1200	1100
3. Roads constructed (kilometres)	17.63	14.30
4. Tar Roads (Kilometer)	17.63	11.00
5. Kaccha road (length) in km.	-	3.30
6. Road lighting		
a) Necessary lamps	255	180
b) Available lamp arrangement	255	80
c) Lamps posts to be erected	-	100
7. Electricity supply capacity of the centre.	10 m.volt	MSEB supplies electricity
8. Telephone	300 lines	Facility available
9. Telex	-	No
10. Police station	Yes	No
11. Fire fighter	No	No
12. Post office	F	Yes
13. Banks	SBI	yes
14. Dispensary	-	No

15. Hospital	-	No
16. Housing	Yes	No
17. Recreation centre	-	No
18. Steel stock yard	completed	No
19. Field testing service	Completed	No
20. Entrepreneurs association in industrial area	SMAK	GOSHIMA
21. Other	KMT and ST stops.	KMT and ST available.

From the table it is found that both the industrial areas are equipped with necessary infrastructural facilities, Gokul Shirgaon industrial area is recently started. Some facilities are awaited. Assurance of supply is given to them by the Government. In Shirolī industrial area, water difficulty is a serious one.

IMPACT OF INDUSTRIAL AREAS AT SHIROLI AND GOKUL SHIRGAON :

SHIROLI:

There are 289 industrial units belonging to sixteen different categories. Out of each categories ten percent of the units were selected as a sample, and from other industry group" four units have been selected. Thus the surveyed units give a fair representation to all the units in both

the industrial areas. The selection was based on the information supplied by SMAK (Shiroli Manufacturers Association Kolhapur).

GOKUL SHIRGAON M.I.D.C.

There are 90 units in Gokul Shirgaon Industrial area. Twentey three units from nine industrial groups were surveyed. All units in the miscellaneous group were contacted. The list was taken from GOSHIMA (Gokul Shirgaon Manufacturer's Association). This industrial area is occupied by number of units manufacturing newer types of goods viz. consumer durable, food and processed products etc.

On the basis of the survey undertaken of industrial areas in Shiroli and Gokul shirgaon the following tables have been presented. Each of the table reflects the development of industrial units from various aspects.

TABLE : 5-2
TYPES OF ORGANISATION IN SHIROLI, M.I.D. C.

Sr.No.	Types of organisation	No. of Units	% age.
1.	Proprietary ...	4	13.34
2.	Partnership ...	17	56.66
3.	Ltd. company ...	5	16.66
4.	Co-op. firms ...	1	3.34
5.	Govt. firms ...	2	6.66
6.	Not known ...	1	3.34
	TOTAL	30	100.00

In this table it is found that 56.66% of the units are partnerships, 16.66% are limited companies, 13.34% are proprietary, 6.66% Government firms, followed by 3.34% co-operative firms, 3.34 units could not give the information. It is found that majority of the units are partnership units. Generally it is seen that one of the partners is technical man and another one supplies capital. In such cases there is a risk of such units going sick if the technical partner leaves the firm. It is suggested that partners, should be honest and reliable to avoid the possible risk of loss, or sickness.

TABLE : 5-3

TYPES OF ORGANISATION - GOKUL - SHIRGAON :

Sr.No.	Types of organisation	No.of units	Percentage
1.	Proprietary	7	30.43
2.	Partnership	12	52.17
3.	Limited company	2	8.70
4.	Co-op. firms	2	8.70
5.	Govt. firms	Nil	-
6.	Not known	Nil	-
	Total	23	100.00

In this table it is found that there is predominance of partnership, followed by proprietorship, government and co-operative firms. An additional features of the organizational pattern here is there are governmental and co-op.

TABLE : 5-4

EDUCATIONAL QUALIFICATIONS OF OWNERS

Name of the Industrial estate.	Graduation				Engg.	Post gra- duation	Diploma	Not ava- ilable	Total
	Upto S.S.C.	Arts.	Com.	Sci.					
1. Shirol	4	1	2	3	5	2	3	10	30
2. Gokul shirgaon	2	3	2	1	6	1	6	2	23
Total	6	4	4	4	11	3	9	12	53

organisations which are recently established and they have an adequate number of trained staff.

TABLE NO. 5-4 : EDUCATIONAL QUALIFICATIONS OF THE OWNERS :

Education is a one of the pre-conditions for successful entrepreneur. The earlier entrepreneurs in Kolhapur were not much educated, but, they could cater to the then existing market for their products. But now a sea-change has accured in industrial world. An entrepreneur has to take quick, frequent and conscious decisions in respect all the matters connected with his unit. Hence he must be well qualified and able to survive. In the above table (shiroli) in this awar-ness is seen in the education of the entrepreneurs in the industrial units surveyed. More than 50% of the owners have their education in commerce, science, technical facilities. Some are postgraduates also. This is a good sign.

In respect of Gokul Shirgaon nearly 70% owners have their education in the technical, commercial faculties. Both these industrial areas have been occupied by educated owners. The educated class is entering into self employment and employment generating economic activities than running after jobs.

It can be said that these SMAK and GOSHIMA have been giving facilities of (1) Group training, (2) Blue ~~print~~ print reading (3) Courses in job inspection, (4) training for foremen and supervisors in respect of production planning and control, work study, costing and estimating, principles of management & personnel management. The entrepreneurs and their workers will be greatly benefited.

TABLE : 5-6 :

TYPES OF INDUSTRIES AND NUMBER OF UNITS-SHIROLI

Sr.No.	Name of the Industry	No.of units	% age
1.	Machinshop & ancillary	6	20
2.	Foundry and casting	3	10
3.	Fabrication	1	3.33
4.	Forging	1	3.33
5.	Blasting and Heat Treatment	1	3.33
6.	Cement and tiles	3	10
7.	Rubber	2	6.66
8.	Partnership & wooden boxes	3	10
9.	Paper corrugated boxes and cones	1	3.33
10.	Utensils and refinery	3	10
11.	Electric wire and motor rewinding	2	6.66
12.	Other Industries		
	(a) Poultry fed	1	3.33
	(b) Pulverising	1	3.33
	(c) Assembling watches	1	3.33
	(d) News paper	1	3.33
	Total	30	100%

ShirolI industrial area is a comparatively earlier area. It consists of light engineering units, agro-based units, skill-based, resource-based units chemical units and sophisticated product units. Many of the units have been

the extension or expansion of the units located in Udyam nagar. 50% of the units are involved in machine, ancillaries, foundry, casting, blasting, fabrication, forging etc. And the remaining units are involved in the manufacturing of cement, tiles paper-boxes, wooden boxes, poultry fed etc. Both these units display that 'process towards diversification' has begun. The growing market for these products can be utilized by the units, if the facilities provided at the M.I.D.C.'s are efficient in true sense of the term.

TABLE 5-7

TYPES OF INDUSTRIES AND NUMBER OF UNITS GOKULSHIRGAON

Sr.No.	Name of the Industry	No. of units	% age
1.	Milk ..	3	13.05
2.	Soft drinks ..	1	4.35
3.	Automobile, Body building	1	4.35
4.	Machinery spares ..	1	4.35
5.	Fabrication ..	1	4.35
6.	Bio-gas ..	2	8.71
7.	Tyres ..	1	4.35
8.	Casting ..	2	8.71
9.	Chemicals ..	2	8.71
10.	Corrugated paper boxes	1	4.35
11.	Rice mill ..	1	4.35
12.	Job work ..	3	13.05
13.	Kitchen equipments ..	1	4.35
14.	Chilly powder ..	1	4.35
15.	Oil engine ..	1	4.35
16.	Foundry ..	1	4.35
	Total ..	23	100 %

In this table it is found that industrial units in Gokul Shirgaon have diversified their products rather than depending on the market which is slowly changing. Nearly 57% of the industrial units are manufacturing products like milk (13.05%), soft drinks (4.35%), Bio-gas (8.71) Tyres (4.35%), Chemicals (8.71%) Corrugated paper boxes, (4.35%), Rice mill (4.35%), Kitchen equipments (4.35%), Chilly powder (4.35%) etc.

These industrial units are agro and resource based sophisticated ones. Besides these there are skill based and demand based industries like automobile body building, fabrication etc. The industrial units in Gokul shirgaon, have installed technically advanced mechaneries in their plants. In one of the units which process rice, methods and machines like indirect heating, uniform drying, temperature gradation, Dry destoner machine, Jetpurler machine etc. have been adopted.

Thus new processing methods, new production methods and new machines and newer diversification of products is the speciality of Gokul Shirgaon. The raw materials needed and taken from agriculture in Kolhapur District mostly.

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TABLE : 5-8

CAPITA INVESTMENT, SHIROLI

Sr.No.	Amount invested (lakhs)	No.of units	% age
1.	01 to 05 (Rs.in lakhs)	14	46.67
2.	06 to 10 "	3	10.00
3.	11 to 15 "	4	13.33
4.	16 to 20 "	2	6.67
5.	21 to 25 "	Nil	-
6.	26 to 30 "	Nil	-
7.	31 to 80 "	2	6.67
8.	Above one crore	1	3.33
9.	Not available	4	13.33
Total	...	30	100%

It is found that 77% units belong to the category tiny (from Rs. 1 to 5 lakhs) and small scale units (upto Rs. 35 lakhs and Rs. 45 lakhs for ancillaries according to 1985 definition). However majority these units might have been set up prior to 1935 as Shiroli Industrial Area was set up in 1971. The present position judged. On the basis of their present capital investment leaves the impression that they are small units. Some units have capital investment of more than one crore. 6.67% units are in the category of 30 to 80 lakhs. Thus majority units are labour intensive and some are capital intensive.

TABLE : 5-9

CAPITAL INVESTMENT - GOKUL SHIRGAON :

Sr.No.	Amount invested	No.of Units	Percentage
1.	01 to 05 (Rs. in lacs)	6	26.08
2.	06 to 10 "	7	30.43
3.	11 to 15 "	5	21.74
4.	16 to 20 "	1	4.35
5.	21 to 25 "	Nil	Nil
6.	26 to 30 "	1	4.35
7.	30 to 80 "	Nil	Nil
8.	Above one crore	1	4.35
9.	Not available	XX 2	XXXXX 8.70
	Total ...	23	100 %

With the exception of one unit all units surveyed in Gokul Shirgaon belong to small scale category.

In both these industrial areas, it is found that there are few largest amidst the larger number of smaller units. Some inter-dependent industrial structure can be developed.

MARKET AREAS

It is said that production will not be completed unless the products reach the hands of ultimate consumers.

The reasons for sickness are either non-availability of markets or decline in the markets. The units which can sell their products, maintain their markets and expand their markets and expand their markets or control a larger share of the market for their products are successful units.

In the table given below, one can get the idea of the areas of market the units surveyed enjoy.

TABLE : 5-10

MARKET AREAS FOR INDUSTRIAL UNITS IN SHIROLI :

Sr.No.	Type of Industrial Unit	No. of Units	Market areas
1	2	3	4
1.	Machine shop and Ancillary	6	Bombay, Kolhapur, Belgaum, Agra, Ludhiana, Calcutta, Madras, Thane, Pune, Sangli, Kirloskar, Telco, Mahindra.
2.	Foundry and Casting	3	Maharashtra, Gujarat, Tamilnadu and Karnataka.
3.	Fabrication	1	Pune, Hyderabad, all over India.
4.	Forging	1	Kolhapur, Pune, Bombay, Ahmednagar, Mysore.

contd..

1	2	3	4
5.	Blasting and heat treatment	1	Kolhapur, Belgaum, Satara.
6.	Cement and Tiles	3	M.S.I.D.C., Kolhapur, Sangli, Satara, Bombay Solapur, Thane, Ratnagiri, Malwan.
7.	Rubber	2	Local, South India, Gujarath, Madhya Pradesh, Pune, Satara Bombay, Solapur, Bijapur.
8.	Pattern shop and wooden boxes	3	Maharashtra, and Local
9.	Paper corrugated Boxes and cones	1	Maharashtra, Goa, Karnatak.
10.	Utensils and Refinery	3	Pune, Bombay, Nasik, Kolhapur, Sangli, Solapur, Belgaum, Dharwad.
11.	Electric wire motor rewinding	2	Local market and Maharashtra State
12.	Other industries	4	■
	(a) Poultry fed		Maharashtra, Karnatak Goa.
	(b) Pulverising		Local, Goa, Maharashtra
	(c) Assembling		H.M.T.
	(d) Newspaper		Southern Maharashtra, North Karnatak.

It is found that these products have all India Market as well as Local market. Products are exported to districts in the State of Maharashtra and other states also.

TABLE : 5-11

GOKUL - SHIRGAON

1.	Milk products	3	Western Maharashtra, Hubli, Dharwad, Goa, Kolhapur, Kokan, Bombay.
2.	Soft drinks	1	National and abroad
3.	Automobile and Body building	1	Kolhapur, Solapur, Pune, Satara, Sangli Ratnagiri and Bombay
4.	Machinery Spares	1	Maharashtra, Karnatak
5.	Fabrication	1	Kolhapur, Pune, Bombay
6.	Bio-gas	2	Maharashtra, Local, Rural.
7.	Tyres	1	Sangli, Ratnagiri, Solapur, Kolhapur.
8.	Casting	2	Pune, Bombay
9.	Chemical	2	Karnatak, Maharashtra, Andhra Pradesh, West Bengal, Bombay, Wapi

10.	Corrugated boxes	1	Maharashtra, Karnatak
11.	Rice mill	1	Kolhapur, Raigad Dist.
12.	Job work	3	Kolhapur, Karad, Pune Bombay, Belgaum.
13.	Kitchen equipment	1	Maharashtra
14.	Chilly powder	1	Maharashtra, Karnatak
15.	Oil engine	1	Local
16.	Foundry	1	Western Maharashtra.

From these tables it is seen that the products manufactured in both the M.I.D.C.s have local, national market. In due course larger volume of products to larger markets can be exported, SMAK and GOSHIMA should think in this direction.

TABLE :5-12
LABOUR EMPLOYMENT - SHIROLI :

Sr.No.	Type of Labour	No.of Labour employed	% age
1.	Skilled	442	40.63
2.	Unskilled	524	48.16
3.	Semi-skilled	042	3.86
4.	Managerial and office staff	080	7.35
	Total	1088	100 %

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In this table it is found that 40.63% of the units surveyed have skilled labour, 48.15% unskilled and 3.86% semi-skilled labour, 7.35% consists of managerial and office staff. Nearly half of the workers are in the category of skilled and managerial group. It is a good sign that since seventies a growing inclination towards competent staff is seen.

TABLE: 5-13

: LABOUR EMPLOYMENT-GOKULSHIRGAON

Sr.No.	Type of labour	No.of labour employed	Percentage
1	Skilled	312	28.16
2	Un-skilled	242	21.84
3.	Semi-skilled	296	26.71
4.	Managerial and Office staff	258	23.29
	Total	1108	100 %

In Gokul shirgaon industrial area, 78.16% of the surveyed units have skilled and managerial staff, it is found that compared to Shirolī the percentage of unskilled workers is 21.86%. It can be said that in the eighties the inevitability of management of the units with skilled staff has been realised and materialized. It is a proven fact that educated, skilled entrepreneurs can represent their problems solve their problems by following the matter to the govt. level. An industrial unit can be successful only when there is a good combination of technical, skilled and managerial team to look after it.

TABLE: 5-14
TOTAL TURNOVER PER ANNUM OF INDUSTRIAL UNIT-SHIROLI AND
GOKUL SHIRGAON

				1986-87
Sr.No.	Name of the Industrial Estate	No. of Units	Turnover	
1	SHIROLI	25	9,56,86,500	
		5	Not available	
		<u>30</u>		
Total				
2.	GOKUL SHIRGAON	21	39,16,61,028	
		2	Not available	
		<u>23</u>		
		<u>53</u>		
Total				
Grand Total			<u>48,73,47,528</u>	

It is found that the turnover per unit surveyed in ShirolI is Rs. 3,82,74,70 p.a. in (1986-87), in Gokul Shirgaon it is Rs. 1865052.5 (1986-87) Taken together the per unit turnover is Rs. 919523.62 in both the areas.

FINANCIAL INSTITUTIONS SUPPLYING LOANS TO INDUSTRIAL UNITS
IN M.I.D.C.'s

Industrial development could not take place on a large scale in pre-independence period. It is only after Independence an era of institutional financing began, for giving long, medium and short term loans to small, medium and large scale industries. Moreover, since the sixties special financial institutions for meeting the needs of small units was introduced besides, commercial banks were nationalised to give financial assistance to the sectors which were deprived of such assistance. The co-operative banks also are giving their helping hand. A regular, adequate and cheaper finance is a precondition. The following table gives the idea of the financial institutions giving loans to the industrial units in Kolhapur M.I.D.C.s.

TABLE 5-15
: GOKUL SHIRGAON

<u>Financial Institutions</u>	<u>Units</u>	<u>Nationalized Banks</u>	<u>Units</u>	<u>Co-op.</u>	<u>Units</u>
Maharashtra State financial corporation & other banks, such as SBI, Urban Bk.	6	State Bank of India Canara Bank Bank of Maharashtra	6 1 1	Warna Maratha Mahalaxmi	1 1 1
IDC, NDDB, NDC	2	Punjab	1		
IDBI with Bank of Maharashtra	1	Central Bank Bank of India	1 1		
Total	9		11		3

It is found that fixed capital and working capital requirements are jointly supplied by financial institutions and commercial bank. Industrial Development Bank of India is an apex industrial bank of India, which co-ordinates the functions of other financial institutions and pays attention to industrial units in developing and backward regions.

IDC, NDDB and NCDC give financial assistance to Gokul Dairy Project which has entered into diversification of milk products viz. Shrikhand, Ghee, Milk powder.

TABLE : 5-16

SHIRCLI

Financial Institutions	No. of Units	Nationalised	No. of Units	Co-op. & other	No. of Units
MSFC and Bank of India & W.M.D.C.	1	S.B.I. Bank of India	7	Sangli	1
S.B.I. & W.S.B.	2	Bank of Maharashtra and SICOM	1		
S.B.I. Syndicate & MSFC	4	Bank of Maharashtra	2		
MSFC and SBI	5	Bank of Baroda and Urban Bank	1		
MSFC and WMDC	1				
MSFC, SICOM SBI	1				
MSFC, Union Bank	1				
MSFC, Syndicate	1				
Total	17		12		1
Total 17 + 12 + 1 = 30					

Financial institutions and nationalized banks have contributed largely to the units surveyed.

But it has been observed that inspite of this assistance the units experienced certain difficulties. It has been said that, "the financial insitution also play a very important role. In fact they are the 75% partners. Hence they should also closely monitor the progress and with their foresight and expertise, guide and help the entrepreneur to success.

The entrepreneurs experience difficulties in getting finances from MSFC WMDC. To overcome them, it has been said

(1) That Regional Officer of M.S.F.C. should be empowered to sanction loans upto 5 lakhs Rs, and District officer upto two lakhs Rs.

(2) Financial projects upto Rs. 50,000 should be sanctioned within one month.

(3) The scrutiny of the project should be undertaken jointly by the technical and financial experts to avoid delays.

(4) Delays in respect legal problems should be avoided.

(5) There should be co-ordination between MSFX, WMDC and DIC.

(6) The procedure of getting financial assistance should be improved and simplified.

(7) Rates of valuation charges, fees of Architects are defective.

(8) Interest subsidy benefit which is generally given by MSFC on loans should be raised to loans upto Rs. 5 lakhs rather than upto Rs. twolakhs.

(9) A package of incentives is given through WMDC to encourage small units. But WMDC does not give the amount in time. The 'Bridge finance' given by MSFC is costly. The entrepreneurs have to pay high interest rates and find it difficult to repay the loans. So loans should be received in time or repayment period of Bridge finance should be extended.

Delays may bring losses and mental depression to the entrepreneurs.

It can be suggested that linkages between financial institutions and the technological and educational institutional are vital.

Common difficulties experienced by Industrial units in both the M.I.D.C.s

It has been pointed out by the industrial units, that "Due to the M I.D.C. the various types of Industrial units have been located. But it was observed that the entrepreneurs were not satisfied with the working of M.I.D.C. MIDC provides land and infrastructural facilities at door. But

it has not provided facilities at their door. The young and new entrepreneurs have to overcome the problems of sheds, power supply, water supply, communication, MIDC has purchased land at cheaper rates and sells it at higher prices. The excess amount gained by M.I.D.C. has not been utilised for the improvement.

Gokul shirgaon industrial area comes in 'B' zone and Shirol in C zone. The B zone does not get benefits of concessions/facilities. There are no satisfactory facilities in respect of water, power, communication, transportation, telephone/telex, post, banking offices etc. As a result of these difficulties, one of the industrial units "expressed". When an young enthusiastic entrepreneur sets out on this mission, he finds that there are many hurdles to be crossed before he can achieve his goal. And by the time he reaches the finishing post and relaxes he muses to himself as to "Why did I set out on this course - I might as well have opted for a job.

The lure of "Developed Industrial Area with infrastructure" proves to be a mirage only and by the time he actually lands on the "Island" he is astonished he is astonished to find himself to be another pioneer like Robinson Crusoe. To cite an example the application for power-after the usual procedure has been completed regarding permission/grant etc. the entrepreneur is stunned to receive a reply

from the implementing authority that there is no material - resulting costly delay.

It can be suggested that M.I.D.C. should provide the essential infra-structural facilities promptly and immediately.

The problem of raw material should be solved satisfactorily by M.S.S.I.D.C.

Double taxation should be avoided.

SICOM should play important role in bringing big projects.

Tool room and steel stock yard should be started.

Small entrepreneurs expressed their displeasure in compelling to purchase low quality products along with, good quality products. Such clubbing or 'Tie-up' should be stopped.

It has been said that the M.I.D.C. should be included in 'D' zone for the first ten years, so that all the facilities concessions should be available to small entrepreneurs.

TABLE 5-17

: VARIOUS RATES IN KOLHAPUR MIDC

1. Rates of land in M.I.D.C. areas from 1985

	<u>Rate per sq.mtr. (in Rs.)</u>		Commercial
	Industrial	Residential	
Kolhapur Shirolī	25	25	38
" Sokul-Shirgaon	25	25	38

contd...

2) Water rates :

For Industrial	Rs. 2 per M ³
1) Consumers within M.I.D.C. area	
2) For industrial consumers outside M.I.D.C. area	Rs. 4.20 per M ³
3) Domestic consumers	
i) Residential colonies of Industrial consu- mers within the approved residential zone in MIDC area	Rs. 1.15 M ³
4) " " outside MIDC	Rs. 1.15 M ³

3) Capacities of Water supply schemes as on 31st March, 1986.
Kolhapur.

	<u>Shiroli</u>	<u>Gokulshirgaon</u>
I) <u>Gross capacity</u>		
a) 1000 M ³ per day	3.20	15.00
b) M.G.D.	0.70	3.30
II) Assessment to consumers 1000 M ³ per day	1.50	0.67
III Percentage level of utilisation	62 %	19 %
IV Capital expenditure upto 31st march 1986	12.78%	20.53%
V Receipts on account of W.S. during the year 1985-86	7.96 %	3.03 %

contd ...

INDUSTRIAL UNITS IN M.I.D.C. IN 1985-1986 IN KOLHAPUR :

1. SHIROLI AND GOKULSHIRGAON

1) Number of units in production as on 31.03.1986	341
2) Number of factory buildings under construction	87
3) Capital investment of units in production as on 31.3.1986 (Rs. in lakhs)	1540
4) Annual turnover of units in production as on 31.3.1986 (Rs. in lakhs)	2151
5) Total employment generated by the units as on 31.3.86	7689

DETAILS OF LAND PLANNED FOR ACQUISITION AND AREA IN POSSESS-
-ION AS ON 31ST MARCH 1986 IN KOLHAPUR MIDC:

	<u>SHIROLI</u>	<u>GOKUL SHIRGAON</u>
<u>TOTAL AREA PLANNED FOR ACQUISITION</u>		
a) Govt. (hect)	178	-
b) Pvt. (Hect)	141.00	227.14
c) Total (Hect)	319.00	227.14
<u>TOTAL AREA PLANNED FOR INDUSTRIAL</u>		
Industrial	319.00	227.14
Land which was in possessions as on 31st March 85,		
- Govt. (Hect)	159.33	-
- Pvc (Hect)	140.34	218.34
- Total (Hect)	299.90	218.34

LAND IN POSSESSION IN 1986

- Govt.	159.33	-
- Pvt.	140.57	218.34
- Total	299.90	218.34

LAND TO COME IN POSSESSION

- Govt.	13.67	-
- Pvt.	0.43	8.90
- Total	19.10	8.90

NUMBER OF PLOTS ALLOTTED IN THE INDUSTRIAL AREAS AS ON 31ST

MARCH 1986 IN KOLHAPUR

	<u>SHIROL</u>	<u>GOKUL SHIRGAON</u>
1) Total planned area (Hect)	319.00	227.14
2) Total plots in the area (numbers)	432.00	301.00
3) Area of the plot in (2)	135.94	72.91
4) No.of plots allotted in March 1985	411	153
5) Area of plots in (4)	124.83	50.73
6) Industrywise break up of plots in 1985-86.		
a) Total No.of plots allotted	7	24
- Engineering	7	19
- Chemical	-	-
- Textile	-	4
- Service	-	1
- Miscellaneous	-	-

ALLOTMENT OF FLATTED UNITS/SHEDS ON 31 ST MARCH, 1 9 8 6.

1. Total No. of flatted units/ sheds built	71	60
2. Allotted sheds/units upto March 1985	71	8
3. Number of sheds/units allotted during 1985-86	-	30
4. Number of sheds surrendered	-	-
5. Number of sheds allotted as on 1986	71	38
6. Sheds available for allotment	-	22

COMPENSATION PAID AND LAND AFFECTED FAMILIES 86

	Shiroli	Gokul shirgaon
Compensation paid (Rs.)	30,58,395	34,31,011
Number of Families affected	149	217
