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## CHAPTER - 6

UNITS IN INDUSTRIAL ESTATES :  
AN ENQUIRY INTO DIFFERENT ASPECTS

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CHAPTER - 6UNITS IN INDUSTRIAL ESTATE : AN ENQUIRY INTO  
DIFFERENT ASPECTS1. INTRODUCTION :

After looking into the details of the development of the Ichalkaranji Industrial Co-operative Estate Ltd., Ichalkaranji, it is necessary to analyse the picture at micro level i.e. at the unit level. Keeping in mind of this view, the collected data has been analysed in the present chapter.

2. TYPES OF UNITS :

There are various types of units established in the Industrial Estate. The details of the units covered under the present study are shown in Table 6.1.

TABLE 6.1  
TYPES OF UNITS

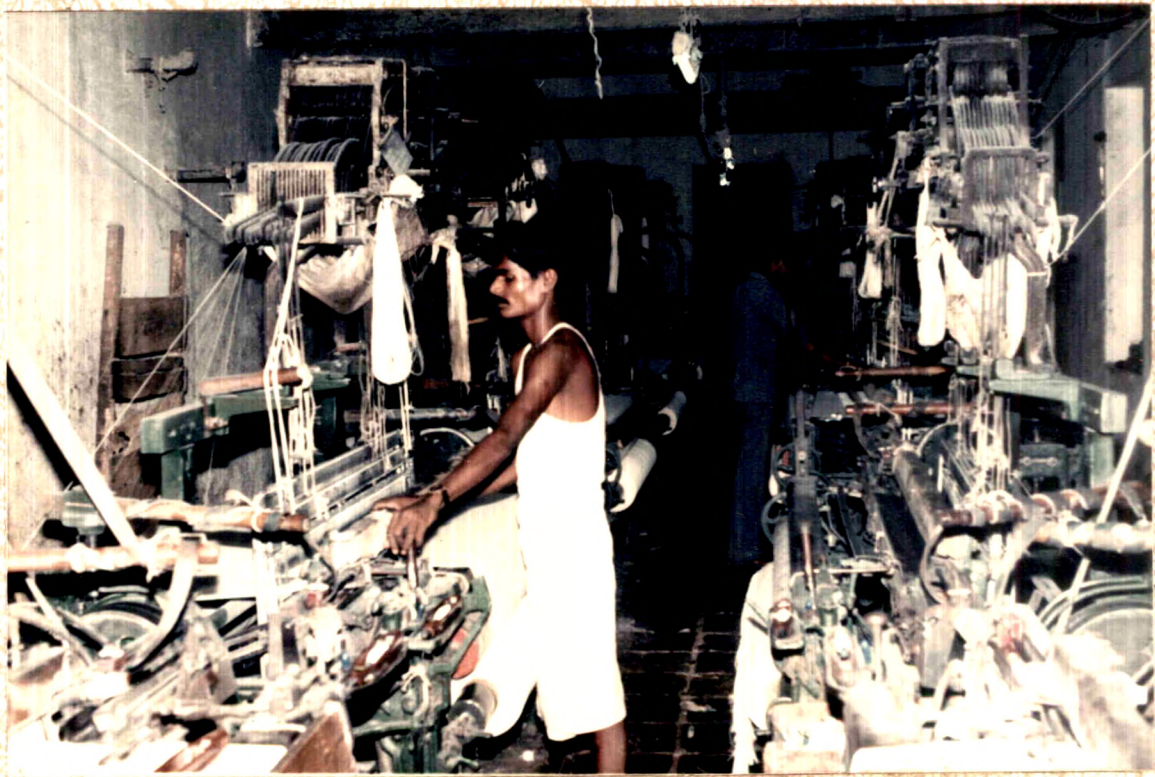
No.	Name of the unit	Number	Percentage
1	Powerloom	48	68.57
2	Sizing	6	8.57
3	Processing	4	5.71
4	Foundry and Engineering	2	2.85
5	Saw mill	2	2.85
6	Hoteling	1	1.42
7	Kalyan Kendra	1	1.42
8	Warping	1	1.42
9	Cotton sale centre	1	1.42
10	Printing Press	1	1.42
11	Banking	1	1.42
12	Petrol pump	1	1.42
13	Workshop	1	1.42
Total		70	100

The table indicates that majority of the units in the Industrial Estate are in powerloom units. The remaining units are in different types like sizing, processing, engineering, saw mill, hoteling and service industries etc.

The domination of textile industrial units is very much clear. The circumstances leading to such prominence of the textile units appear to be due to the following factors. 1) During the post fifty years the textile industry was expanding relatively at much higher rate than other industries at Ichalkaranji. Ichalkaranji itself is known as "Manchester of Maharashtra" and therefore the scene of Ichalkaranji is dominated by textile industry. There are other types of industries but their number in the Industrial Estate as well as in Ichalkaranji is low. The position regarding instalments of looms is better than the city area. In this connection, it can be noted that "the industrial area proper, things were bit better. The looms were housed in concrete buildings with humidifying sprays in corners and soon, but even here looms were crowded against one another. Suryaji Salunkhe commented here in the Industrial Estate there are only five thousand looms and the old houses outside thirty five thousand.<sup>1</sup> The actual picture of powerloom unit alongwith its operator is shown on page 66. Apart from this general powerloom unit the modernization in the powerloom units has begun. The industrialists have started installing automatic looms producing terricot cloth. The unit of this kind alongwith operator is shown in the photograph on page 67.

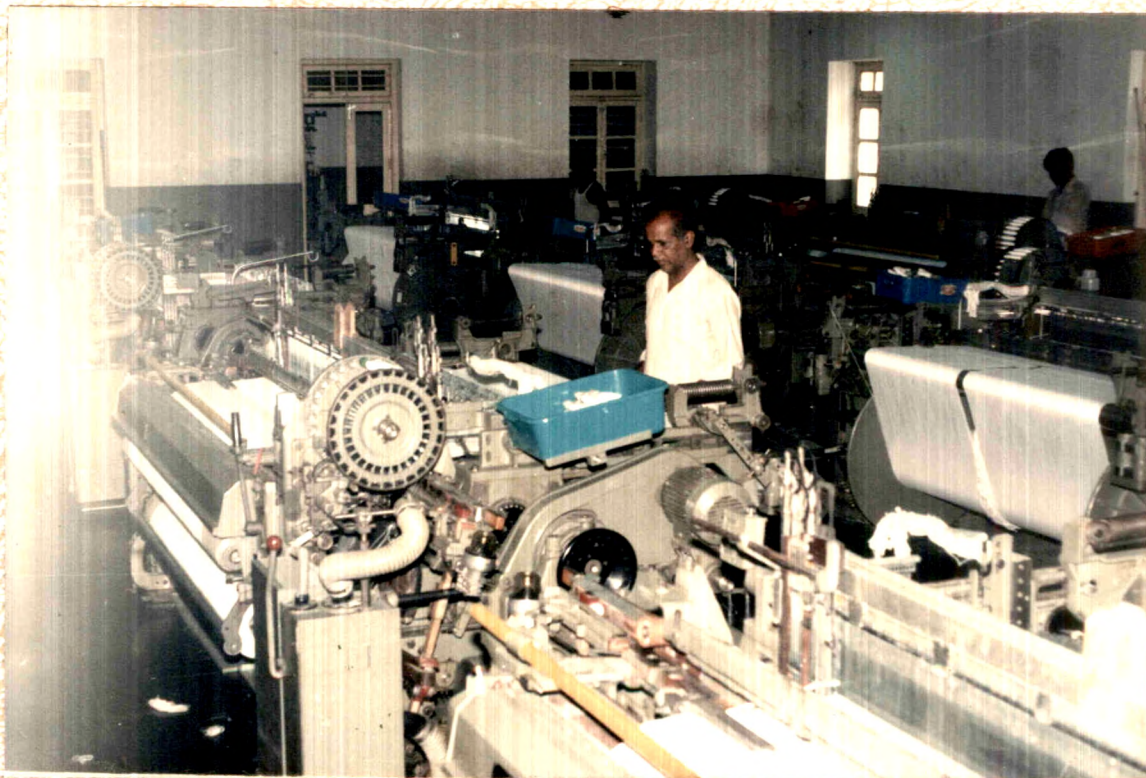
### 3. NATURE OF UNITS :

After looking into details of the types of the units it will be essential to see the situation regarding nature of the units. The data on this aspect are presented in Table 6.2.



— POWERLOOM UNIT WITH ITS OPERATORS. —

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→ AUTOMATIC POWERLOOM UNIT PRODUCING TERRICOT CLO WITH ITS OPERATOR. ———

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TABLE 6.2  
NATURE OF THE UNITS

Nature of firms	Number	Percentage
Partnership	9	12.85
Co-operatives	5	7.14
Private	56	80
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Total	70	100

The table shows that majority of the firms in the Ichalkaranji Industrial Co-operative Estate were being managed privately. There were only few firms of partnership and co-operative nature.

The composition here indicates that the private firms had dominated the scene of Industrial Estate and the reason for this trend is the encouragement given by the estate authorities to private firms.

#### 4. REGISTRATION OF THE UNITS :

The units in the Industrial Estate have been registered under various categories. The details in this connection are presented in Table 6.3.

TABLE 6.3  
REGISTRATION OF THE UNITS

Nature of Registration	Number	Percentage
Shop and establishment act	57	81.42
Factory act	9	12.85
Bombay Industrial act	4	5.71
<hr style="border-top: 1px dashed black;"/>		
Total	70	100

From table 6.3, it is seen that majority of the units were registered under the shop and establishment act. The number of units registered under the Bombay industrial act is less than the units registered under factory act.

Most of the powerloom units in the estate have only four or less power-looms and as such they had registration under shop and establishment act. This was done to avoid excise duty which become applicable to powerlooms making registration under factory act.

In this connection the comment made by Suryaji Salunkhe shows the position clearly, "here every loom requires a permit, a 'texmark', and each person is allowed to hold only four looms under one texmark. So to avoid getting caught in that trap, each worker has his name on four looms and that's it has his name on four looms and that's it as far as the law is concerned. They go by the shop act, not factory's act. The owners put four looms in the name of every person they can think of and that is taken to be one unit. Then many such units work under the one shed of the factory. They all have one electric connection, one accountant even the 'jobber' who repairs all the looms is the same. But on paper they are all separate units. When the owners have exhausted the names of all their family members, then they put down the names of their servants, even the names of cows and buffalos. In this to there are lucky dogs walking around who own looms".<sup>2</sup>

##### 5. ESTABLISHMENT OF UNITS :

The Industrial Estate at Ichalkaranji was established in 1959-60. The units started to acquire plots and then these units were established. The details regarding the progress in the establishment of units are presented in table 6.4.

TABLE 6.4  
ESTABLISHMENT OF UNITS

Year	Number of units	Percentage
1959-60	16	22.85
1961-70	22	31.42
1971-80	23	32.85
1981 onwards	9	12.85
Total	70	100

The table 6.4 shows that there were only few industrial units during the initial period of 1959-60. Afterwards in the two decades of 1961.70 and 1971.80 the number of units shows substantial increase. In the recent period, the growth in the number of units has slackned down perceptibly.

Thus the table reveals of fluctuating trend regarding the establishment of units in Industrial Estate. The facilities provided by the estate in the first two decades attracted the entrepreneurs to establish their units in the Industrial Estate and this was the peak period. After the saturation point only few units have been established, and this is due to the fact that the plots were not available in the estate.

#### 6. OPERATION OF THE UNITS :

Depending on the nature of production some units are seasonal whereas other units operate throughout the year. The information on this aspect is presented in Table 6.5.



TABLE 6.5  
OPERATION OF THE UNITS

Nature of operation	Number	Percentage
Throughout the year	62	88.57
Seasonal	8	11.42
Total	70	100

The table 6.5 shows that majority of the units operate throughout the year. There were few units working intermitantly depending on the availability of raw material. These units are classified under th head seasonal. Most of these units belong to powerloom sector. However, there are certain units like Kalyan Kendra which by nature, are seasonal. It is however very clear that almost 89% of the units work round the year.

7. SHIFTS IN THE UNITS :

After noting the details regarding the operation of the units, it is worthwhile to observe the situation regarding the number of shifts in the units. The picture in this connection is presented in Table 6.6.

TABLE 6.6  
SHIFTS IN THE UNITS

Number of shifts	Number of units	Percentage
One	12	17.14
Two	25	35.71
Three	33	47.14
Total	70	100

This table shows that half of the units are working in three shifts. Similarly 35.71% units are working in two shifts. Whereas only 14.29% units are working in one shift only.

The data in this table indicates that almost 50% of the units are making optimum use of plant and machinery, enabling them to minimise cost of production, and maximization of profit.

Some of the units due to their nature of work are working in one shift, i.e. banking, cotton sale centre etc. But some units are working in one shift due to inadequacy of raw material.

#### 8. CLASSIFICATION OF UNITS BY HOURS OF WORK :

The operation in the units are generally in two categories of eight and twelve hours. The data on this aspect are presented in Table 6.7.

TABLE 6.7

#### CLASSIFICATION OF UNITS BY HOURS OF WORK

Total hours of work	Number	Percentage
Eight hours	63	90
Twelve hours	7	10
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Total	70	100

It can be seen from the table 6.7 that majority of the units are working in three shifts of eight hours. Only few units have shifts of twelve hours. Although this is illegal, it is reported that this is necessary to produce the required target which these units fail to achieve in eight hours.

The comments by workers noted by AWC may be mentioned here "Twelve hour shift is a real bitch. 8 to 8 full twelve hours. And you can't go

off like in other factories because all pay is by piece work. 13 paise per metre. We have to keep the loom going till the other shift arrives. Then we put air mark on the cloth and get up." Another comment "that twelve hour shift kills a man. But the time we get home after the shift we are like zombies. Some get drunk on the way home, some not, Put save junk in the tummy and go out wives and children for days on end. Who knows if the children go to school, if those enough to eat at home."<sup>3</sup>

Use of Power : 67 units (95.71%) used electricity for their operation. Only three units (4.28%) not used electricity as it was not necessary for operation e.g. banking, cotton sale centre and Kalyan Kendra.

#### 9. CASTE/RELIGION OF THE OWNERS OF THE UNITS :

Some of the owners having industrial background while the others have not. On this background the details of the caste/religion composition of the owners are presented in Table 6.8.

TABLE 6.8

#### CASTE/RELIGION OF THE OWNERS OF THE UNITS

Nature of caste/religion	Number	Percentage
Devang Koshti	14	20
Maratha	12	17.14
Jain	10	14.28
Brahmin	8	11.42
Lingayat	8	11.42
Gujrathi	4	5.71
Marawadi	3	4.28
Swakul Sali	3	4.28
Other	3	4.28
Total	70	100

This table shows that, the entrepreneurs, belong to various caste groups. It is clearly seen that the largest group of entrepreneurs belongs to Devang Koshti and Swakul Sali for whom operating looms is an hereditary occupation. The other important caste/religion contributing entrepreneurship are Marathas (17.14%), Jains (14.28%), Lingayats (11.42%) and Brahamins (11.42%).

Devang Koshti and Swakul Sali i.e. weavers were having traditional occupation of factory system of production they have started their own industrial units particularly in textile industry.

#### 10. PREVIOUS BUSINESS OF THE OWNERS :

There are possibilities that when the person is having some industrial experience, then he may try to establish his own industrial unit. To see whether this is true, the data regarding previous business of the owners of the units are presented in Table 6.9.

TABLE 6.9

#### PREVIOUS BUSINESS OF THE OWNERS

Name of the business	Number	Percentage
Powerloom	26	37.14
Service	12	17.14
Trading	9	12.85
Handloom	8	11.42
Agriculture	5	7.14
Sizing	1	1.42
Other	9	12.85
Total	70	100

In the table 6.9 we have classified the entrepreneurs by previous business. It is seen that a large number of the owners were engaged in powerloom business. At present also they are in the same business. Relatively greater proportion of present entrepreneurs have past history of service, trading and handloom. The contribution of agriculture to present entrepreneurs is relatively very low.

There were few powerloom owners who were workers on the powerlooms. At present they work along with other workers. The photograph showing worker-owner being interviewed by the researcher is presented on page 76.

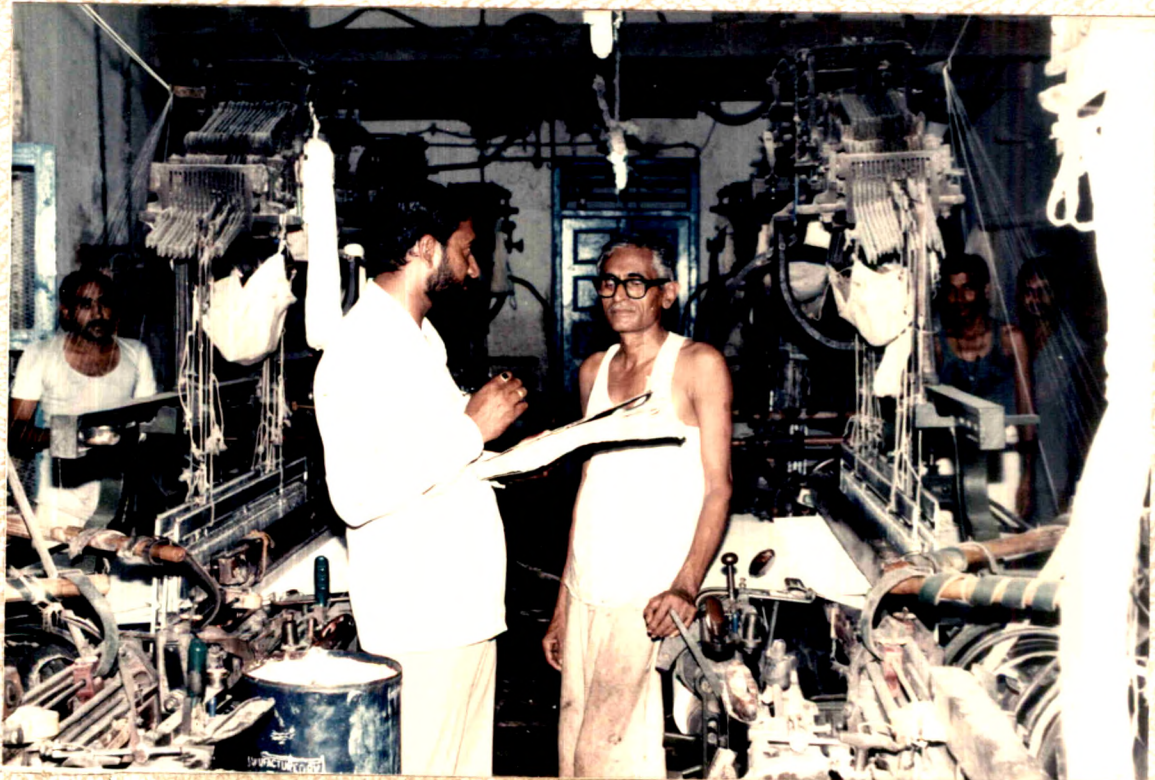
#### 11. NATURE OF OWNERS FATHERS' OCCUPATION :

Generally the occupation of father is continued by his son. This may be considered as an occupational mobility within two generations. But whenever the occupation of son is different from that of his father, then the occupational mobility occurs. To analyse whether there has been occupational mobility or not, the information regarding owners fathers occupation is presented in table 6.10.

TABLE 6.10

#### NATURE OF OWNERS FATHERS OCCUPATION

Name of the occupation	Number	Percentage
Powerloom	15	21.42
Agriculture	14	20
Service	13	18.57
Trading	9	12.85
Handloom	9	12.85
Engineering	2	2.85
Processing	1	1.42
Total	70	100



— WORKER-OWNER BEING INTERVIEWED BY RESEARCHER. —

We classified the respondents by their fathers' occupation. This classification is given in Table 6.10. It is seen that majority of the respondents had their fathers in powerloom business which followed almost by the same proportion of the respondents with their fathers in agriculture. The next largest group of respondents reported their fathers' occupation as service. The other two groups of respondents almost equal in size, reported their fathers occupation as trading and handloom. In other words almost more than 1/3 of the respondents thus had a background of textile industry by their fathers' occupation. Thus the occupations from one generation in the textile industry is continued in the present generation.

#### 12. SOURCES OF ACQUISITION OF MACHINERY :

The details regarding whether the machinery was imported or the local one has been presented in Table 6.11.

TABLE 6.11  
SOURCES OF ACQUISITION OF MACHINERY

Nature of source	Number	Percentage
Indigenous	58	82.85
Foreign	8	11.42
Not applicable	4	5.71
Total	70	100

From Table 6.11 it is seen that import component of machinery of the units under study is very limited. An overwhelming large majority of respondents reported that they acquired plant and machinery from within the country.

### 13. EDUCATIONAL QUALIFICATION OF THE OWNERS OF THE UNIT :

When the person is having technical qualification or technical experience, he is in a position to establish the industrial unit. Apart from this, the person having other formal education can also establish the industrial unit. On this background the picture regarding educational qualification of the owners is presented in Table 6.12.

TABLE 6.12

#### EDUCATIONAL QUALIFICATION OF THE OWNERS OF THE UNIT

Nature of education	Number	Percentage
Illiterate	1	1.42
Primary	16	22.85
Secondary	4	5.71
S.S.C.	30	42.85
Graduate	13	18.57
Diploma	2	2.85
Not applicable	4	5.71
Total	70	100

The Table 6.12 gives classification of respondents by educational qualifications. It is clearly seen that about 64% of the respondents have education of S.S.C. or more. It is also important to note that a sizeable proportion of respondents are graduates or technical diploma holders. The other major group of respondents is the one who belong to the less class of primary education.

The data thus shows that the educated persons were attracted by the Industrial Estate to establish small industrial concerns. This also indicates the abilities of the entrepreneurs.



#### 14. OWNERS' EXPERIENCE IN THE UNIT :

Apart from the general educational level, the experience in the industrial unit is necessary in establishing the unit. Therefore, the details on this aspect are presented in Table 6.13.

TABLE 6.13  
OWNERS' EXPERIENCE IN THE UNIT

Experience in no.of years	Number	Percentage
NIL	4	5.71
Less than five years	1	1.42
Five to ten years	9	12.85
Above ten years	56	80
-----		
Total	70	100

The data given in Table 6.13 reveals that a large majority of respondents had experience of the present occupation of more than ten years. The proportion of new entrants in the present occupation is relatively very small. Thus quite a good number of entrepreneurs seemed to have established their concerns after gaining much experience.

#### 15. LABOUR EMPLOYMENT IN THE UNIT :

It has often said that the small units in the textile industry are of cottage type industry and the members of the family are involved in the operation of these units. This may or may not be true for the units in Industrial Estate. On this background the picture regarding labour force employed is presented in Table 6.14.

TABLE 6.14  
LABOUR EMPLOYMENT IN THE UNIT

Nature of workers	Number	Percentage
All family members	Nil	Nil
Some family members and some hired workers	9	12.85
All hired workers	61	87.14
Total	70	100

From Table 6.14, it is observed that there is not a single respondent in whose unit all workers are family members. The proportion of units reporting some share of family members in the work force is also very small. About 90% of the units reported that they have all the workers from the market.

16. TOTAL NO. OF WORKERS IN THE UNITS :

As noted in the earlier table the hired workers are employed in the industrial unit. Now to analyse the strength of labour force employed in these units, the picture is presented in Table 6.15.

TABLE 6.15  
TOTAL NO. OF WORKERS IN THE UNITS

No.of workers	Total Number	Percentage
1 to 19	64	91.42
20 to 50	4	5.71
51 to 100	1	1.42
101 to 200	Nil	Nil
201 and above	1	1.42
Total	70	100

The data in Table 6.15 reveals a common tendency of small units to employ less than 20 workers. This explained mainly by their desire to escape various provisions of factories act which applied to owners those units which employ more than 20 workers and operate with electricity. There is a single unit which employed more than 201 workers.

17. RESIDENCE OF WORKERS IN THE UNIT :

Ichalkaranji is an industrial centre which attracts workers from surrounding area. This creates a trend of migration and some times the workers are daily commuters. The situation in this connection is presented in Table 6.16.

TABLE 6.16

RESIDENCE OF WORKERS IN THE UNIT

Nature of residence	Number	Percentage
Local	30	42.85
Outsiders	8	11.42
Local/outside	32	45.71
Total	70	100

The local-outside composition of workers in the units under study is mainly dominated by the local workers. A little less than 1/3 of the units under study reported 100% their work force as local. It is however important to note that large number of units have a mixture of local outside workers.

In this connection the study on Industrial labour in textile, sugar and engineering industries in Ichalkaranji may be referred. The study indicates that "out of 302 workers, 182 (60.3) workers were having local residence whereas 120 (39.7) were staying outside Ichalkaranji". The trend is somewhat similar in the present study.<sup>4</sup>

### 18. ANNUAL PRODUCTION OF POWERLOOM UNITS :

The industrial units have their activity of production. The units covered under the present study were of various nature. So their production was also different. The data on annual production of different units are presented below

The details regarding annual production in powerloom units are presented in Table 6.17.

TABLE 6.17

#### ANNUAL PRODUCTION OF POWERLOOM UNITS

Production in mtrs.	Number	Percentage
10 thousand to 50 thousand	22	45.83
51 thousand to 1 lakh	21	43.75
1 lakh to 1 lakh 50 thousand	2	4.16
1 lakh 51 thousand & above	3	6.25
Total	48	100

If we classify the powerloom units under study by the volume of their annual physical production it is seen that almost equal proportion of units (together 90%) produces less than 1 lakh mtrs of cloth annually. The proportion of large production units is very small. The powerloom units under study mainly belong to small units group.

#### 18.1 ANNUAL PRODUCTION OF THE SIZING UNITS :

presented

The details regarding annual production in sizing units in Table 6.18.

TABLE 6.18

ANNUAL PRODUCTION OF THE SIZING UNITS

Production in mtrs.	Number	Percentage
1 lakh to 50 lakhs	2	33.33
51 lakhs and above	4	66.66
Total	6	100

In the case of sizing units under study, the units sizing more than 51 lakhs mtrs of cloth annually seems to be the dominant prevailing sizing units.

18.2 ANNUAL PRODUCTION OF THE PROCESSING UNITS :

The details regarding annual production in processing units are presented in Table 6.19.

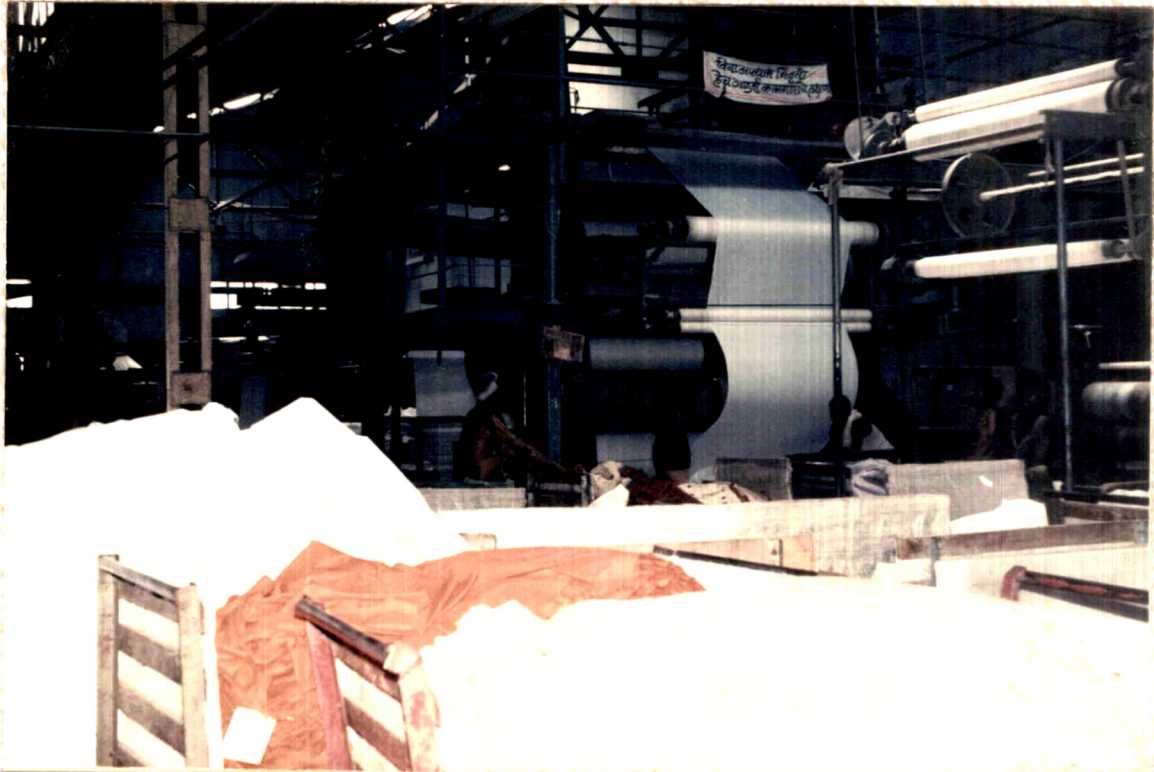
TABLE 6.19

ANNUAL PRODUCTION OF THE PROCESSING UNITS

Production in mtrs.	Number	Percentage
20 lakhs to 50 lakhs	1	25
51 lakhs to 1 crores	2	50
1 crores 1 and above	1	25
Total	4	100

If we consider data from Table 6.18 we can conclude that half of the processing units under study processes, 51 lakhs to 1 crores mtrs. of cloth annually. The proportion of units processing more than 1 crore mtrs of cloth annually and below 50 lakhs is same.

The production in the processing unit is shown in the photograph on page 84.



— PRODUCTION IN THE PROCESSING UNIT. —

Engineering :

There were two engineering units covered under study. One of these units was producing different types of machines i.e. universal testing machine, hardness testing machine, compression testing machine, computerised wheel balancing machine, Diamond dresser, Impact testing machine, Spring testing machine, Horizontal chain and rope testing machine, and Hardness testor V.M.50. But the researcher could not get number from unit. Whereas the other unit was having no profit and no loss, which is engaged in producing the agricultural equipments e.g. Groundnut threshing machine. This unit is in a primary stage so the number of produced machines is not available.

Saw mill :

There were two saw mills in the Industrial Estate covered under study. One of them was cutting the wood of 5 to 10 thousand square feet, whereas the other unit was cutting the wood of more than 11 thousand square feet during 1986/87.

Workshop :

The workshop produces steel windows, doors, shutters, and racks etc. As there is no definite number of production of these goods, the data on this aspect was not available.

19. UNITS ENGAGED IN EXPORTING PRODUCTION :

Some of the units in the Industrial Estate have been exporting their products and this has assisted in the National Policy. The picture regarding units who are exporting their products is presented in Table 6.20.

TABLE 6.20  
UNITS ENGAGED IN EXPORTING PRODUCTION

Name of the unit	Number	Percentage
Powerloom (cloth)	8	11.42
Engineering (machines)	1	1.42
Non Export	61	87.14
Total	70	100

It is seen in Table 6.20 that, the proportion of units doing export business is less than 13% and the majority of the units exporting their production belong to powerloom section.

The details regarding names of machinery being exported by the engineering unit is presented in the following table.

TABLE 6.21  
NAME OF THE MACHINERY BEING EXPORTED BY ENGINEERING UNIT

No.	Name of the machinery
1	Universal testing machine
2	Hardness testing machine
3	Compression testing machine
4	Computerised wheel balancing machine
5	Dimond dresser
6	Impact testing machine
7	Spring testing machine
8	Horizontal chain and rope testing machine
9	Hardness testor V.M. 50

The above mentioned machinery produced by Fuel Instruments and Engineers Pvt. Ltd. 4 unit in the industrial Estate are being exported to Italy, U.S.S.R., West Germany, Japan, U.S.A. Nederland, Taiwan.



20. TOTAL INVESTMENT IN THE UNITS :

The small scale as well as medium scale units have been established in the Industrial Estate. So the investment made by these units is of different nature. The amount of investment done by these units is presented in Table 6.22.

TABLE 6.22

TOTAL INVESTMENT IN THE UNITS

Investment in Rs.	Number	Percentage
50 thousand to 1 lakh	23	32.85
1 lakh 1 thousand to 2 lakhs	26	37.14
2 lakh 1 thousand to 3 lakhs	8	11.42
3 lakhs 1 thousand to 4 lakhs	1	1.42
4 lakhs 1 thousand and above	12	17.14
Total	70	100

From the data given in Table 6.22 it becomes very clear that majority of the units under study belong to the investment of Rs.1 lakh to Rs. 2 lakhs followed by a slightly smaller group of 32.85% of units belonging to investment size group of Rs.50 thousand to Rs.1 lakh. In other words about a little more than 70% of the units have investment less than Rs.2 lakhs. The units with medium size of investment are relatively less in proportion compared with units having more than Rs.4 lakhs as investment.

21. PROFIT AND LOSS OF THE UNITS :

The details of the financial situation of the Industrial Estate has shown a trend of profit. Now the question remains, whether this is also true for the

units operating in Industrial Estate. The question was asked whether the unit gained profit or incurred loss at the time of data collection and the responses are presented in Table 6.23.

TABLE 6.23  
PROFIT AND LOSS OF THE UNITS

Total units in	Number	Percentage
Profit	47	67.14
Loss	15	21.42
No Pfofit-no loss	8	11.42
Total	70	100

The table clearly indicates that majority of the units have gained profit from their operations. There were some units which were facing the problem of losses. The remaining units were having no profit-no-loss. In general it can be said that the trend indicates profitability of the industrial units.

#### 21.1 PFOFIT AND LOSS ACCOUNT OF THE POWERLOOM UNITS :

As noted earlier the general trend is of profitability. Now it is necessary to see whether this is true for any particular type of units. So the data are presented on this aspect.

The details regarding profit and loss in powerloom units are presented in Table 6.24.

TABLE 6.24  
PROFIT AND LOSS ACCOUNT OF POWERLOOM UNITS

Profit in Rs.	Number	Percentage
5 thousand to 10 thousand	4	8.33
11 thousand to 20 thousand	15	31.25
21 thousand to 30 thousand	6	12.5
31 thousand to 40 thousand	2	4.16
41 thousand and above	1	2.8
=====		
Loss in Rs.	Number	Percentage
5 thousand to 10 thousand	2	4.16
11 thousand to 20 thousand	10	20.83
21 thousand and above	2	4.16
=====		
No Profit-no loss	Number	Percentage
-	06	12.5
-----		
<b>Total</b>	<b>48</b>	<b>100</b>

In Table 6.24 we have given information in respect of powerloom units making profits, units incurring losses, and units with no profit-no loss position. It is seen that about 58% of the units have reported profits for the year of the study, as against 29.5% units incurring losses. A small proportion of units have shown no profit-no loss position. Another interesting observation is that of the profit making units majority belong to the profits range of Rs.11 to 20 thousands and similarly majority of the loss incurring units also belong to the loss range of Rs.11 to 20 thousands.

### 21.2 PROFIT AND LOSS ACCOUNT OF THE SIZING UNITS :

The details regarding profit and loss in sizing units are presented in Table 6.25.

TABLE 6.25  
PROFIT AND LOSS ACCOUNT OF THE SIZING UNITS

Profit in Rs.	Number	Percentage
50 thousand to 1 lakh	4	66.66
=====		
Loss in Rs.	Number	Percentage
50 thousand to 1 lakh	1	16.66
=====		
No profit-no loss	Number	Percentage
-	1	16.66
-----		
Total	6	100

In the case of sizing units majority of the units reported profits position in the range of Rs.50 thousand to Rs.1 lakh. One unit each is also showing loss and no profit - no loss.

### 21.3 PROFIT AND LOSS ACCOUNT OF THE PROCESSING UNIT :

The details regarding profit and loss in processing units are presented in Table 6.26.

TABLE 6.26

PROFIT AND LOSS ACCOUNT OF THE PROCESSING UNIT

Profit in Rs.	Number	Percentage
10 thousand to 50 thousand	1	25
51 thousand to 1 lakh	1	25
1 lakh 1 and above	2	50
Total	4	100

It is surprising to note that not a single processing unit reported losses. In fact 50% of the processing units reported profits of more than 1 lakh. This is shown in Table 6.26.

Engineering : There were two units engaged in engineering activities covered under the study. One of these units was having a profit of Rs.63,900 during 1986-87 which exports its products to Italy, U.S.S.R., West Germany, Japan, U.S.A., Nederland, Taiwan. Whereas the other unit was having no profit no loss.

Sawmill : There were two sawmills covered under the study both the units gained profit of Rs.10 to 15 thousand during 1986-87.

Hoteling : The hoteling unit had invested Rs.3 lakhs and having the turnover of Rs.8 to 10 lakhs and it earned profit upto Rs.50 to 60 thousand during 1986-87.

Kalyan Kendra : The Kalyan Kendra is a place for organization of various activities like marriage ceremony, meetings, dramas, seminars etc. The unit gained profit of Rs.42 thousand during 1986-87.

Printing Press : The unit is the only one of its kind i.e. offset printing in Ichalkaranji having investment of Rs.40 lakhs. The unit has profited Rs.2 lakhs during 1986-87.

Banking : The first Bank in Ichalkaranji i.e. "The Ichalkaranji Central Co-operative Bank" was established with the support of Babasaheb Ghorpade in 1929, which is converted into The Ichalkaranji Urban Co-operative Bank in 1931. The share capital of Rs.10,300 which has raised upto 33,98,650 on 30-6-87. There were only 122 members in 1931 and this number has increased to 7193 in 1987. The bank has working capital of Rs.9,46,06,726 and deposits of Rs.7,49,79,149 during the year 1987. The bank has been in profit since inception and in 1931 it was only 413 which has increased to Rs.7,78,005 in 1987. The bank allotted dividend by 12% to the members during 1986-87.

Petrol Pump : The petrol pump unit had an investment of Rs.3,50,000 and gained profit of Rs.45,000 during 1986-87.

Workshop : There is single unit covered under study which had gained profit of Rs.10,000 during 1986-87.

## 22. USE OF PRODUCTION CAPACITY OF THE UNITS :

If the Industrial units are operated with full capacity, then it is beneficial both to the workers and the management. The details regarding whether this has been achieved in the Industrial Estate are presented in Table 6.27.

TABLE 6.27  
USE OF PRODUCTION CAPACITY OF THE UNITS

Capacity	Number	Percentage
Fully used	40	57.14
Not fully used	26	37.14
Not applicable	4	5.71
Total	70	100

So far as the capacity utilization is concerned, it is seen that about 57% of units are using their full production capacity and the proportion of units with underutilization of capacity is relatively low.

#### 22.1 REASONS FOR NOT FULL CAPACITY UTILIZATION :

As noted above 26 units are not utilizing their full capacity for production purpose. The reasons for this trend are shown in Table 6.28.

TABLE 6.28

#### REASONS FOR NOT FULL CAPACITY UTILIZATION

Reasons	Number	Percentage
Shortage of raw material	8	30.76
Lack of demand	9	34.61
Shortage of skilled labour	3	11.53
Lack of finance	4	15.38
Shortage of power	2	7.69
Total	26	100

It is seen in the Table 6.28 that the major reasons for underutilization of capacity are lack of demand and shortage of raw material. This is specially in the case of powerloom units.

#### 23. SHORTAGE OF LABOUR :

The labours are required for the operation of the plant. The unit owners were asked whether there has been shortage of labour for their units and their responses are shown in Table 6.29.

TABLE 6.29  
SHORTAGE OF LABOUR

Shortage of labour	Number	Percentage
Yes	21	30
No	49	70
Total	70	100

It is seen in Table 6.29 that majority of the units reported that they do not face the problem of shortage of labour.

### 23.1 TYPES OF LABOUR :

Twenty one unit holders reported the shortage of labour. This may be in the case of skilled, semiskilled or unskilled. On this background the question was asked to the type of shortage of labour and the details are presented in Table 6.30.

TABLE 6.30  
TYPES OF LABOUR

Types	Number	Percentage
Skilled	13	61.90
Unskilled	8	38.9
Total	21	100

The data given in Table 6.30 reveals that those who reported shortage of labour, majority referred to the shortage of skilled labour.



In this connection, the trend of low percentage of technically trained skilled workers has been observed. The study shows that "though the technical training is one of the necessary factors for industrial job, the proportion of workers having such training was less, 38/302 i.e. (12.58)".<sup>5</sup>

#### 24. AVAILABILITY OF RAW MATERIAL

The raw materials are needed for production in the industrial unit. When these are available readily, then the unit owner need not face problem. On this background the data regarding supply of raw material are presented in Table 6.31.

TABLE 6.31  
AVAILABILITY OF RAW MATERIAL

Availability	Number	Percentage
Yes	26	37.14
No	40	57.14
Not applicable	4	5.71
Total	70	100

Regarding the availability of raw material, most of the units reported that they face the problem of shortage of raw material and this is particularly in the case of powerloom units.

Finance : Normally small and medium industrial units complain about the lack of inadequacy of finance. However, a large majority of the units under study 61 (87.14) reported that they do not face the problem of finance.

Reasons for establishment of units in the Industrial Estate : When the question was asked as what were the reasons for establishment of units in the Industrial Estate, the response from all the units holders was that the readymade sheds were available and the estate authority also provides cement, iron in control rate if the owner wants to built shed and they received general facilities at the estate.

Transportation : When the question was asked whether there were any difficulties regarding transportation all the unit holders responded that there were no difficulties in this regard.

Training facilities: The Industrial Estate has training facilities only for power loom operation. This training facility has been provided by Decospin Charitable Trust. The training facilities for other than powerloom unit are not available.

## 25. DECOSPIN CHARITABLE TRUST

This is the only charitable Trust in the Industrial Estate. The activities of the charitable trust are noted below on the basis of their pamphlets.<sup>6</sup>

With a social objective of spreading to the weaker sections of community at large, a part of the gains arising from its successful functioning, the motivated management of the Deccan Co-operative Spinning Mills Ltd., Ichalkaranji established in the year 1974, the DECOSPIN CHARITABLE TRUST. The aims and objectives of this Trust are to help socio-economic uplift of those who are at the last rank of the social ladder. The Trust of its programme is more in propelling the economy of the poorer sections towards self reliance than on welfare measures of charity. The Trust, therefore, provides assistance primarily in the form of interest free loans and not generally in the form of gifts, grants or subsidies.

Since the Trust has chosen rural areas for its activities, small and sub-marginal farmers, artisans etc., are its main beneficiaries.

Emphasis of the Trust is on rural development, with agriculture at the centre. It encourages schemes undertaken, by persons having hereditary skills like weaving, carpentry, smithy etc., to adopt intermediate technology to upgrade skill and gain economic benefits. It has appointed an experienced staff who has been helping the small farmers in formulation and execution of irrigation schemes as priority projects. Harijans, who are also marginal and sub-marginal farmers, get the performance in respect of such schemes. Apart from formulation and execution of various development tour programmes, the Trust provides extension services to the beneficiaries of such programme from its own funds. It provides technical services to the farmers in their farming activities.

Although the Trust is providing financial assistance in the form of loans, it is not its intention to always do so as any financing or banking institution does. The financial assistance provided by the Trust from majority of the cases is in the form of bridge finance.

Generally developmental projects take time to receive financial assistance from the financing and/or banking institutions. To avoid any delay in the between period. The Trust provides financial assistance to keep the projects as well as the areas are adequately surveyed and then the programme of assistance is chalked out.

TABLE 6.32

FINANCIAL AIDS BY DECOSPIN CHARITABLE TRUST

No.	Name	Financial aids in Rs.	Number of families	Number of Institutions/Societies
1.	Agriculture	6,40,702	376	2
2.	Industry	6,91,900	986	1
3.	Education	2,53,000	4	3
4.	Housing	10,53,700	251	3
5.	Medical	10,000	-	1
6.	Drinking water	63,200	Two villages	-
		23,12,552	1,527	10

The above table indicates that a total Rs. of 23 lakh financial assistance has been issued by the Trust. The table also indicates that nearly half of the assistance has been allotted to the housing programme, which is followed by agriculture. The Trust has also rendered assistances in the scheme of industry, education, drinking water and medical facilities.

These schemes have been benefitted to 1527 families and two villages. From this majority of the families have been benefitted under the scheme of industry. The benefits have been received by ten institutions/societies.

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