
CHAPTER - 7

SUMMARY AND CONCLUSIONS

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1. INTRODUCTION :

The present chapter is devoted to summarise the situation of The Ichalkaranji Industrial Co-operative Estate Ltd., Ichalkaranji described in detail in the earlier chapters, along with the conclusions of the study.

2. ICHALKARANJI : MANCHESTOR OF MAHARASHTRA :

In the year 1892, Babasaheb Ghorpade was installed on the Gadi of Ichalkaranji. He assisted the industrial development of Ichalkaranji in every possible way. It was due to his leadership and patronage, Ichalkaranji became an important powerloom weaving centre and later came to be known as Manchestor of Maharashtra.

The industrial atmosphere of Ichalkaranji is being influenced by the textile industry. Ichalkaranji is a town full of powerlooms. Even garbage is thread. Here the slum kids collect scraps of thread. There is continuous noise of the powerloom operations. This is like rainfall, day and night all the time.

3. OVERVIEW ON INDUSTRIAL ESTATES IN INDIA :

The main objectives of Industrial Estate programme is to achieve the promotion of small scale industries by providing facilities, assistance and guidance to small scale industries at every stage of establishment, operation and management. Further, it is one of the most effective means of aid and the expansion, diversification and modernisation of existing small industries

sector. The Industrial Estate enable to small industries to become self-reliant and stimulate the local entrepreneurship which is major objective in the most of the developing countries.

There are various types of Industrial Estates, but these are divided into three major categories viz. activity, location and sponsorship. On the basis of activity there are Industrial Estates of general purpose, ancillary, single trade and functional. On the basis of location the Industrial Estates are in and around big cities, in small towns and in rural areas. On the basis of sponsorship these Industrial Estates are government, private and private assisted.

The programme of Industrial Estates in India is a part of small scale industries development plan which in turn occupies a prominent position in the industrial planning of the country. Therefore, the importance was given in the Five Year Plans of the Government of India.

Until 1979, 796 Industrial Estates were sponsored in different states and union territories. Out of them 633 were functioning. The states like Madhya Pradesh, Andhra Pradesh, Uttar Pradesh, Gujrat, Maharashtra and Tamil Nadu show a satisfactory picture as these states were having Industrial Estates more than fifty in number.

The co-operative Industrial Estates were formed in the states of Gujrat, Masharashtra, Madhya Pradesh and Uttar Pradesh. The figures of 1972 show that Maharashtra had the largest number of co-operative Industrial Estates. It seems that the entrepreneurs of Maharashtra have realised the advantages of co-operative Industrial Estates.

The technique of Industrial Estate has been regarded as an effective mechanism for promoting the growth and development of small scale industries

in the State of Maharashtra. The scheme of Industrial Estate was introduced during the Second Five Year Plan in order to check further congestion of industrial units in Bombay and to stimulate the growth of small scale industries in semi-urban and rural areas.

There has been increase in the number of Industrial Estates in Maharashtra after Second Five Year Plan. Majority of Industrial Estates in Maharashtra are in co-operative sector and the fourth plan indicates that there were only co-operative Industrial Estates established in Maharashtra.

In Kolhapur district itself there are five Industrial Estates functioning. The beginning of establishment of Industrial Estates in Kolhapur district was at Kolhapur. The Ichalkaranji Industrial Co-operative Estate is one of the largest Industrial Estate in Kolhapur district.

4. REVIEW OF LITERATURE :

The studies with reference to the Industrial Estate have been conducted in different parts of the country. Some of these are available in the book form Kalyani Banyopadhyaya deals with assessment of success or failure of Industrial Estate in West Bengal. He has noted the details of the achievements and pointed out failures also.

Kalyani remarks that the Industrial Estates in India have so far been successful in developing industries mostly at the heart of cities and large urban centres and to lesser degree, on the outskirts of urban areas where some infrastructure facilities needed for industrial growth. Very little attention has so far been paid to spreading industrialization through industrial estates in relatively backward areas of the country or where such attempt has been made, the programme has met largely, with failure. •

Sanghvi R.L. has selected six Industrial Estates for case study from Gujrat. The analysis of Sanghvi suggests that apart from location, adequate provision of infrastructure and other essential facilities and services and human factor, entrepreneurial talents and efficient and honest organisers also play a significant role in the success or otherwise of an Industrial Estate.

Sanghvi remarks that the optimum package of infra-structure facilities and services would depend on size, the stage and the composition of an Industrial Estate happens to be significant one.

Bharti has done a case study of Industrial Estates in Madhya Pradesh. His findings indicate that the scheme of Industrial Estates has been implemented in semi-urban and rural areas and to create a favourable climate for industrialization. The Industrial Estates have not been able to create an invigorating climate in the respect. The main reason for the effectiveness of Industrial Estates is the faulty application of the technique.

Apart from these studies, in Maharashtra some literature in the unpublished form on the Industrial Estate is available.

Ekbote has studied the Sangli Industrial Estate Co-operative Society. He has found that in the state of Maharashtra, Sangli Industrial Estate is the only society, where technical center is available with well equipped machinery for the small units situated at estate and around the Sangli area.

The scheme of Industrial Estate has been implemented with a view to stimulating growth of small scale industries. The Sangli Industrial Estates have been able to create a favourable climate for industrialization and able to promote small scale industries.

Chavan has done case study of Industrial Estate in Jaysingpur. Majority of the units were engineering, bleaching and dying units, because they have contacts with the industries in Sangli and Ichalkaranji. The study reveals that 60% of the units were facing a problem of raw material. All units were working in profit.

5. THE ICHALKARANJI INDUSTRIAL CO-OPERATIVE

ESTATE LTD., ICHALKARANJI :

The original idea of the Ichalkaranji Industrial Estate was of Deshbhakt Babasaheb Khanjire. He initiated this idea on 10th Sept. 1959 in a meeting under his chairmanship. The meeting resolved that the government may allot 38.5 acres of land near Ichalkaranji city. The government allotted this land at the cost of Rs.2,18,000. After securing the approval of town planning department, the execution of the project began to take shape.

At the beginning, the estate undertook a novel project to provide accommodation for those who were unable to build on their own. With this purpose, the Estate carried out the work of building nine common halls of 130' x 30' size. The cement for this purpose was made available by the state government.

In 1965/66 there were 106 blocks in all. The number of members of the estate was increasing day by day. So the estate sent a comprehensive plan to the government of Maharashtra for purchase of 68.2 acres of land adjoining the estate. In 1966, the East side and the West side layout were revised, so the estate had 113 blocks in all.

The foundation stones of 62 blocks as per the first stage of extension scheme were laid on 1st May 1971. Now there was a critical problem for the estate. The number of plots was limited while the demand exceeded. But Hon.

Prabodhini, Common hall for small scale industrialists, 4 co-operative banks, Yarn Selling Center, Vividh Karyakari Seva Society etc.

The estate was awarded Charubhai Shaha Industrial Development and Research Trusts first prize of The Ideal Industrial Estate for its progress and efficient administration during 1986-87.

Thus the number of members has constantly increased from 1959-60 until now. At the initial stage it was only 154 which has increased upto 2732 in 1986-87. The share capital of the Industrial Estate also shows increasing trend throughout the period with the exception of two years i.e. 1975-76 and 1977-78. The share capital was Rs.77,500 in 1959-60 which has increased upto Rs. 1,01,01,000. As far as the profit and loss situation of the Industrial Estate is concerned it shows that only in 1962-63 and 1963-64 it incurred losses. Except these two years the estate has gained profit since 1961-62. There are fluctuations in the amount of profit during these years. The analysis shows that for thirteen years the estate has gained profit of Rs. more than 1 lakh. In 1986-87 the estate has a profit of Rs.7,35,632. Thus the profit gained by the Industrial Estate shows better performance.

It has been told by the officials of the estate that in Kolhapur district this is the most profitable and progressive Industrial Estate. Thus the financial situation of the Industrial Estate is having a sound footing.

6. UNITS IN THE INDUSTRIAL ESTATE : AN ENQUIRY INTO DIFFERENT ASPECTS

The majority of the units in the Industrial Estate were in powerloom units. The remaining units were in different types like sizing, processing, engineering, foundry and service industries etc. Majority of the firms in the estate

Babasaheb Khanjire, Hon. Dattajirao Kadam M.P. and Shri Phulchand-seth Shaha handled the problem very taftfully. They tried to accomodate as many members as possible. It was also decided to look for new land. By this time the estate had repaid all the due instalments alongwith interest on the loan. At the same time the estate collected the instalment and interest on the loan borrowed under hire purchase scheme to construct 20 buildings. There were no dues at all as the members responded to the estate very honestly.

The construction of the new office building on the two plots by the main road was undertaken during 1976-77. The building had apartments and shops with all facilities.

The total area of the estate at present is 106 acres 20 gunthas. The estate has developed and distributed 335 plots and the construction of 291 sheds has been completed. Apart from this, the construction of 8 sheds is under progress and construction of 30 sheds is yet to be started. At present 393 units in different types of industries are in operation. The number of units are more than the constructed sheds as there are four to five units particularly of powerloom industry in single shed.

Recently the Maharashtra government has made available 100 acres of land for the estate. The powerloom industry is the main business in the estate and there are many ancillary units too. Now 293 authorised powerlooms, 17 processing units and 28 sizing units are in operation in the estate. Besides there are activities like warping, engineering, foundry, press, banking etc. The estate has been provided buildings for public welfare activities, some of them are Kalyan Kendra, E.S.I. Hospital, Late Deshbhakt Babasaheb Khanjire Bhavan, Shopping Center, Night College of Arts and Commerce, T.B.Clinic, Samajwadi

were being managed privately. There were only few firms of partnership and co-operative nature. Majority of the units were registered under the shop and establishment act. Apart from this, the number of units registered under the Bombay Industrial Act is less than the units registered under factory act.

There were only few industrial units during the initial period of 1959-60. Afterwards in the two decades of 1961-70 and 1971-80 shows substantial increase. In the recent period of the growth in the number of units has slackened down perceptibly due to the non availability of plots in the estate.

Majority of the units operate throughout the year and there were few units working intermitantly depending on the availability of raw material. Nearly half of the units were working in three shifts and the remaining units were working in one or two shifts. Majority of the units have a shift of eight hours, only few units have shift of 12 hours.

The largest group of owners belongs to Devauj Koshti and Swakul Sali for whom operating looms is an a hereditary occupation. The other important caste/religion contributing ownership were Marathas, Jains, Lingayat and Brahamin. A large number of owners were previously engaged in powerloom business. Apart from this, majority of the respondents had their fathers in powerloom business which was followed almost by the same proportion of the respondents with their fathers in agriculture.

An overwhelming large majority of the respondents reported that they acquired plant and machinery within the country.

Majority of the respondents had education of S.S.C. level or more. A sizable proportion of respondents were graduates or technical diploma holders. Apart from this, majority of the respondents had experience of the present

occupation of more than ten years. The proportion of new entrants in the present occupation was relatively very small, thus quite a good no. of owners seemed to have established their concerns after gaining much experience.

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. Majority of the units reported that they have all the workers from the market. The common tendency of small units to employ less than 20 workers were observed, this was mainly to escape from the various provisions of the factories act. The local outsider composition of the worker in the units under study is mainly dominated by the local workers. Apart from that the large number of units have a mixture of local outsider workers.

Majority of the powerloom units produce less than one lakh metres of cloth annually. Half of the processing units process 51 lakhs to 1 crores mtrs of cloth annually. The sizing units with production of more than 51 lakh mtrs of cloths annually are dominant under sizing units. The engineering unit is engaged in production of different types of machines i.e. hardness testing machine, wheel balancing machine, spring testing machine etc. The number is not available. The saw mill unit is cutting the wood annually from 5 thousand square feet to more than 11 thousand square feet. There is single unit covered under study which winds the thread upto 9 crore mts, annually.

In all the units there are only nine units engaged in exporting these production. These were consisting of 8 powerloom units and one engineering unit. The export was done to Italy, U.S.S.R., West Germany, U.S.A., Japan, Taiwan, and Netherland.

Majority of the units under study belongs to the investment of Rs.1 lakh to Rs. 2 lakhs, followed slightly by smaller group of units belonging to investment size group of Rs.50 thousand to Rs.1 lakh.

Majority of the units in the Industrial Estate 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. The range of profit varied in different units which was ranged from Rs.5 thousand to 8 lakhs during 1986-87. The range of loss varied in different units which was ranged from Rs.5 thousand to 1 lakh during 1986-87. Apart from these units there were some units which were functioning with no profit no loss particularly in powerloom units.

Majority of the units were using their full production capacity and proportion of units with under utilisation was relatively low. The major reasons for under utilization of capacity were lack of demand and shortage of raw material, this was especially in the case of powerloom units. The other reasons for under utilization were shortage of skilled labour and lack of finance.

7.SUGGESTIONS

On the basis of survey carried out by the researcher, the following suggestions can be made for the improvement of the performance of the units in the Industrial Estate.

1. The Industrial Estate should develop a separate using which the raw material for powerloom units may be supplied in appropriate rate.
2. The estate officials should visit the units to understand their problems and attempts should be made to solve these.

3. The estate should develop a library equipped with recent literature on the small scale industries, new productions etc.
4. The production from the units may be displayed in the exhibition so that the market will be available for these products.