This chapter introduces the concept of Human Resource Development, the industrial portrait of the State of Himachal Pradesh, the profile of the different industrial units and the labour laws related to the working life of the employees.
Chapter 1

Introduction

In order to meet the expectations of the challenging future, managers have to commit themselves towards the most advantageous use of the existing resources. This commitment on the part of the managers at all levels opens to them the immeasurable field of risk in managing these resources. Moreover, the availability of these resources in future is doubtful. The problems arising due to obsolescence in the techniques used in the production process, along with the machines and equipments getting outdated due to constant technological advancements, has made the managers to rely upon the most crucial resource at its command i.e. the human resource.

Human Resource is an energetic and vibrant element and an effective force having the competence to alter the destinies of the nations themselves not to speak of the organizations at the micro-level. They symbolize an investment whose development and mobilization requires managing, planning, organizing, leadership and evaluation. People possessing the requisite skills to build an organization are by and large referred to as human resource. Human Resource is just like a mind, a life-blood in the body of any organization that cannot function without this source. Without this resource, no invention could have taken place, no new technique could have been developed, and no new knowledge could have come into this world. In fact, nothing in this world could have taken place in the absence of human beings.

It is an axiom and an apparent piece of information that all novel inventions, innovative techniques and fresh knowledge in this high-speed changing world have augmented the significance of 'man'. So much so, in the present time, more than ever before, there is a mounting wakefulness that the 'human' factor in all its comings and goings, accomplishments and chase will put in the shade the technological attainments. It is attention-grabbing and quite interesting to view that the contemporary management have encompassed and are responding constructively to the human relations philosophy, ideas and its application. Human resources are human beings having soul and individual way of thinking. Their approach and feelings in relation to their vocation, on the subject of their company, in reality the manner how and what they sense plays a very important role in the magnitude and class of work that they carry out.

The organizations efficiency, profitability and the very survival depends upon the people working in the organization. The competent, contended, cooperative, coordinated, controlled, organized and well directed team of people is a pre-requisite for getting the work done and achieving the corporate
objectives. It is a pity that the human resource aspect of management did not develop in the traditional management system as labour was just treated a commodity with no human value. Its importance as a factor of production was not sufficiently realized. However, with the development of trade union movement, the labour forced the management to weigh their strength and as a consequence thereof, the importance of human element got recognition and management thinkers began to take interest in the study of human element as a factor of production.¹

The management is increasingly becoming more conscious of the reality that human resource is the most important and valuable resource of an organization. That is why the 9th Five-Year Plan has identified Human Resource Development as one of the thrust areas. In order to make the most of human resource i.e. the employees, it is essential to develop them in light of the changing techniques of production and the availability of new machines. The workers have to be educated. They are to be trusted. Without the human resources, all other factors and resources such as money, material, machine, etc. are of no use. It is the men who make use of these factors.

Every developed country has and every developing country is paying more attention towards the human resource available in its country. Management of these human resources has become one of the most important tasks. Human Resource Management involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organization. In recent years, increased attention has been devoted to how organizations manage human resources.² It is an area of modern scientific management system which underlines various techniques relating to improve the efficiency of human resource and reduce the wastage of all types which would ultimately go to control costs and improve the working results of an organization.³

It is the responsibility of the personnel management to make sure that the human resources employed with them are fully satisfied with their job as the best of the efforts tend to remain less productive in case the personnel handling them are not satisfied. The management has to commit itself towards developing the personnel and keeping their morale in high spirits by providing them with suitable opportunities for betterment in life. Human Resource Management is a wide term and includes Human Resource Development.
1.1 **HUMAN RESOURCE DEVELOPMENT:**

Traditional economists considered workers as instruments and one of the mechanisms of production. They were subject to the laws of supply and demand. When labour was treated as a commodity and when no entrepreneur was interested in his employees, in U.K. Robert Owen of New Lanark (1771-1858), a pioneer in management, was paying attention to the welfare of the "animate machines" i.e. the employees. He was asking his fellow manufactures not to neglect the employees. His ideas were far ahead of his time. Owen had come to the conclusion that human beings behaved as they did, not because of their nature but their nurture. He renovated the mills, improved the housing, cleaned up the village streets and opened a store where sound merchandise was sold. He established a school for the children of workers. He tried to influence the parents. He sought to make the latter take interest in their work and develop a pride in them. His efforts paid. The more he spent on what his partners considered extravagance; the handsome were the dividends he produced.

Industrial relations did not turn out to be the subject matter of academic and scholarly attention until the late 1920s. The first important discovery in the social context of mass production resulted from the famous experiments undertaken by United States social scientists Elton Mayo (1880-1949) and Fritz Roethlisberger (1898-1974) between 1924 and 1932 at Western Electric's Hawthorne plant in Chicago. Results of these studies led to the human relations movement with its emphasis on the fact that employees need to be understood in order to be satisfied and productive. Interest in human relations diminished in the 1930s during the early part of the Great Depression. But the industrial expansion during World War II and the prosperous post-war period aroused and encouraged a deeper understanding of the relationship between productivity and worker satisfaction. Two important theories McGregor's Theory X as opposed to the humanistic approach to management called Theory Y and Abraham Maslow's studies on the Hierarchy of Human Needs - were other milestones in human relations studies, which still exert considerable influence.

Today, a good number of industrial and commercial organizations in India have Human Resource Development department. The role of developing human resource is either played by the personnel department or by the chief executive officer himself. The Industrial and commercial organizations have
understood that the way to successful management in any sector of the economy finally depends upon the efficient utilization and management of human resource. Human competencies are very essential for those working in services. The service sector has to deal all the time with people.

According to Kolekar, HRD refers to all those educational, training and development activities conducted by a business organization to improve the human performance. It is a broad term, which includes all activities, designed to get employees to work more effectively within a given organization. HRD is concerned with the development of human resources in an organization. Development means improving the existing capabilities of the human resource in the organization and helping them to acquire new capabilities required for the achievement of the corporate as well as individual goals.

In the broad sense, HRD is the process of increasing knowledge, will and capacities of all the people in a given society. In the national context, HRD is a process by which the people in various groups are helped to acquire new competence continuously so as to make them more and more self-reliant and simultaneously develop a sense of pride in their country. In economic terms, HRD means accumulation of human capital and its effective utilization for the development of economy. Properly planned development of human resources is required for the highest level of economic development of a country. As far as industrial organization is concerned, 'human' aspect where people are seen as having skills, having potential and the ability to grow, change and develop; the 'resource' aspect where individuals are considered resources rather than problems and the 'development' aspect where there is an emphasis on the discovery and nurturing of their potential.

Prof. Asthana views HRD as a very fascinating and a confusing subject. It is fascinating because there are several dimensions of human resources that have to be considered. It is confusing because it is interdisciplinary in nature. It transgresses the limits of management and enters more into the field of behavioral sciences. He further adds that Human Resource (HR) should replace HRD because it is the development of human being that is important. People make things happen. For this, they need a set of 'circumstances'. So they create 'circumstances' that help them and others in making things happen. HRD is the process of enabling people to make things happen. It deals with the process of competency development in people and creation of conditions to help people apply these competencies for their own benefit and for that of others.
Chapter 1

1.1.1 NEED & SIGNIFICANCE:

The common man in the streets has to update his knowledge continuously in order to perform his functions effectively. This calls for the development of human resource. One of the reasons for the underdeveloped countries to have remained underdeveloped has been that the underdeveloped people living in these underdeveloped countries have no opportunity to realize their maximum potentialities. The following points specify the need to develop human resources:

- HRD is needed to ensure that people leave a healthy place for living for future generations.
- To improve the efficiency of human resource and thereby reduce the wastage of all types, which would ultimately, go to control costs and improve the working results of an organization.

Peter Drucker has also pointed out the need for human resource while addressing the CIOS conference in Tokyo. He maintained that the major problem in the developing countries is the problem of under management of resources; particularly the abundant human resources in a country like India.

The human resource plays an important and crucial role in the development of any country. As Meier and Baldwin have put it, "Development does not occur spontaneously as a natural consequence. When economic conditions are in some sense 'right', a catalyst or agent is needed, and this requires people with the drive and vision." The progress of human resource leads to the economic development of the country. If a country develops this resource, it automatically leads to its own development in all the spheres where this resource is present. It should be noted that human resources are responsible for the transformation of traditional economies into modern industrial economies and also for the existing levels of economic development in different countries. The phenomenal economic development achieved by a country like Japan, poor in its natural resources can be attributed to its rich human resources.

The vitality of human resource to a nation and to the industry depends upon the level of its development. Organizations to be dynamic, growth-oriented and fast-changing, should develop their human resource. It is needless to say that the organizations possessing competent human resource grow faster and can be dynamic. Though the positive personnel policies and programmes motivate the employees by their commitment and loyalty, these efforts cannot
keep the organization dynamic and fast-changing. Organizations to be dynamic should possess dynamic human resources. Human resource to be dynamic should acquire capabilities continuously; adopt the values and beliefs and aptitude in accordance with changing requirements of the organization. Similarly, when employees use their initiative, take risks, experiment, innovate and make things happen, the organization may be said to have an enabling culture. The competent human resource can be dynamic in an enabling culture. Thus, the organization can develop, change and excel, only if it possesses developed human resource. Thus, Human Resource Development plays a significant role in making the human resource vital, useful and purposeful.¹³

The effective performance of an organization depends not just on the available resources, but its quality and competence as required by the organization from time to time. The difference between two nations largely depends on the level of quality of human resources. Similarly, the difference in the level of performance of two organizations also depends on the utilization value of human resources. Moreover, the efficiency of production process and various areas of management depend to a greater extent on the level of human resource development.

Today, one is unable to find practically a government or an international agency that does not see the importance of human resource development. The need for and the importance of human resource development has been recognized by majority of the organizations such as The World Bank, The United Nations, World Health Organization, UNICEF, UNESCO, SAARC, ASEAN, Non-Government Organizations, etc. These organizations have perceived different components and dimensions of human resource development that vary from one country to another country from time to time. But the focus of all these organizations has been uniform.

Rao has also pointed out the importance of developing human resource. He says that human resources if developed properly can bring about very good results to develop the organization in all its varied activities. There is no such thing that some are useful and some are not, among employees. It is possible to get the best out of the worst. Every cloud has got a silver lining. Everyone has got talent in one line or other. If that is developed along with what he does in his job, his personality will develop into its fullness.

We have to remember that in the development of individuals lays the development of organizations as well as nations.

¹³
1.1.2 OBJECTIVES:

Human Resource Development is the process of helping people to attain competencies. In an organizational framework, human resource development is a procedure through which the human resources of an organization are helped in an uninterrupted and planned way to:

- Get hold of or sharpen capabilities necessary to execute a wide range of functions related with their present or expected future rates.
- Build up their general capabilities as individuals and notice and make the most of their inner potential for their own and for the organizational development purposes.
- Enlarge the organizational culture in which the relationship between the supervisor and the subordinate, teamwork and collaboration between the sub-units are strong, well-built and contribute towards the well-being of the professionals and provide inspiration and a feeling of pride amongst the employees.

The aim of HRD is to create such a mechanism in the organization and the work place that would help in developing the competencies of the workers on a continuous basis. As viewed by Kolekar, the aim of human resource development is to prepare enterprise at all levels to sharpen their knowledge, attitudes, skills and abilities and enable them to accept greater tasks for strengthening the organization.

At the national level, human resource development aims at ensuring that people in the country live longer, live happily, free of disease and hunger, have sufficient skill base to earn their own livelihood and well-being, have a sense of belonging and pride through participation in determining their own destinies. Human relations training focuses on the development of human relations, skills a person needs to work well with others. The other goals and objects of HRD help the workers in the following manner:

- To solve their problems faced by them on the job on their own without taking the help of their superiors.
- To show better performance in their present job.
- To be equipped with modern techniques to show better performance in their future roles.
- To give out creative ideas in relation to their work in situation of crisis.
- To be motivated to work as their work would be recognized and rewarded properly thus contributing towards the growth of their organization.
1.1.3 PRE-REQUISITES AND MECHANISMS:

Certain conditions have to be fulfilled in order to develop the human resources in a proper way. The pre-requisites for the successful development of human resources are as follows:

- Mobilization of additional resources in order to expand the scope and coverage of HRD.
- Efficient use of existing resources and adoption of imaginative approaches.
- Proper placement of an employee in the organization.
- Modern management to react favorably to the Human Relations ideology and concepts.

Rudrabasavaraj has pointed out the most important pre-requisite for successful development of human resource through the following words: “It was Napoleon who said that there were no bad soldiers but only bad officers. Similarly, it all depends on the top management to get the best out of their men.” Organizations normally direct their Human Research Development efforts towards the development of competencies, culture and commitment among employees individually or in-groups. Organizations use many mechanisms to achieve HRD goals, as without competent and committed employees, they can achieve very little even if they have excellent technological and other resources bases.

If we want to understand the term 'Human Resource Development', we have to understand its mechanisms. These mechanisms are a part of HRD. All these mechanisms together go to make the term HRD. Rudrabasavaraj has very efficiently compared HRD to a high ball, and its various mechanisms such as recruitment, training, etc. to whisky, ice and soda in the following manner: “It is as if there were on a table one glass is whisky, one of ice and one of soda. So long as these glasses are separate, there are three different components. The components of soda are different from the components of ice. Now, if the three are put together, a ‘highball’ is obtained. A highball is different from soda, whisky and ice.”

The mechanisms of HRD vary with different authors. Different people have expressed different views on the mechanisms of HRD. Experiments have been and will be undertaken in the distant future too. Only the future knows
Chapter 1  Introduction

when and which mechanisms will be considered as an integral part of HRD on universal basis. McGoldrick, Martin and Pate made use of common themes such as the psychological contract, lifelong learning and career development. Sapru suggested manpower planning, recruitment, training and motivation as the critical areas for development.

For the proposed research, the Human Resource Development parameters to be studied have been as follows:

- Compensation and Work Schedule,
- Maintenance of Work Environment,
- Industrial Relations,
- Development of Employees.

Subsequent to having discussed the concept of human resource, a brief history and meaning of the term human resource development, its need, significance, objectives, pre-requisites, mechanisms, etc., it is at this instant meaningful, to have a dialogue about the portrait of the State of Himachal Pradesh with particular emphasis on the New Industrial Policy, 2004 in the forthcoming pages.

1.2 PORTRAIT OF HIMALACHAL PRADESH:

Cradled in the lap of magnificent Himalayas and blessed with a cultural treasure-trove, the state of Himachal Pradesh, popularly known as Dev Bhoomi, is one of the hilly and charming states of India. It is predominantly agrarian with diverse agro-climatic conditions and geographical features. Literally a bit of paradise on earth, the land mass comprises of the evergreen forest singing praises of numerous turbulent streams, roaring rivers, deep gorges, enchanting waterfalls, high and mighty mountains with their slopes covered by the deciduous and evergreen coniferous forests, snow-clad shining peaks and ranges kissing the horizon, hundreds and thousands of species of flora and fauna. The eternal variations to the picturesque beauty with least polluted environment are viewed day and night by about 6 million people (2001 census) of the State along with the visiting tourists from the different Indian states and abroad. The State has undergone few administrative changes since its inception.

- Himachal Pradesh came into being on 15th April, 1948 as a centrally administrative territory by the integration of 30 princely states.
- In 1951, it became a Part 'C' State under a Governor.
In 1956, it became a Union Territory under a Lieutenant Governor.

On 1st November, 1966, its area was increased by merger of districts of Kangra, Shimla, Kullu, Lahaul-Spiti and some other areas from Punjab and Haryana.

On 25th January, 1971, Himachal Pradesh attained Statehood and today it has 12 districts.

Its Legislative Assembly has strength of 68 members.

In the Parliament, Himachal Pradesh is represented by 4 members in Lok Sabha and 3 members in Rajya Sabha.

Located in the north of the country, Himachal Pradesh lies between latitude 30°22'40" to 33°12'40" N and longitude 75°47'55" to 79°04'20" E. It is bounded on the north by the picturesque valley of Kashmir; on the south by the fertile plains of Punjab and Uttar Pradesh; on the west by the districts of Ambala (Haryana) and Hoshiarpur (Punjab); and finally on the north-east by Tibet. The region is veiled from Punjab plains by the Shivalik hills. It is a tract with altitudes that range from about 350 meters to 6500 meters above mean sea level.

According to Surveyor General of India, the total area of Himachal Pradesh is 55,673 square kilometers which is divided into twelve administrative districts. Out of this total area, 32,271 square kilometers (58 %) is measured area according to the revenue records of the Pradesh. Area wise, 'Hamirpur' is the smallest district of the Pradesh which covers an area of 1,118 sq. kms (2.01%) and 'Lahaul-Spiti' covers the largest area of 13,835 sq. kms. (24.85%).

Himachal Pradesh has forests, occupying nearly 66 percent of the total area. The forests form an important source of income, providing raw material for industries, fodder and nutritious grass for the livestock and material for the needs of the cultivators and other people. They are also a valuable source of herbs and drugs. Himachal Pradesh has enormous potential for the generation of hydel power with estimated potential of about 80,000 MW which can be a source of income as well as a basis for economic development for this poor state.

Prior to the formation of the State, no interest was taken in the sphere of economic development and social welfare of the people belonging to the region. It was only subsequent to the formation of the State that the people and the Government of this hilly area started making determined efforts to improve their own economic conditions. Today, it is one of the most rapidly emerging
Industrial States of the country. The State offers well-build up industrial areas with peaceful industrial conditions, nearly being without any strikes and labour disturbances with the government taking timely measures for reconciling the disputes; priority based supply of plentiful water to the industries; comfortable and quality power situation in sufficient quantity right through the year at realistic rates and mainly striking tax concessions and economic benefits.

1.2.1 DEVELOPMENT OF INDUSTRIAL AREAS AND INDUSTRIES:

Industrial infrastructure development has been one of the main concerns of the State Government. As is clear from the Table 1.1, 41 industrial areas and 15 industrial estates have been developed throughout the State in order to provide infrastructural facilities to the entrepreneurs. Much of the industrial areas have been concentrated in the districts of Kangra, Solan, Una, etc. in contrast to the districts such as Kinnaur, Kullu and Lahul-Spiti. A great deal of regional imbalance has been in operation at both the inter-district and intra-district levels. Some districts and some regions have been able to attract more private investments as compared to others. Investment of resources in such backward regions is the need of the hour.

Table 1.1 - District wise detail of industrial areas & estates in the State

<table>
<thead>
<tr>
<th>SR. NO</th>
<th>DISTRICT</th>
<th>INDUSTRIAL AREA</th>
<th>INDUSTRIAL ESTATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bilaspur</td>
<td>Bilaspur, Goithai</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Chamba</td>
<td>Hatli, Garnota</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Hamirpur</td>
<td>Hamirpur, Nadaun</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Kangra</td>
<td>Nagrota-Bagwan, Dhaliara, Nagri, Nargala, Bain Attarian, Sansarpur Terrace, Badhal, Raja-ka-Bag</td>
<td>Kangra, Dehra, Jawali</td>
</tr>
<tr>
<td>5.</td>
<td>Kinnaur</td>
<td>Recong-Peo</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Kullu</td>
<td>Shamshi</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Lahul-Spiti</td>
<td></td>
<td>Keylong</td>
</tr>
<tr>
<td>8.</td>
<td>Mandi</td>
<td>Ratti, Bhambla, Sauli Khad (Mandi), Maigal</td>
<td>Saiglu, Palli</td>
</tr>
<tr>
<td>9.</td>
<td>Solan</td>
<td>Baddi, EPIP Baddi (Ph-I &amp; II), Dumehar, Barotiwala, Banalagi, Chambaghat, Majhol, Mamlig, Katha – Bhatholi, Vakanaghat</td>
<td>Parwanoo, Dharampur, Chambaghat</td>
</tr>
<tr>
<td>10.</td>
<td>Shimla</td>
<td>Shoghi, Maindl, Jais, Jubber Hatti</td>
<td>Raighat, Pandranu, Sundá Bhonda</td>
</tr>
<tr>
<td>11.</td>
<td>Sirmour</td>
<td>Kala Amb, Paonta Sahib</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Una</td>
<td>Tahlivala, Gagret, Mehatpur, Amb, Jeetpur Bheri</td>
<td></td>
</tr>
</tbody>
</table>

Total | 41 Industrial Areas | 15 Industrial Estates

Source: www.himachalgov.in.

[11]
Industrial areas are being presently developed and maintained by the Department of Industries itself and through agencies like Himachal Pradesh State Industrial Development Corporation and Himachal Urban Development Agency (HIMUDA). Baddi, Barotiwala and Nalagarh area in Solan District has come up as an attractive destination especially for Textile, Pharmaceutical and Packaging industry. The State today has a significant presence of the total textile and pharma industry manufacturing capacity of the country and has established itself as a proven destination for Textile, Pharma, Food Processing, Engineering, Paper, White Goods Manufacturing and Packaging industry. The State has also implemented a prestigious project of Export Promotion Industrial Park at Baddi with an investment of Rs. 20 crores.  

Table 1.2 - District-wise and group-wise detail of units in medium & large scale sector (up to the year 2003-04)

<table>
<thead>
<tr>
<th>SR. NO.</th>
<th>INDUSTRIES</th>
<th>DISTRICTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Solan</td>
<td>Sirmour</td>
</tr>
<tr>
<td>1</td>
<td>Food Products</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Beverages</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Textile/Spinning</td>
<td>22</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Chemical &amp; Chemical Products</td>
<td>22</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Engineering</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Non Metallic Mineral Products</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Electronics</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Steel &amp; Steel Products</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>Paper &amp; Paper Products</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Cement</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>11</td>
<td>Leather &amp; Leather Products</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>Ceramic</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>Plastic Products</td>
<td>7</td>
<td>2</td>
</tr>
</tbody>
</table>

Total 153 33 6 10 4 3 2 211


From the Table 1.2, it is clear that the districts of Solan and Sirmour have received the attention of large number of Medium and Large scale units. They are being followed by Una and Kangra districts. Extremely insignificant presence of investments in the medium and large scale sector in other areas of the State has been visible which demands policy interventions along with a course of
action in order to attract investments in the hinterland areas of the State also. In order to let alone any clashes with respect of regional feelings, balanced development of all the districts assumes great importance.

In addition, the table also brings into light that significant level of investments have been made in the Food Products, Textile/Spinning, Electronics, Steel Products, Chemical Products and Paper industry in the State. To smooth the progress of industrial development, government should concentrate different districts with different industrial products and yield on the basis of accessibility of raw material, transport conveniences, quantity and quality of manpower required, etc.

Year wise detail of the number of registered industrial units, the amount of investment and the number of persons employed has been made clear by means of Table 1.3. One is able to make out that till 1990-1991 there were only about 20,545 micro and small scale units and about 110 large and medium scale units that were employing just about 1,01,352 lac people. But up to March 31, 2007, there were about 33,618 small scale industrial units with an investment of Rs. 141067.48 lac that were providing employment opportunities to 1,57,328 people. The State has been able to attract humble level of investment in the large and medium sector too. In this sector, 356 large and medium scale industrial units have been set up with an investment of about Rs. 383272.14 lac, thereby generating employment for about 43,232 persons.

The Table 1.3 also indicates that the flow of investment in the State increased significantly from the year 1993-1994 till the year 1997-1998. Since then there has been a decrease in the flow of investments that necessitated initiating certain measures so as to give a boost to the flow of investments by introducing certain policy interventions so as to create a suitable investment climate. This resulted in increase in the total investments from the year 2004-2005. Moreover, in order to make it easier for the industrialists to set up units in the State and to help them comply with the rules and regulations as are applicable to them, the State Government simplified its rules and procedures so as to tap the full potential of the industry. Some of the steps in this direction include:

- The State Government will evolve a standard of "best practices" in Government Departments involved at the delivery end such as the State Electricity Board, Labour Department, Department of Excise and Taxation,
### Table 1.3 - Year wise detail of number of registered industrial units, investment & employment

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MICRO &amp; SMALL SECTOR</th>
<th>LARGE &amp; MEDIUM SECTOR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units</td>
<td>Investment (Rs. in lac)</td>
<td>Employment (nos.)</td>
</tr>
<tr>
<td>Up to 1990-91</td>
<td>20545</td>
<td>15054.00</td>
<td>86227</td>
</tr>
<tr>
<td>1991-1992</td>
<td>973</td>
<td>7184.00</td>
<td>3770</td>
</tr>
<tr>
<td>1992-1993</td>
<td>922</td>
<td>6690.00</td>
<td>3580</td>
</tr>
<tr>
<td>1993-1994</td>
<td>825</td>
<td>6092.00</td>
<td>3202</td>
</tr>
<tr>
<td>1994-1995</td>
<td>856</td>
<td>6220.00</td>
<td>3340</td>
</tr>
<tr>
<td>1995-1996</td>
<td>724</td>
<td>5270.00</td>
<td>3150</td>
</tr>
<tr>
<td>1996-1997</td>
<td>772</td>
<td>2024.71</td>
<td>3396</td>
</tr>
<tr>
<td>1997-1998</td>
<td>761</td>
<td>3343.82</td>
<td>3447</td>
</tr>
<tr>
<td>1998-1999</td>
<td>875</td>
<td>4564.51</td>
<td>4379</td>
</tr>
<tr>
<td>1999-2000</td>
<td>792</td>
<td>4913.37</td>
<td>5127</td>
</tr>
<tr>
<td>2000-2001</td>
<td>686</td>
<td>2994.30</td>
<td>3127</td>
</tr>
<tr>
<td>2001-2002</td>
<td>748</td>
<td>4197.29</td>
<td>3849</td>
</tr>
<tr>
<td>2002-2003</td>
<td>697</td>
<td>2429.48</td>
<td>3277</td>
</tr>
<tr>
<td>2003-2004</td>
<td>663</td>
<td>3708.48</td>
<td>3769</td>
</tr>
<tr>
<td>2004-2005</td>
<td>913</td>
<td>8891.44</td>
<td>6412</td>
</tr>
<tr>
<td>2005-2006</td>
<td>914</td>
<td>12217.30</td>
<td>6611</td>
</tr>
<tr>
<td>2006-2007</td>
<td>952</td>
<td>45272.78</td>
<td>10665</td>
</tr>
<tr>
<td>Total</td>
<td>33618</td>
<td>141067.48</td>
<td>157328</td>
</tr>
</tbody>
</table>

Source: Directorate of Industries, Government of Himachal Pradesh, Shimla.
Chapter 1 Introduction

Department of Industries, Department of Town and Country Planning, Department of Revenue, State Financial institutions and other concerned Departments and Agencies which are involved in the process of setting up of industry.

With the objective of facilitating Exports and meeting the supply deadlines the State Government by exercising its powers under Section 65(2) of the Factories Act would grant exemption to all EOUs from the provision of Section 51, 52, 54, and 56 of the Act. This would enable such units to increase its working hours from 48 to 60 per week (Section 51), from 9 to 11 per day (Section 54) and Spread Over from 10.5 to 13 hours per day (Section 56). The State Government would exercise its power to facilitate two-shift operation with women workers to enable women workers to work in the night shifts also and beyond the prescribed working hours under Section 66(1)(b) of the Factories Act. This would, however, be done on the condition that the management would make adequate transport, safety and security arrangements for women workers.

District wise analysis of the Table 1.4 reveals that in the district of Solan about 3444 micro and small scale units with an investment of about Rs. 62501.13 lac are working generating employment for about 31,574 persons. Solan district again tops the list with 242 medium and large scale units with an investment of about Rs. 273038.91 lac and providing employment to about 43,232 persons.

In contrast, there are very few small scale units with scanty investment thereby providing employment to few people in the districts of Kinnaur (537 units, Rs. 409.26 lac and 1,666 persons) and Lahaul & Spiti (562 units, Rs. 284.47 lac and 1,527 persons). Further, the districts of Chamba, Kinnaur and Lahaul & Spiti are still waiting for the entrepreneurs of the medium and large scale units to set up their projects. The success of progressive industrial world depends not only on the quantity but also on the quality of the human resource it can sign up. Some of the steps taken/to be taken in this direction include:

Efforts would be made to formally link existing R & D institutions, ITI's, Polytechnics and Engineering Colleges, specialized Technical Training Institutions, with various facets of industry so as to provide students the opportunity of technical training, campus interviews, on the job training,
**Table 1.4 - District wise detail of number of registered industrial units, investment & employment (up to 31/03/2007)**

<table>
<thead>
<tr>
<th>SR. NO.</th>
<th>NAME OF THE DISTRICT</th>
<th>MICRO &amp; SMALL SECTOR</th>
<th>LARGE &amp; MEDIUM SECTOR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Units</td>
<td>Investment (Rs. in lac)</td>
<td>Employment (nos.)</td>
</tr>
<tr>
<td>1</td>
<td>Bilaspur</td>
<td>2113</td>
<td>3612.89</td>
<td>7675</td>
</tr>
<tr>
<td>2</td>
<td>Chamba</td>
<td>1671</td>
<td>2574.47</td>
<td>5826</td>
</tr>
<tr>
<td>3</td>
<td>Hamirpur</td>
<td>2574</td>
<td>4549.10</td>
<td>9315</td>
</tr>
<tr>
<td>4</td>
<td>Kangra</td>
<td>8448</td>
<td>18408.81</td>
<td>36729</td>
</tr>
<tr>
<td>5</td>
<td>Kinnaur</td>
<td>537</td>
<td>409.26</td>
<td>1666</td>
</tr>
<tr>
<td>6</td>
<td>Kullu</td>
<td>2286</td>
<td>4408.97</td>
<td>11559</td>
</tr>
<tr>
<td>7</td>
<td>Lahul-Spiti</td>
<td>562</td>
<td>284.47</td>
<td>1527</td>
</tr>
<tr>
<td>8</td>
<td>Mandi</td>
<td>3440</td>
<td>8108.54</td>
<td>13869</td>
</tr>
<tr>
<td>9</td>
<td>Shimla</td>
<td>3101</td>
<td>5221.29</td>
<td>11324</td>
</tr>
<tr>
<td>10</td>
<td>Solan</td>
<td>3444</td>
<td>62501.13</td>
<td>31574</td>
</tr>
<tr>
<td>11</td>
<td>Sirmour</td>
<td>2652</td>
<td>20918.30</td>
<td>13737</td>
</tr>
<tr>
<td>12</td>
<td>Una</td>
<td>2790</td>
<td>10070.25</td>
<td>12527</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>33618</strong></td>
<td><strong>141067.48</strong></td>
<td><strong>157328</strong></td>
</tr>
</tbody>
</table>

*Source: Directorate of Industries, Government of Himachal Pradesh, Shimla.*
development of industrial projects, and their subsequent absorption in industry.  
➢ The Department of Technical Education in consultation with Industries in the State will set up a mechanism of certifying and licensing practitioners of certain identified trades and skills. Such practitioners in identified trades will be licensed so that the investors are assured of the availability of skilled manpower in the State besides assuring employment opportunities to local youth.

➢ The Technical Education Department will create a Data bank and Recruitment cell for the students of ITI's/Polytechnics and stay in close touch with Industry in the State so as to ensure employment to these students. They will also make a special effort to introduce special industry specific training programmes as may be requested by Industry in these institutions from time to time. The objective of the State Govt. is to find a job for every technically qualified student coming out of these institutions every year in the private sector and in units located within and outside the State. To ensure excellence in Technical Education and developing Human Capital, development of Centre’s of Excellence in Technical Education in the vicinity of manufacturing clusters and active involvement of the private sector would be encouraged.

1.2.2 THE INDUSTRIAL POLICY – 2004:
Development of industries has received a great boost from the State. The environment free from pollution, availability of power in abundance, development of infrastructure at a rapid pace, congenial and peaceful industrial atmosphere and transparency in the administration have been some of the reasons that have attracted the attention of the entrepreneurs in the State. But in order to extend and pace up the process of industrialization in the State and to woo indigenous and foreign investors so as to generate more employment opportunities for the local populace, the State announced the New Industrial Policy in December, 2004. It opened up its economy and moved to the center stage of national and international business. The policy intends to:

➢ Serve as a guideline for achieving the objective of uniform growth of industry and service sector throughout the state.

➢ Disperse industries and service sector activities.
Cull together ingredients of an Industrial Policy so as to facilitate generation of employment opportunities for local resource owners and stakeholders.

Clearly state Government’s commitment and approach to the development of key infrastructural sectors like Power, Housing, Social Infrastructure Development, Human Resource Development and Vocational Education so as to create a congenial investment climate for existing industry to grow as well as to attract further investments in the State.

Clearly spell out Industrial Incentives of fiscal nature.

Specifically address the issues impending industrial growth such as procedures for setting up industry, obtaining permissions required under various Labour Laws, addressing issues related to Transportation of industrial produce so as to lay the foundation of strong and consistent growth of the industrial sector.

Availability of incentives and subsidies are important to encourage investment in the State. There are a number of incentives in the form of subsidies, tariff concessions and deferments provided by State Govt. and Govt. of India.

**State Government Package:**

Interest subsidy to tiny/small units in priority sector, capital investment subsidy for units being set up in the Priority sector, special incentive for fruit, vegetable and maize based and herbal based units i.e. units based on local raw material, GST exemption and CST at concessional rates, procurement of raw materials at 1% GST, allotments of plots and sheds at reasonable prices/rates in industrial areas and estates, Project specific special package etc. are some of the main incentives/subsidies being offered by the State Govt.

**Central Government Package of Incentives:**

In January 2003 the Govt. of India had announced a special package of incentives to Himachal Pradesh. This includes 100% exemption from payment of Central Excise Duty for 10 years, 100% income tax exemption for 5 years and 25% and 30% exemption for the next block of 5 years (for Individuals and Companies), capital investment subsidy @ 15% of investment in Plant & Machinery subject to a ceiling of Rs. 30 lacs, and, enhancement of funding pattern under centrally sponsored schemes like Deen Dayal Hathkargha
Protsahan Yojana and Prime Minister Rojgar Yojana. Apart from these, the Central Transport Subsidy is being provided to industrial units at 75% of the cost of transportation of their finished goods and for transportation of their raw material from the location of their units anywhere in the State to the nearest, specified broad gauge rail head.

The main objective of these incentives, concessions and subsidies has been to encourage investment in the State, to make or to enable the units to become more competitive, and, to establish them at the initial stages of production. In a hilly state like Himachal Pradesh where the cost of production is higher due to difficult terrain and inadequate industrial infrastructure these subsidies are justified to make the prices and the product competitive with the goods produced by units set up in the neighboring States.

Generation of employment opportunities for local populace, especially the educated, skilled, technically qualified youth of the state is a major objective of encouraging industrialization in the State. Therefore the incentives, concessions and facilities provided to industry under this policy will be available to the eligible units set up in the State only if it employs at least 70% of its total manpower, employed whether on regular/contractual/subcontractual/daily basis of employment through any other mode from amongst the bonafide Himachali's at all levels in 'A', 'B' and 'C' category of Blocks respectively. Moreover, in order to stop the brain drain to other states for want of good opportunities, the State Government has laid down the criteria of 70 percent employment to Himachali people in these industries.

In this manner, the Industrial Policy, 2004 clearly expresses the intention of the Government to speed up the all round growth and development of especially the industrial sector within the State as it is an important means and area of employment generation. The State Govt. has recognized its role in terms of making and executing the policies related to development of industries. This would have a significant say in the overall prosperity of the local populace besides contributing revenue to the exchequer.

After having a look at the portrait of the State of Himachal Pradesh in terms of its geographic description and location; development of industrial areas and industries; the New Industrial Policy, 2004; etc., it is right time to have a discussion about the different industries and the industrial units that have been given due weight for the purpose of the present study.
Chapter 1 Introduction

1.3 PROFILE OF SAMPLE INDUSTRIES:

The industrial sector is on the way to become a key sector of the economy with the manufacturing sector enjoying a larger share. Of the 7 main industries in the manufacturing sector, a concise profile of 20 industrial units from one or the other of these 7 industries, namely Food Products, Textile/Spinning, Chemical & chemical products, Electronics, Steel & steel products, Paper & paper products and Cement has been presented in the subsequent pages.

1.3.1 FOOD AND FOOD PRODUCTS:

Food, clothing and shelter have been the basic necessity of man from times immemorial. According to Oxford Dictionary, food is a substance taken in to maintain life and growth. The Fast Moving Consumer Goods (FMCG) industry primarily deals with the production, distribution and marketing of consumer packaged goods which are normally consumed by the consumers at a regular interval. Food products cover a major share of the FMCG industry. For the present study, Dabur India Limited, Hindustan Unilever Limited and Himalya International Limited are the 3 industrial establishments that have been chosen from the Food and food products industry.

*Dabur India Limited*:

Dabur India Ltd. is one of the leading Fast Moving Consumer Goods (FMCG) in India. The Company founded by Dr. S.K. Burman, an allopathic doctor originated in 1884 at Kolkata. From the beginning in 1884, as a manufacturer of traditional Indian medicine, Dabur has a long way to become a multi-location, multi product modern Indian corporation with a global presence. The company had a full Research and Development lab as early as 1919. Dabur is an ISO-9002 certified company. Dabur India Ltd. finds a place among the top ten consumer’s product companies in India. It was among the ‘Best under a Billion’ companies in Asia Pacific (Forbes Asia 2005 & 2006).

After the starting in 1994, the manufacturing units at Baddi, District Solan, (H.P.) has come a long way with nine units, producing chyawanprash, Hajmola, Red toothpaste unit, Honey unit, Glucose, Shampoo, Natural care. In 1996, the company launched the Real Fruit Juice. All the plants have finger identification machine for attendance marking. Speed breakers have been installed at all the plants for road safety. Welfare committees have been formed
and food taster indicators have been initiated to improve the standard of food at the canteens.

The activities carried out by the company includes promotion of sports and physical activities in plants for all the employees (trainee/permanent); training through internal facilities, library for competency development and continuous improvement; celebration of World Environment Day, World Earth Day, Fire Service Day, etc. As a part of the initiative in the field of corporate social responsibility, it conducts activities such as donating water tanks along with its fittings, black boards, etc. to government schools. It also distributes Dabur products among the children.

**Hindustan Unilever Limited**

William Hesketh Lever is the founder of Lever Bros. Hindustan Lever is Unilever’s business in India. Its 400 brands spanning 14 categories of home, personal care and foods products include such well-known names as *Lifebouy*, *Lux*, *Surf*, *Vim*, *Pond’s* and *Lipton*, as well as local brands, such as *Kissan*, *Annapurna*, *Corretto*, *Lakme*, *Fair & Lovely* and *Wheel*.

One of the units of Hindustan Unilever Limited is located at village Balyana, Barotiwala Industrial Area, District Solan, (H.P.). This unit creates awareness among the employees by making provisions for providing first-aid and fire fighting training through National Safety Council and Fire Officer, Baddi; organizes plantation of trees on the Environment Day; organizes quiz, poster making and slogan writing competitions, Inter shift volleyball & football tournaments; gives the ‘Star of the Month’ and the ‘Best Attendance Award’; prints half yearly magazines etc.

In terms of Corporate Social Responsibility, Hindustan Lever’s *Project Shakti* taps growing number of women’s self-help groups that help women save money and borrow from each other to avoid unscrupulous moneylenders, provide training in selling, commercial knowledge and bookkeeping. *i-Shakti* launched with the Government of Andhra Pradesh in November 2004 aimed at providing villagers with free information on health and hygiene, agriculture and horticulture, child and adult education, finance, employment, entertainment, etc. The *Swasthya Chetna* programme (Cost to Hindustan Lever Rs. 22.25 million) started in 2002 in 8 Indian states having highest diarrheal diseases causing death, is the single largest rural health and hygiene education programme ever undertaken in India.
**Himalya International Limited**

Started in the year 1979, Himalya International Limited is an ISO 9001:2000 certified Company. The company's philosophy is "Environment is Sacred". In 2002, the Company's Founder, Chairman and Chief Executive Officer Shri Man Mohan Malik created a breakthrough technology to turn spent mushroom substrate, an environmental hazard, into an environmental asset. The company recycles and reuses all its by-products & strongly practices power and fuel saving.

The first frozen food company in India has five hundred plus strong team members. The plant is located at village Shubhkhera in the Paonta Sahib Tehsil of Sirmour district in the State of Himachal Pradesh and has four complimenting production units at its 25 acre complex processing mushrooms, baby potatoes, buffalo cheese and sweets & appetizers. The company provides free medical services, free schooling, and scholarships for studying in the college to all its workers and their children, holds regular sessions to educate workers on the benefits of using off switch and saving water.

The chief executive officer of the company has innovated programs to help farmers, to further the lives of employees, and to maintain the serenity and balance of the environment. The company has always strived for the benefit of its community. It has constantly promoted literary programs, educated the local community on environmental issues, conducted workshops and movie shows like 'Day after Tomorrow' and 'An Inconvenient Truth' on the issues of green house gases and global warming. It has planted more than 3000 trees during the last 3 years.

### 1.3.2 TEXTILE/SPINNING INDUSTRY:

Textile is any filament, fibre, or yarn that can be made into fabric or cloth, and the resulting material itself. The word originally referred only to woven fabrics but now includes knitted, bonded, felted, and tufted fabrics as well. The basic raw materials used in textile production are fibres, either obtained from natural sources (e.g., wool) or produced from chemical substances (e.g., nylon and polyester). Textiles are used for wearing apparel, household linens and bedding, upholstery, draperies and curtains, wall coverings, rugs and carpets, and book bindings, in addition to being used widely in industry.
Chapter 1

Introduction

Spinning wheel is the early machine for turning textile fibre into thread or yarn, which was then woven into cloth on a loom. The spinning wheel was probably invented in India, though its origins are unclear. It reached Europe via the Middle East in the middle ages. The improvement of the loom in 18th-century England created a yarn shortage and a demand for mechanical spinning. The result was a series of inventions that converted the spinning wheel into a powered, mechanized component of the Industrial Revolution. For the present study, GPI Textiles Limited and Sara Textiles Limited are the two industrial units that have been selected from the Textile/spinning industry.

GPI Textiles Limited:

The Ispat Group is a multi-national, multi-product industrial group with global scale world class projects in steel, telecommunication, power, shipping, mining, textiles and infrastructure development. GPI Textiles Ltd is a part of the renowned Ispat Group. It is an IS/ISO 9001:2000 company and the only prestigious unit declared by the Himachal Pradesh Industries Department.

GPI Textiles Ltd has one of the most modern plants in India with 84,672 spindles and 960 rotors making 23,400 metric tonne of premium quality yarns per annum under one roof at Nalagarh, District Solan, (H.P.). The products include 100% cotton combed yarns, polyester/cotton blended combed ring spun yarns, 100% polyester yarns, open end yarns and special products like organic yarn, bamboo/cotton yarns, cotton slub yarn, multifold yarn, pc melange yarn, 100% polyester optical bright yarn, polyester flame retardant yarn, etc.

GPI is a multi-racial, multi-lingual, multi-cultural and an equal opportunity corporation. The company has its own residential colony; celebrates Diwali, Holi and 31st December; gives interest free loan, 5 and 10 year service awards, Man of the Month award; organizes Annual Day & Republic Day cum Prize distribution function on 26th January of every year for both the staff and the workers. The staff enjoys conveyance facility from Chandigarh, annual picnics and get together, weekly family trips to Chandigarh, shagun on own marriage, birthday gifts; own your vehicle scheme on 50%, etc. The facilities made available to the workers include annual sports meet, transport facility, shagun on daughter's marriage, scholarships and financial aid to the bright students. The company aids construction of nullahas and small bridges in the nearby villages as per requirement, distributes books, copies and sponsors prizes for the local school.
Sara Textiles Limited:

Sara Group is India's leading business conglomerate with interests in commodities, textiles, infrastructure development and ports. Having had a sizeable presence in the textiles business for over 15 years, it is today one of the top three terry towel producers in India. Under Sara Textiles Limited, Nalagarh, District Solan, (H.P.), the group is a dominant exporter of home furnishings to Eastern Europe, United States of America, Australia and the Middle East making it one of the group’s key markets.

Under Sara Textiles Limited, the group has ventured into manufacturing by setting up a state of the art factory producing terry towels. A large and competent team of textile engineers run the textiles business, ably supported by quality inspectors, experienced merchandisers and production managers, all of whom are the industry's leading professionals. With offices in Ahmedabad, Karur, Panipat, Ludhiana and Chandigarh, it has roots in all the textile centers in India.

The company celebrates Diwali and Annual Day with its employees. Employees of the year & best attendance awards are given. Double promotion is given for outstanding performance. The company participates in the exhibition for home furnishings. The company has constructed an 8 foot wide and 200 meter long water drain in village Bhatian in Nalagarh at a cost of 10 Lac rupees in order to drain the inconvenience causing rain and waste water from the village and industries. Women folk of the area is employed and paid equal to men so that their social status is uplifted. The company supports and structures an old-age home and an orphanage in a way such that the children can spend time and help the elderly folk; provides financial support to cancer health care and research trust; and to any individual requiring treatment.

1.3.3 CHEMICAL AND CHEMICAL PRODUCTS:

Historically, medicines were prepared by physicians and later by apothecaries. Today, drug development relies on the collaboration and effort of highly trained scientists at universities and private companies. The modern era of drug discovery and development originated in the 19th century when scientists learned how to isolate and purify medicinal compounds and developed large-scale manufacturing techniques. As understanding of biology and chemistry improved in the 20th century, the occurrence and severity of such diseases as typhoid fever, poliomyelitis, and syphilis were greatly reduced.
Chapter 1 Introduction

The pharmaceutical industry has greatly aided medical progress, and many new drugs have been discovered and produced in industrial laboratories. Identifying new drug targets, attaining regulatory approval, and refining drug discovery processes are among the challenges that the pharmaceutical industry faces in the continual advancement of control and elimination of disease. The 4 manufacturing units from the Chemical and chemical products industry that have been preferred for collection of data for the present study are Wings Pharmaceuticals Private Limited, Torrent Pharmaceuticals Limited, Ankur and Pidilite Industries Limited.

Wings Pharmaceuticals Private Limited:

Wings Pharmaceuticals Private Limited is a Delhi based fast growing, professionally managed pharmaceutical company. From a humble beginning through wholesale shop, the burning desire to serve the society crystallized into a modern manufacturing unit in the year 1989 under the competent leadership of the Managing Director Mr. R.P. Arora, a man of great vision who believed in cautious but firm steps in matters of expansion and advancement of the company.

The factory located at 35, HPSIDC, Industrial Area, Baddi, District Solan, (H.P.) has been adequately equipped with the state-of-art equipment & machineries to confirm to the highest standards of quality, safety & quantity. The company with the WHO-GMP certification has three ultra-modern, high-tech plants that manufacture products of International and GMP standards. Its strong vision & determination for gelling quality, efficacy and right price has made Diclowin plus number one brand in analgesic market in India. Wings' has diversified into herbal and Health care products too.

Under the Pharma products, the company manufactures and markets tablets (uncoated, sugar-coated, film-coated, enteric coated tablets, dispersible tablets, flavoured dispersible kid tablets), capsules (hard gelatin capsules only), liquid (oral), dry syrups, ointments, cream, lotion, shampoo. The company's range of 60 products includes analgesics, anti-inflammatory, antipyretics, antispasmodics, anti diarrhoeal, antiseptics, antiliminths, anti-cold, cough syrups, anti-dandruff shampoo, cream for cracked heels, multivitamins, haematinics, nutritional supplements like protein tonics, preparation containing minerals like zinc, health capsules, mouth ulcer gel, antilice preparation, headache balm, honey, digestive & cough candies, tonic for ladies etc.
Torrent Pharmaceuticals Limited

'Trinity Laboratories' renamed as 'Torrent' began its operations under Shri U. N. Mehta. Torrent Pharmaceuticals Limited is a dominant player in the therapeutic areas of cardiovascular and central nervous system and has achieved significant presence in gastro-intestinal, diabetology, anti-infective and pain management segments.

Torrent Pharma commissioned a new plant (Space area - 82,237 square metres, Built up area - 23,000 square meters) at Baddi, District Solan, (H.P.) in November 2005 with an investment of over Rs. 130 crores and having a capacity to manufacture 3600 million tablets, 400 million capsules and 18 million oral liquid bottles, per annum. The plant has been approved by ISO/IEC 17025 in May 2006. The chemical and biological testing labs have been accredited by NABL and the quality control lab attested by NABL to be in accordance with the international standards.

Torrent Pharmaceuticals Limited has received the President's award for highest pharmaceuticals exports of Rs. 1570 million in 1991-92. It has been rated India's 9th best company among capital intensive companies in terms of Return on Capital Employed in a study conducted in the year 2001. The manufacturing facilities at Indrad, Gujarat, comply with WHO norms and have received ISO 9001, ISO 14001 and OHSAS 18001 (Occupational Health and Safety Management System) and ISO/IEC-17025 certifications.

Torrent donated Rs. 1 crore to the Prime Minister's National Relief Fund to rebuild the lives of Tsunami victims. It was among the first to rush in aid after the 2001 earthquake in Gujarat. It helped the construction of a 60-bed hospital in Kutch. It manages medical institutions such as the U. N. Mehta Institute of Cardiology and Research Centre. It reconstructed Parimal Garden, Ahmedabad. It's Public Health Awareness Campaign has received the "Public Service Campaign" award.

Ankur Pharma:

A young Chartered Accountant Mr. Purnandu Jain in ploughed the seed of his dream venture in the changed name of A N K U R because he knew that it will blossom into a bouquet through passion to succeed, sincere hard work, meticulous planning and co-ordination of resources.

The Plant I located at Baddi, District Solan, (H.P.) envisaged in January 2005, had a capital investment of US$ 30.00 million. It is WHO/GMP & Schedule
Chapter 1

Introduction

'M' approved plant. The General Block 1 started its operations in June 2005. Cepha-Block and Beta-Block started its operations in October 2005 and December 2005 respectively and proposes its up-gradation in due course of time. The production facilities include general products, cephalosporin products and beta-lactum products.

The Plant II also located at Baddi required capital investment of US$ 40.00 million. The production facilities at the plant includes dedicated cephalosporin facility to manufacture tablets (coated and uncoated), capsules, dry powder injectables (Macofar - Italy), dry syrups, liquid injectables & eye/ear drops, creams/gel (Macofar Italy), effervescent tabs & granules (Zanchetta - Italy), FFS (form, fill & seal) Rommelag - Germany.

ANKUR has been into the field of 'Contract Manufacturing' for some of the leading names in the Pharmaceutical Industry. From among its valued customers are companies like Ranbaxy Laboratories Limited, Cipla Limited, Lyka Labs Limited, Lyka Hetero Healthcare Limited, Makers Laboratories Limited (An Ipca Group Company).

**Pidilite Industries Limited**: Since its inception in 1959, Pidilite Industries Limited has been a pioneer in consumer and specialties chemicals in India. Over two-third of the company's sales come from products and segments it has pioneered in India. Pidilite Industries is the market leader in adhesives and sealants, construction chemicals, hobby colours and polymer emulsions in India.

One of the plants of the company is located at village Johron, Kala Amb in the Nahan tehsil of the Sirmour district in the State of Himachal Pradesh. The company arranges for training session on awareness of ISO 14001 and OHSAS 18001, electrical safety audit cum training programme, etc. Induction Training Programme is conducted for new joiners. The teams giving out noteworthy suggestions on 'Kaizen Theme' are rewarded. The maintenance team performs 'Vishwakarma Pooja' every year. Special attention is given to plant layouts, housekeeping, gardening, landscaping and preservation of the environment.

The brand name "Fevicol" is synonymous with adhesives to millions in India and is ranked amongst the most trusted brands in India. Fevicol is ranked among the top 15 Indian brands (by Brand Wagon Year Book, 1997). It has been ranked number one in household care segment. The company ranks 131 among India's top 500 listed companies. In the year 2000, the Fevikwik "fish"
commercial won the Golden ABBY for the best Television Commercial of the Century in India.

1.3.4 ELECTRONICS:

Electronics is a branch of physics that deals with the emission, behaviour, and effects of electrons and with electronic devices. The beginnings of electronics can be traced to experiments with electricity. In the 1880s Thomas Alva Edison and others observed the flow of current between elements in an evacuated glass tube. A two-electrode vacuum tube constructed by John A. Fleming (1849-1945) produced a useful output current. The Audion, invented by Lee De Forest (1907), was followed by further improvements. The invention of the transistor at Bell Labs (1947) initiated a progressive miniaturization of electronic components that by the mid 1980s resulted in high-density microprocessors, which in turn led to tremendous advances in computer technology and computer-based automated systems.* The industrial units from the Electronics industry that have been chosen for the purpose of the present study include Luminous Power Technologies Private Limited, Super Cassettes Industries Limited and Penguin Electronics Limited.

Luminous Power Technologies Private Limited*:

Founded in 1988, Luminous Power Technologies Private Limited is a cutting edge technology company in the field of 'Packaged Electrical Power' and 'Power Conditioning Products'. It is an Indian power and energy storage company with a global presence, delivering high quality inverters, UPS, batteries and renewable energy products. With a team of 2000 intelligent and hard working employees, it had a turnover of 130 million US dollars for the Financial Year 2008-09. The products are exported to 32 countries worldwide.

Luminous has the India's largest inverter and UPS manufacturing factory located in the foothills of Himalayas at Baddi, District Solan, (H.P.). This factory has over 43,000 square meters of land with covered area of 12,000 square meters with an installed capacity of 2.5 million inverters a year. Luminous has been consistently winning awards & accolades for the excellent reliability of its products & market leadership. Luminous is now poised for a very rapid growth at over 100% compounded annual growth
rate for the next few years. It offers its customers significant advantages as a result of its multi-location manufacturing presence in India and China.

The eco-friendly company has entered the e-bike market with their revolutionary brand 'Lectrix'. Right from the year 2005, it has been winning the Consumer World Award (inverter category). Sticking on to its social responsibilities, the company came up with the 'Ghar Ka Chirag' contest in order to encourage the hidden talents in the society.

**Super Cassettes Industries Limited**

Super Cassettes Industries Limited is a diversified group with 90 million dollars in core business of consumer electronics, compact discs, audio/video magnetic tapes and cassettes. It is the largest producer and publisher of music and videos in India under the trade mark T-Series that has been ranked as "India's No. 1 Music Company" by A.C. Nielsen-ORG-MARG consumer study.

M/s Super Cassettes Industries Limited has its registered office at E-2/16, White House Ansari road, Darya Ganj, New Delhi with one of its plant located at Baddi, District Solan, (H.P.). The meticulously nurtured 4000 skilled personnel stand at the very heart of the group. The company has high-end systems for compact disc replication (Netstal, Leybold & Dubuit), VHS duplication facility on Pal and Ntsc formats, digital loop bins (Gauss, Lyrec & Otari) and printings on Heidelberg with Polar machines for printing of inlay cards and publicity material. Its magnetic coating, calendaring and slitting plant, (Nissel, Fujimoto) streamlines production. It has an ultra modern research and development laboratory and advanced quality control department.

The company has rights to over 2000 video and 35,000 audio titles; comprising of nearly 24,000 hours of music software. With the foresight to create a talent bank, it is arguably the largest promoter of new talent. The ISO 9002 certification is a proud feather in their cap. T-Series controls more than 60% share of the Indian music market. Even in the international markets T-Series enjoys a turnover in excess of 4.2 million dollars, and exports to 24 countries across six continents.

**Penguin Electronics Limited**

Royal Philips Electronics NV is a major Dutch manufacturer of consumer electronics, household appliances, light bulbs, and imaging equipment. It was founded by Dutch engineer Gerard Philips in 1891 to make incandescent lamps and incorporated in 1912 under the name Philips Incandescent Light Works.
Renamed Philips Electronics NV in 1991, the firm has manufacturing and marketing subsidiaries throughout the world. Philips Electronics India Limited has its assembly units spread from corner to corner of the nation one of which is Penguin Electronics Limited located at village Gullerwala, Sai Road, Baddi, District Solan, (H.P.).

Penguin Electronics Limited are one of the leading assemblers of home appliances such as juicers, mixers, grinders, etc. in Himachal Pradesh (India) under the brand name "Philips" - a well accepted and trusted name, identified with quality and durability, and enjoys the highest brand recall in the electronics industry. The company with the most advanced assembling plant having a capacity of 3.4 lakh appliances per annum began its operations in the year 2003 in the workspace that covered more than 5,000 square meters of land space. With the seasonally varying team of about 150-200 employees, the approximate turnover is targeted to be around Rs. 120 crores per annum.

The employees are provided with in house training, room training, etc. The cap system has been made use of for identifying employees with different levels of skill. The company with the ISO 9001:2000 certification receives its supplies from different manufacturers located in different states of India such as Himachal Pradesh, Haryana, etc.

1.3.5 STEEL AND STEEL PRODUCTS:

Steel is an alloy of iron and about 2% or less carbon. Making steel involves melting, purifying (refining), and alloying, carried out at about 2,900°F (1,600°C). Steel is obtained by refining iron (from a blast furnace) or scrap steel by the basic oxygen process, the open-hearth process, or in an electric furnace, then by removing excess carbon and impurities and adding alloying elements. Molten steel can be poured into molds and solidified into ingots; these are reheated and rolled into semi finished shapes which are worked into finished products. Some steps in ingot pouring can be saved by continuous casting. Forming semi finished steel into finished shapes may be done by two major methods: hot-working consists primarily of hammering and pressing (together called forging), extrusion, and rolling the steel under high heat; cold-working, which includes rolling, extrusion, and drawing and is generally used to make bars, wire, tubes, sheets, and strips. Molten steel can also be cast directly into products. Certain products, particularly of sheet steel, are protected from corrosion by electroplating, galvanizing, or tinplating.
5 industrial units from the Steel and steel products industry have been selected for administration of questionnaires/schedules. These are Aar Aar Castings Private Limited, M/s Radiant Castings, Him Teknoforge Limited, H.M. Steels Limited and Valley Iron and Steel Company Limited.

**Aar Aar Castings Private Limited**

Aar Aar Castings Private Limited, a part of the Amravati Group (promoted by Late Shri Amarnath Aggarwal), is one of the leading manufacturers of TMT (Thermo Mechanically Treated) bars in Himachal Pradesh under the brand name “Amravati”. It has the most advanced automatic steel plant with a capacity of 250 ton per day which comes to 90,000 ton per year. Amravati manufactures top quality twisted bars that are used in the construction of multi storyed buildings, dams, bridges, flyovers and power plants as a basic reinforcement material.

The plant based on upgraded Automatic German Temcore Technology started its production in November 2004 at village Jharmajri, Barotiwala, District Solan (H.P.), an upcoming industrial hub situated in the beautiful foothills of the Shivalik. It has a work space of 1,00,000 square feet with a state of the art raw material and finished product handling, manufacturing, quality checking and dispatch system. It is a composite steel unit with most modern induction furnace of Inductotherm (USA) with transformers from Alstorm (France) installed for making good quality ingots/billets for making international standards TMT bars.

The company with a network of 300 dealers spread across 4 states of North India is expanding its market day by day. It is the first company in its locality to get ISO 9001-2000 certification marking of Norway within one month from its starting operation and ISI certification mark from Bureau of Indian Standards for Cold Twisted Deformed and Thermo Mechanically Treated bars within 5 months from its start. Adhering to its social responsibilities, the group has its own hospital and school at Surajpur and at Baddi.

**M/s Radiant Castings**

Kamdhenu Ispat Limited, the flagship company of the group, is the largest manufacturer of international quality steel bars in India; the first company to be accorded with the prestigious ISO 9001:2000 certification by Quality Evaluation System, USA and ISO 9002 by National Quality Assurance and Dutch Council of Quality. It has under its aegis a total of 24 manufacturing units
Chapter 1

Introduction

spread across the nation one of which is M/s Radiant Castings, located at village Jharmajri, Baddi Industrial Area, District Solan, (H.P.).

M/s Radiant Castings are one of the leading manufacturers of TMT (Thermo Mechanically Treated) bars in Himachal Pradesh (India) under the brand name "KAMDHENU TMT" - a popular and trusted name, synonymous with strength and durability, and enjoys the highest brand recall in the construction industry. The company having the most advanced automatic steel plant with a capacity of 200 ton per day and incorporating proper quenching processes for TMT Technology started its production in February 2007. The production capacity of the plant is 5500 metric ton per annum for TMT bars with grades Fe-415, size 8mm to 32mm. The company has applied for the grade Fe-550.

The company has network of 500 dealers spread across 6 states of North India and is expanding its market day by day. The company is committed to satisfy its customers through continuous improvement in quality of its products, continual technological up gradation and involvement of its employees. To fulfill its commitment on quality, the company is taking ISO 9001:2000 and IS: 1786-1985 mark for TMT Bars.

**Him Teknoforge Limited**:  

The Him Group of Companies was founded in 1981 with forging unit at Sai Road, Baddi, District Solan, (H.P.). The founder Shri Vijay Aggarwal was a qualified Mechanical Engineer with valuable practical experience. The forging unit was ventured with the aim of supplying quality forgings in bulk of gears, non-gears & axles to various manufacturers like Telco, Ashok Leyland, Defence, Railways, Eicher Motors, Escorts, HMT, etc.

Today the company is fully equipped to meet any kind of requirements in raw forgings and finished gears/non-gears & axles. The Him Group with a present turnover of 125 crores of rupees is engaged in the diversified activities such as forgings, castings, finished gears, non-gears, steel shots, fertilizer, leather & leather product, exports and education. It is running a management school at Mohali (Punjab) by the name of 'Centre for Management Training & Research'.

The company has a strong distribution network for the replacement market and has reputed customers in all over India for selling quality products like axles, chassis parts; propeller and shaft components for heavy and light commercial vehicles. Besides the complete infrastructure, the company has the
right team to ensure the quality standards stipulated by various standards. The products are self-certified with all the necessary process capabilities with support of ISO 9002 Quality System Standard.

**H.M. Steels Limited**:  
After years of experience in pipes Mr. Megh Raj Garg, the Chairman Cum Managing Director formed H.M. Steels Limited in the year 2004 with the world's most advanced & latest machines and technology. The unit has an edge over all pipe production units in Northern India, as it has the casting, strips/flat making facility in house. It is not dependent on any outside source for raw material. The plant located at Kala-Amb, District Sirmour, (H.P.) is equipped with the most sophisticated ERW Tube manufacturing machines.

The company has a capacity to make sizes from 15 to 100 mm (½ inches, 4 inches) nominal bore tubes in thickness categories of light, medium and heavy series both for black and galvanized pipes. These tubes are effectively used for conveying water, oil, gas, steam and petroleum in underground main lines, auto chassis, cabins, bus stands, milk booths, cranes, furniture partition frame work, truck and bus body members, trolleys, scaffoldings, material storage racks, hydraulic platforms, columns, staircases, hand railings and fencing poles. The company has a capacity to produce 45,000 metric ton of steel per annum.

It is an ISO 9001:2000 certified company which specializes in design, manufacturing & exports of a wide range of scaffolding, shuttering & formwork systems. It is a large establishment having core capabilities of manufacturing quality steel scaffolding & engineering fabrications. The product mix of the company includes a wide range of products for construction, scaffolding & formwork industry. The products guarantee and confirm to Bureau of Indian Standards, adhere to international standards with uniformity and are manufactured in house with all modern facilities as per customer requirements.

**Valley Iron and Steel Company Limited**:  
The Valley Iron and Steel Company was founded in the year 2003 with the manufacturing unit located at Village Rampur Majri in the Paonta Sahib tehsil of district Sirmour in the State of Himachal Pradesh. The founder cum managing director of the company Shri Rakesh Bindal was a business man with valuable knowledge and practical experience.

The production unit was ventured with the intention of supplying stainless steel flags under the brand name “VISCO” used for making different
varieties of utensils, engineering gear items, etc. It takes delivery of its share of raw materials by and large in the form of bits and pieces of scrap from all over India and from other foreign countries like Bhutan, United States of America, etc. The company has an installed capacity to produce 84,000 metric ton of stainless steel flags in the series 200, 300, 400 per annum.

It is an ISO 9001:2000 certified company. The company has a strong distribution network of dealers spread throughout India and is enlarging its market gradually. Over and above the whole infrastructure consisting of advanced automatic steel plant with latest machines and technology, induction furnace, etc., the company has the right team of dedicated and hard working employees (who receive in-house training) along with the quality control lab to make sure the quality standards of its products.

1.3.6 PAPER AND PAPER PRODUCTS:

Paper is a matted or felted sheet, usually made of cellulose fibres, formed on a wire screen from water suspension. Source materials include wood pulp, rags, and recycled paper. The fibres are separated (by processes that may be mechanical, chemical, or both) and wetted to produce paper pulp, or stock. The pulp is filtered on a woven screen to form a sheet of fibre, which is pressed and compacted to squeeze out most of the water. The remaining water is removed by evaporation, and the dry sheet is further compressed and often (depending on the intended use) coated or infused with other substances. Types of paper in common use include bond paper, book paper, bristol (or bristol board), ground wood and newsprint, Kraft paper, paperboard, and sanitary paper (for towels, napkins, etc.). The industrial unit in the Paper and paper products industry wherein the study has been carried out has been Mansa and M/s Ruchira Papers Limited.

Mansa Print and Publishers Limited:

The company Mansa Print and Publishers Limited was promoted by Dr. G. Munjal and was incorporated in the month of August in the year 2003. The registered office of the company is located at 290, Phase II, Industrial Area, Panchkula. The manufacturing unit is located at Baddi, District Solan, (H.P.). The works unit at Baddi has lush green surroundings apart from having the modern state-of-the-art and up to date facilities meant for smoothing the production process.
The production unit at the factory is for the most part engrossed in printing and packaging work with the designing work mostly carried out by the sophisticated computers. The company prints mono cartons, labels, magazines, etc. mainly for the pharmaceutical companies like Ind Swift Limited, Rachet Pharma, Rahul Pharma, etc. Various types of activities are carried on by the company management for the betterment of its employees. Cricket tournament are held by the company for its staff members in order to help them keep themselves in a fit condition.

**M/s Ruchira Papers Limited**

Ruchira Papers Limited, incorporated on December 8, 1980 as a Public Limited Company under the Companies Act, 1956 was promoted by Shri Umesh Chander Garg, Shri Jatinder Singh and Shri Subhash Chander Garg. The production came in 1981. The works and the registered office are located at Village Kala-Amb of District Sirmour in Himachal Pradesh. The administrative office is at 21-22, New Professor Colony, Yamuna Nagar, Haryana. The installed capacity of company is 52,800 ton per annum for manufacturing of Kraft paper from agro-residue and waste paper.

The Company is engaged in the manufacturing of Kraft Paper that is applied for making corrugated boxes and for other packaging requirements. It has successfully set up a new plant of Writing and Printing paper. It also manufactures special grade of Kraft paper beside normal Kraft paper. These grades of paper are used for manufacturing of textile tubes and paper core-pipes. The textile tubes are consumed in yarn manufacturing industries. This special grade paper got recognition from Reliance Industries Limited. Sales are about 1,100-1,200 metric ton per month.

Ruchira Papers has demonstrated deep commitment to the cause of preserving the environment by adopting environmental friendly practices leading to energy conservation and ultimately savings. CII (Confederation of Indian Industry) energy audit team conducted a detailed energy audit of Ruchira Papers including all thermal and electrical equipments and suggested various energy saving proposals. Implementation of these proposals resulted into reduced power consumption (per ton of paper) which added to the profitability and economic viability of the company. The company was also accredited with an appreciation letter from Confederation of Indian Industry for contributing to the power conservation.
1.3.7 CEMENT INDUSTRY:

Cement is a finely ground powder made by burning and grinding a limestone mixed with clay or shale. Its inventor, Joseph Aspdin (1799-1855), patented the process in 1824, naming the material for its resemblance to the limestone of the Isle of Portland, England. The cement combines chemically with the water it is mixed with, then hardens and strengthens. The industrial establishment in the cement industry covered for the purpose of the study has been Ambuja Cements Limited.

Ambuja Cements Limited:

Ambuja Cements Ltd. (ACL) is one of the leading cement manufacturing companies in India. It commenced cement production in 1986. The Company was initially called Gujarat Ambuja Cements Ltd which later became Ambuja Cements Ltd. The global cement major Holcim acquired management control of ACL in 2006. Holcim today holds little over 46% equity in ACL. ACL has grown manifolds over the past decade. Its current cement capacity is about 23 million tonnes and has plans to augment it to 25 million tonnes by 2010. The Company has 5 integrated cement manufacturing plants and 6 cement grinding units across the country.

One of the plants of the company is located at Darlaghat, District Solan, (H.P.). Almost 90% of cement in India travels by rail or road and in bags. In Himachal, they’ve managed to push up production and bring down power costs at a plant that was already functioning above capacity. At the same plant they’ve managed to cut stabilizing time (a critical task in a cement plant) from up to 18 months to a mere 3 months. The pollution levels at the cement plants are lower than the rigorous Swiss standards. The air is so clean that a rose garden flourishes right next to the main plant. Ambuja has received the highest quality award - the National Quality Award. The only cement company to do so. It is also the first to receive the ISO 9002 quality certification. The Ambuja Cement Foundation is the Corporate Social Responsibility wing of Ambuja Cements Ltd. that works with the rural communities surrounding Ambuja’s manufacturing sites.

Subsequent to having discussed the profile of different industrial units belonging to either of the Food, Textile, Chemical, Electronics, Steel, Paper and Cement industry, the next section has been devoted towards brief account of the various labour laws that affect the working population.
1.4 **Labour Laws:**

The body of law that applies to matters such as employment, wages, conditions of work, labour unions and labour-management relations can be termed as labour laws. Laws intended to protect workers, including children, from abusive employment practices were not enacted in significant numbers until the late 19th century in Europe and slightly later in the U.S. In Asia and Africa, labour legislation did not emerge until the 1940s and '50s. Employment laws cover matters such as hiring, training, advancement, and unemployment compensation. Wage laws cover the forms and methods of payment, pay rates, social security, pensions, and other matters. Legislation on working conditions regulates hours, rest periods, vacations, child labour, equality in the workplace, health and safety. Laws on trade unions and labour-management relations address the status of unions, the rights and obligations of workers' and employers' organizations, collective bargaining agreements, and rules for settling strikes and other disputes.\(^{65}\)

In India there are several acts and legislations enacted by the Government for regulation of industries in the country. These enactments play a very vital role in the country's overall progress and economic development. These legislations are amended from time to time in accordance with the changing circumstances and environment. The labour laws considered for the present study have been classified under the following heads:

1.4.1 **Laws Related to Wages:**

The laws related to wages that have been dealt with for the present study has been Payment of Wages Act, 1936; Minimum Wages Act, 1948 and Payment of Bonus Act, 1965. The following pages present a brief description about these enactments.

*Payment of Wages Act, 1936:*

The Payment of Wages Act, 1936 provides provisions to ensure payment of wages to persons covered by the Act. Chapter III of the Act deals with the responsibility for payment of wages; fixation of wage period; time for payment of wages; mode of payment of wages; deductions which may be made from wages; fines; deductions for absence from duty, for damages or loss, for services rendered; deduction for recovery of advance and loans; deduction for payment to co-operative societies and insurance schemes; etc.
**Minimum Wages Act, 1948:**

The Minimum Wages Act, 1948 has been enacted to secure the welfare of the workers in the competitive market by providing for a minimum limit of wages. The object of the Act is to prevent exploitation of the ignorant, less organized and less advantaged members of the society and for this purpose, it aims at fixation of minimum wages which the employer must pay. This Act provides for the procedure of fixing and revising minimum wages; correction of errors; wages in kind; payment of minimum rates of wages; fixing hours of normal working days; overtime wages for overtime work; wages of workers who work for less than normal working day; wages for two or more classes of work; minimum time-rate wages of piece work, maintenance of registers and records; claims; single application in respect of a number of employees; etc.

**Payment of Bonus Act, 1965:**

The Payment of Bonus Act, 1965 applies to every establishment in which twenty or more persons are employed on any day during an accounting year. It imposes statutory obligation on the employers to pay bonus to all the eligible employees working in the industrial establishments. The Act provides for computation of gross profits and available surplus; sum deductible form gross profits; calculation of direct tax payable by the employer; eligibility and disqualification for receipt of bonus; payment of minimum and maximum bonus to the employees; calculation of bonus with respect to certain employee; proportionate reduction in bonus in certain cases; computation of number of working days; set on and set off of allocable surplus; special provisions with respect to certain establishments; adjustment of customary or interim bonus against and deduction of certain amounts from bonus payable under the Act; time-limit for payment of bonus by the employer; recovery of bonus due from an employer; etc.

**1.4.2 LAWS RELATED TO SOCIAL SECURITY:**

The regulation associated to social security of the employees and the members of their family dealt with for the purpose of the present study has been Workmen's Compensation Act, 1923; Employees' State Insurance Act, 1948; Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and Payment of Gratuity Act, 1972. The subsequent pages put on a concise explanation about these different Acts.
**Workmen's Compensation Act, 1923:**

The Workmen's Compensation Act, 1923 provides for compensation to workmen or their survivors in cases of industrial accidents and occupational diseases, resulting in disablement or death. The compensation in case of death ranges from Rs. 50,000 to Rs. 2.28 lakh and in the case of permanent total disablement from Rs. 60,000 to Rs. 2.74 lakh.66

The Act deals with employer's liability for compensation; notional extension of employer's premises; amount of compensation; compensation to be paid when due and penalty for default; method of calculating wages; commutation of payments; distribution of compensation; notice and claims of the accident; power to require from employers statement regarding fatal accidents; reports of fatal accidents and serious bodily injuries; medical examination; remedies of employer against stranger; compensation to be first charge on assets transferred by the employer; returns as to compensation; etc. Any person who is covered by the Employees' State Insurance Act, 1948 is not entitled to compensation from the employer under the Workmen's Compensation Act, 1923 Act.

**Employees' State Insurance Act, 1948:**

Employees' State Insurance Act, 1948 provides for health care and cash benefits in case of sickness, maternity and employment injury. ESI Scheme is operational in 642 centers' in 22 State/Union Territories. The number of insured persons is 88.19 lakhs and the number of beneficiaries is 3.42 crores. The health and medical care facilities are provided to the workers through a network of 134 hospitals, 43 annexes and 1452 dispensaries located throughout the country.67

Chapter IV of the Act gives details about contribution; principal employer to pay contribution in the first instance; provisions as to and method of payment of contribution; recovery of contributions. Chapter V relates to sickness, maternity, disablement, dependant's and medical benefit; accidents happening while acting in breach of regulation, travelling in employer's transport and meeting emergency; occupational disease; bar against receiving compensation under any other law; liability of owner or occupier of factories for excessive sickness benefit; repayment of benefit improperly received; benefit payable up to and including day of death; employer not to reduce wages and dismiss or punish employee during period of sickness; etc.
Chapter 1

Introduction

Employees' Provident Fund & Miscellaneous Provisions Act, 1952:

Employees' Provident Fund & Miscellaneous Provisions Act, 1952 is applicable to 177 industries/classes of establishments employing 20 or more workers. The wage ceiling for coverage is Rs. 5,000 per month. About 22 million workers are presently covered under the Act. The benefits available to the workers include the provident fund, employees deposit linked insurance and the pension to the workers and their families. The Act provides for equal contribution of the employer and the employee to the fund i.e. ten percent of the basic wages, dearness allowance and the retaining allowance.

Payment of Gratuity Act, 1972:

Payment of Gratuity Act, 1972 provides for payment of gratuity @ 15 days' wages for every completed year of service or part thereof, in excess of seven months. The maximum amount of gratuity payable under the Act was raised from Rs. 1.00 lakh to Rs. 3.50 lakh with effect from 24.9.97. There is no wage ceiling for coverage under the Act. The Act provides for the payment of gratuity, compulsory insurance, nomination, determination of the amount of gratuity, recovery of gratuity, penalties, exemption of employer from liability in certain cases, cognizance of offences, protection of action taken in good faith, protection of gratuity, power to make rules, validation, etc.

1.4.3 LAWS RELATED TO WOMEN:

The statute related to women considered in the present study has been the Maternity Benefit Act, 1961. The brief description of the said act has been exhibited by means of the following paragraph.

Maternity Benefit Act, 1961:

Maternity Benefit Act, 1961 regulates employment of women before and after child birth and provides for 12 weeks maternity leave, medical bonus and certain other benefits. The Act is not applicable to the employees covered under the ESI Act, 1948. The act provides for prohibition of work by or employment of woman during a certain period; right to payment of maternity benefit; continuance and payment of maternity benefit in certain cases; notice of claim for maternity benefit and payment thereof; payment of maternity benefit in case of death of a woman; payment of medical bonus; leave for miscarriage; leave with wages for tubectomy operation; nursing breaks; dismissal during absence of pregnancy; etc.
1.4.4 LAWS RELATED TO WORKING HOURS, CONDITIONS OF SERVICE AND EMPLOYMENT:

The piece of legislation concerned with the working hours, conditions of service and employment dealt with in the present study has been the Factories Act, 1948. A short portrayal of the act has been presented by the subsequent paragraph.

Factories Act, 1948:

The Factories Act, 1948 regulates health, safety, welfare and other working conditions of workers in factories. Chapter III of the Act deals with the 'health of the workers' with reference to such matters as cleanliness, disposal of wastes and effluents, ventilation, dust and fume, artificial humidification, overcrowding, lighting, drinking water, latrines and urinals and spittoons. Chapter IV deals with the 'safety of workers' in a factory. It includes matters such as fencing of machinery, work on or near machinery in motion; striking gear and devices for cutting off power; pits, pumps, protection of eyes; precaution against dangerous fumes; precaution in case of fire; safety of buildings and machinery, maintenance of buildings, etc. Chapter V relates to 'welfare of workers' and provides for washing facilities; facilities for storing and drying clothing; facilities for sitting; first-aid appliances; canteens; shelters; rest-rooms, and lunch-rooms; crèches, welfare officers, etc. Chapter VI deals with 'working hours of adults'. It covers issues like weekly hours; weekly holidays; compensatory holidays, daily hours; intervals for rest; spread over; night shift; wages for extra work; restriction on double employment, etc.

1.4.5 LAWS RELATED TO INDUSTRIAL RELATIONS:

The enactments that convey the matters related to industrial relations and linked to the present study has been the Trade Unions Act, 1926 and the Industrial Disputes Act, 1947. A concise picture of the act has been put forward with the help of the few paragraphs to be followed.

Trade Unions Act, 1926:

The Trade Unions Act, 1926 was enacted with the object of providing for the registration of trade unions and verification of the membership of trade unions registered so that they may acquire a legal and corporate status. Chapter II of the Act discusses the various aspects of registration of trade unions. Chapter III describes the rights and liabilities of registered trade union.
Chapter IV deals with recognition of trade union. Chapter V is concerned with powers to make regulations. The main provisions of the Act are registration of trade union; cancellation of registration and appeals; re-registration of trade unions; incorporation of registered trade unions; duties and liabilities, rights and privileges of a registered trade union; amalgamation and dissolution of a trade union; submission of returns; power to make regulations; penalties and procedures; etc.

**Industrial Disputes Act, 1947:**

The Industrial Disputes Act, 1947 makes provision for the investigation and settlement of industrial disputes. The purpose of the Act is to harmonize the relations between the employer and the workmen, to afford a machinery to settle disputes that arise between the management and the workmen which if not settled, would undermine the industrial peace. Chapter IV of the Act relates to reference of certain individual disputes to the grievance settlement authorities. Chapter V deals with reference of disputes to boards, courts or tribunals; tribunal's jurisdiction; voluntary reference of disputes to arbitration. Chapter VI details out the procedures, powers and duties of conciliation officers, boards, courts and tribunals; form and publication of report and award; commencement of the award; period of operation of settlements and awards; commencement and conclusion of proceedings.

Chapter VII of the Act relates to prohibition of strikes and lock-outs; illegal strikes and lock-outs; prohibition of financial aid to illegal strikes and lock-outs. Chapter VIII deals with right of workmen laid-off for compensation; conditions precedent to retrenchment of workmen; compensation to workmen in case of transfer and closing down of undertakings; procedure for retrenchment; re-employment of retrenched workmen. Chapter IX details out special provisions relating to lay-off, retrenchment and closure in certain establishments. Chapter X relates to prohibition of and penalty for committing unfair labour practices; unfair labour practices on the part of employers and trade unions of employers; unfair labour practices on the part of workmen and trade unions of workmen. Chapter XI deals with penalties for illegal strikes and lock-outs, instigation, breach of settlement or award, disclosing confidential information, closure without notice, other offences; etc.

**To wind up,** in order to meet the expectations of the demanding future, managers have to commit themselves towards the optimum use of the existing
resources. This commitment on the part of the managers at all levels opens to them the vast field of managing these resources. Human Resource is a dynamic element and a potent force having the capacity to alter the destinies of the nations themselves not to speak of the organizations at the micro-level. They represent an investment whose development and mobilization requires managing, planning, organizing, leadership and evaluation. Human Resource is just like a mind, a life-blood in the body of any organization which cannot function without this source.

It should be noted that human resources are responsible for the transformation of traditional economies into modern industrial economies and also for the existing levels of economic development in different countries. The phenomenal economic development achieved by a country like Japan, poor in its natural resources can be attributed to its rich human resources who have been developed slowly and steadily. Development of human resource is the process of helping people to acquire competencies.

In the context of an organization, human resource development is a process which helps the employees of an organization in a continuous and planned way to acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles, develop their general capabilities as individuals and discover and exploit their inner potential for their own and for organizational development purposes, develop organizational culture in which supervisor-subordinate relationship, teamwork and collaboration among sub-units are strong and contribute to the professionals' well being, motivation and pride of employees.

In order to develop these human resources and the State, the Government of Himachal Pradesh announced the New Industrial Policy in December, 2004. The incentives, concessions and facilities provided to the industries under this policy will be available to the eligible units set up in the State only if it employs at least 70% of its total manpower, employed whether on regular/contractual/sub-contractual/daily basis of employment through any other mode from amongst the bonafide Himachali's at all levels in 'A', 'B' and 'C' category of Blocks respectively.

The predominantly agrarian State having diverse agro-climatic conditions and geographical features along with its people started making determined efforts to improve its economic conditions. It opened up its economy and moved to the center stage of national and international business. Efforts were
made to formally link the existing Research and Development institutions, ITI's, Polytechnics and Engineering Colleges with various facets of the industry so as to provide the students an opportunity of technical training, campus interviews, on the job training, development of industrial projects, and their subsequent absorption in the industries.

The industrial units considered for the study have been as follows:

- **Food and food products industry** (Dabur India Limited, Himalaya International Limited and Hindustan Unilever Limited)
- **Textile industry** (GPI Textiles Limited and Sara Textiles Limited)
- **Chemical and chemical products industry** (Ankur Pharma, Pidilite Industries Limited, Torrent Pharmaceuticals Limited and Wings Pharmaceuticals Private Limited)
- **Electronics industry** (Luminous Power Technologies Private Limited, Penguin Electronics Limited and Super Cassettes Industries Limited)
- **Steel and steel products industry** (Aar Aar Castings Private Limited, Him Teknoforge Limited, H.M. Steels Limited, M/s, Radiant Castings and Valley Iron and Steel)
- **Paper and paper products** (Mansa Print and Publishers Limited and M/s Ruchira Papers Limited)
- **Cement industry** (Ambuja Cements Limited)

Government has enacted laws to avoid exploitation of human resource at the hands of the capitalists. Some of the considered for the purpose of the present study have been laws related to industrial relations (Trade Unions Act, 1926 and Industrial Disputes Act, 1947); laws related to wages (Payment of Wages Act, 1936, Minimum Wages Act, 1948 and Payment of Bonus Act, 1965); laws related to working hours, conditions of service and employment (Factories Act, 1948); laws related to women (Maternity Benefit Act, 1961); laws related to social security (Workmen's Compensation Act, 1923, Employees' State Insurance Act, 1948, Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and Payment of Gratuity Act, 1972).

REFERENCES:

Chapter 1

Introduction


3 Sharma, Arvind (1993), quoted in Kolekar B.D., 'HUMAN RESOURCE DEVELOPMENT - A study of Selected Public Sector Undertakings in Maharashtra and Goa', Northern Book Centre, New Delhi, p. 28.


6 Kolekar B.D.(1993), 'HUMAN RESOURCE DEVELOPMENT - A study of Selected Public Sector Undertakings in Maharashtra and Goa', Northern Book Centre, New Delhi, p. 29.


14 Dr. Rao, P. Subba (2005), Ibid., p. 114.


Chapter 1

23 'Industrial Policy and Package of Incentives: Himachal Pradesh' (2004), Compiled by H.P. Centre for Entrepreneurship Development, MBD Printographics, Una, p. 3.
Chapter 1

Introduction

36 Official record of Dabur India Limited.
40 Spinning wheel (2008), Britannica Concise Encyclopedia, Encyclopedia Britannica, Chicago.
53 Steel (2008), Britannica Concise Encyclopedia, Encyclopedia Britannica, Chicago.
54 Official record of Aar Aar Castings Private Limited.
55 Official record of M/s Radiant Castings.
56 Official record of Him Teknoforge Limited.
57 Official record of H.M. Steels Limited.
58 Official record of Valley Iron and Steel Company Limited.
60 Official record of Mansa Print and Publishers Limited.
61 Official record of M/s Ruchira Papers Limited.
Chapter 1

Introduction


