CHAPTER FIVE

PROFILE OF INDUSTRY IN THE POONA REGION

Having seen the industrial profile of the State of Maharashtra, as a whole it is now proposed to examine, in depth, the industrial pattern and development in the Poona Region. The present study limits itself to the small industries existing in and around Poona.

Situated 190 km. south-east of Bombay, Poona provides an ideal centre for location of industries because of easy transport, easy availability of skilled personnel, a dependable supply of water and electricity and excellent equable climate of the city.

Poona, since long, has been known for its cultural and educational heritage. Poona was made a Municipal town in 1857. In the year 1869, Ammunition Factory was established at Poona. During the period of the Second World War, the defence industries were further expanded ultimately resulting in further growth of the city. The years went by and some of the big industrialists and their organisations established their units in and around Poona. The prominent amongst these are Padamjees, Pitties, Sathes, Parkhes, Kirloskars etc., all being essentially the local family houses. With the establishment of their large industries, many small industries, for servicing these larger units also came into being. Poona, that way, traditionally was not known as the city of organised
above, industries. But, as stated/attempts were made in the last quarter of 19th century to promote industries in the vicinities of Poona. Sardar Dorabjee Padamjee founded the Deccan Paper Mills in 1885. Raja Bahadur Mill was started in 1893. With the blessings of Lokmanya Tilak, the well-known industry named "Paisa Fund" was started in Poona to boost up the Swadeshi Movement. This factory started manufacturing glass products at Talegaon in 1903. In the year 1940, High Explosive Factory was started by the Government of India at Kirkee near Poona. All these factories founded in the latter part of the 19th century and the beginning of 20th century, have grown in capacities today and have recorded noteworthy progress over these years. In 1946, the Kirloskar Oil Engines gave further impetus for setting up a number of small units some of which became the ancillary units, feeding the required components to big units like the Kirloskars. The Poona Municipal Corporation was established in 1950. It was followed by the establishment of various large units like the Rustons and Hornsby (India) Ltd. in 1954; the Hindustan Antibiotics (a public sector undertaking) in 1955 etc. These gave a further fillip to the growth of small scale ancillary units in and around Poona.

The establishment of Hindustan Antibiotics has provided the nucleus of development to Pimpri-Chinchwad area, the Swastiks and the Kirloskars changed the complex of Kirkee-
Dapodi area near Poona. The further establishment of industries has led to a congestion of a variety of units on the Bombay-Poona Road. The units of Tatas, Sandwik, S.K.F., Elpro, Mahindra Group of Industries etc. have now joined the units and with that many ancillary small units also emerged and grew fast. This encouraged many new entrepreneurs to find out the new areas for development, in the outskirts of Poona, such as on Poona-Nagar Road and Poona-Sholapur Road in the East, and Poona-Nasik Road in the North. This growth was further accelerated mainly because of convenience and potential and also due to restrictions imposed by the State Government on further industrial expansion in Greater Bombay.

The Hadapsar Industrial Estate was established, in 1956, by the Poona Municipal Corporation. The octroi duty on raw materials and machinery was exempted for the units located in this industrial estate. This concession attracted a number of units to this industrial estate.

After this, Maharashtra Industrial Development Corporation (M.I.D.C.) came into being, in 1960. MIDC undertook the development of a large industrial area at Bhosari. A functional "Electronic Estate" was established by MIDC, wherein the units producing electronic equipments were situated.

Development of new industrial areas further continued resulting in the establishment of new industrial estates at
Parvati, Gultekadi, Shankarshet Road and at Karve Road in the Poona region. A noteworthy feature of industrial development in Poona is that there is no concentration of any particular industry, though the complex in Poona industry is relatively more influenced by the engineering units. The major fields covered by the large and small units in and around Poona could be listed as follows -

(A) Fields of Large/Medium Industries:

1. Textiles
2. Pharmaceuticals
3. Diesel Engines
4. Air Compressors
5. Sugar Machinery
6. Paper Products
7. Rubber Goods
8. Biscuits
9. Chocolates
10. Electric Fans
11. Chemicals
12. Scooters
13. Paper
14. Glass
15. Electrical Appliances
16. Electronic Instruments
17. Machine Tools
18. Dye-Stuffs
19. Trailers
20. Cables
21. Plastics etc.

The above list proves that the large industrial complex in and around Poona produces a variety of goods and is not dominated by a particular or few products.

Following are the major fields in which the small industry predominates.
(B) Fields of Small Scale Industries:

1. Brass and Copperware 10. Leather articles
2. Sarees 11. Chemicals
3. Hosiery 12. Pharmaceuticals
5. Electrical Equipments 14. Dyeing
6. Stationery goods 15. Soaps
8. Furniture 17. Scientific Instruments
9. Toys 18. Dhoties etc.

Thus, the complex of Small Scale units in and around Poona is engaged in the manufacture of mainly the consumer items. It also meets the requirements of spares and components of large industries on the one hand and the consumer goods required by the masses on the other.

**Pimpri Chinchwad New Township Municipal Council**

Regional Metropolitan Planning Board was established in 1967 under the Maharashtra Regional and Town Planning Act, 1966. The Board published its report pertaining to the development of the Poona Metropolitan Region in March 1970. Poona Metropolitan Region covers in addition to the present Poona Corporation Area, Poona, Kirkee and Dehu Road Cantonments, Municipal towns of Talegaon Dabhade, Pimpri-Chinchwad and Alandi and 127 villages around.

The Pimpri-Chinchwad New Township Municipal Council was established in the year 1970, as per the suggestions of the above Board. A development authority called "Pimpri-Chinchwad
New Township Development Authority has been established and it has started acquiring land and planning for the new township. This would further boost up the industrial activity in the Pimpri-Chinchwad area on a more desirable basis.

Location of industry requires consideration of some basic requirements, viz. land, transport, electricity, labour allied services, markets, climate etc. Every industry, whether large or small, has to take into account all the above factors. The development of industry with such an accelerated rate in this area itself proves that almost all the above factors are favourably placed in the Poona region for the establishment of an industrial unit. Let us briefly go through each and every variable mentioned above.

Land

Land was and is easily and adequately available in and around the Poona City. The development of small industry has been around Poona / mainly through various Industrial Estates established by the Government through which the land is made available to the industrialist at relatively cheaper rates. There are five different regions conceived. Pimpri-Chinchwad area is the main region on Poona-Bombay Road. MIDC is mainly responsible for establishing the industrial estate at Bhosari, on Poona-Nasik Road. There is still scope for industrial development on Poona-Nagar Road. Hadapsar Industrial Estate on Poona-Sholapur Road can still accommodate new entrepreneurs. Parvati Industrial Estate is comparatively new on Poona-Satara
Road. These are, as stated earlier, essentially meant for small industries.

**Transport**

Poona is an important railway junction. Railways going to the South pass through Poona. Rail Transport to the North is also available from Bombay. Bombay is around 192 Kms. from Poona wherefrom all the routes going to various corners of the country initiate. This is a main advantage to Poona industry. Same is the case of road transport. Bombay-Bangalore road passes through Poona only. Poona-Nasik Road joins the National Agra Highway which obviously becomes an entry to the North. Nearness of Bombay is also an additional advantage. This is because Bombay is the main port of communication on the Western Indian Coast linking India with almost all the developed nations in the West. Thus, transport has never been a problem to the Poona industry.

**Raw Materials**

As seen earlier, Poona industry is a complex, producing various types of products. Some of them are the end products and some go to other industries as raw material or semi-finished products. Again, nearness to Bombay, as described above, is also a great asset. Bombay being a nucleus of Indian industry, raw material of any type is available in Bombay markets and that too at competitive rates. Imported raw material also can be brought to the place of production in time and at reasonable cost from Bombay to Poona.
Electricity

Electricity was never a serious problem to units in Poona region. The chief supply of electricity comes to Poona from Koyana dam. In drought years and due to failure of power plants, Poona occasionally suffered for about an year or so recently. Staggered holidays were arranged by the State Government to maintain continuous supply of electricity to industries in Bombay and Poona. The State Government is anxious to maintain supply of electricity at normal levels to the industrial units to reduce production losses.

Water

Poona has two dams constructed for the water storage. One of the dams at Khadakwasla was constructed long back, in the British regime. Another one is just completed at Panshet on the same river. Both dams together have a sufficient capacity to store water. Poona is also having a filtered water plant. Thus, water is available sufficiently for the Poona industries normally.

Labour

Poona, basically is an Educational Centre. All types of education is available in Poona. Poona is well known for its talents. There are Labour Training Centres and Management Institutions. Thus skilled labour is available with more ease for the industries.

Also various other types of services are also available in Poona. Small industrialists with one or two lathes are always available handy for services like machining, job work
etc. Consultancy firms like the Kirloskar Consultants have come up to offer all sorts of consultancy. Important Government Offices are located in Poona (including that of Labour Commissioner's Office) with whose assistance problems relating to the administration etc. can be solved within a short time.

Educational Facilities

Poona provides facilities for educational instructions in all branches of learning. It has an engineering college having almost all branches including the branch of instrumentation. The National Chemical Laboratory, one of the 25 National Laboratories in India, is also situated in Poona. Industrial Research Laboratory, Small Industries Research Institutes, the Extension Centre of SISI are also available in Poona.

A non-official body of industry and trade, The Mahratta Chamber of Commerce and Industries, is also contributing its efforts for industrial development of Poona. Industries in Poona area are also served by professional institutions like The Poona Management Association, Institute of Engineers, National Institute of Labour Management etc.

General Statistics of Poona

Some broad set of basic statistical information about Poona is worth studying to start with.

(1) Total area of the Poona Municipal Corporation 138.85 Sq.Km.
(2) Poona Cantonment Area 13.99 "
(3) Kirkee Cantonment Area 13.20 "
(4) Height above sea level 570.00 Meters.
(5) Distance from sea coast 107.25 Km.
(6) Latitude 18.31°N
(7) Longitude 43.51°E

Source: (58)

Industrial Profile of Poona (In general):

As per the Industrial and Commercial Directory of the Poona City, 1972, published by the Marhatta Chamber of Commerce a total number of 1473 industrial units inclusive of large, medium and small industries, existed in and around Poona City in 1972. The total capital invested in these factories was Rs. 129.44 crores with their production worth Rs. 220.27 crores and offering employment to about 76,110 persons.

The industries in Poona have received financial assistance from various agencies. Bank of Maharashtra sanctioned Rs. 5.98 lakhs under various schemes during the period of 1962-67. (59) M.S.F.C. sanctioned Rs. 40.62 lakh under the agency cum guarantee agreement during the period of 1961-67. (60) Rs. 152.00 lakh loans under the Corporation rules were paid by M.S.F.C. in the same period. (61) State Bank of India paid loans etc. to the tune of Rs. 4.5 lakh during the period of 1961 to 1967. (62) The National Small Industries Corporation disbursed Rs. 60,000 (approx.) in the form of machinery for the same period (63). M.S.S.I.D.C. delivered machinery worth Rs. 4.76 lakh during the above period (64).
Statistics relating to Industries in the Poona Region is given in Table 22. (Please refer Table No.22).

The above Table clearly shows the general composition and profile of all industries, small, medium and large.

The whole complex of 1,473 industries can be divided into nine different categories. Engineering is the largest group of industries amongst these, with as many as 617 units (almost 42%). The next is (miscellaneous group of industries 10.50% of the total number of industries), followed by the processing group of industries with about 9.71% of the total number of units. 9.23% of the total is Textile group whereas Electrical and Electronics group is also nearer to the Textile group with about 9.03% of the total number of units. Engineering industries employ around 38% of the total workers and produce goods worth about 43% of the total production by employing about 41% of the total capital employed by industries in Poona Region. The next in number as far as these figures are concerned, is the Electrical-Electronics group of industries which employ as many as 15% of the total workers, producing 21% of the total production by all industries employing around 24% of the total capital. Processing industries rank next, followed by the Food units and Chemical industries. All the remaining groups viz. Textile, Printing, Mineral products, etc. rank at the bottom of the list. Thus, we find that the major
Table 22: Statistics Relating to Industries in the Poona Region (Year 1971)

<table>
<thead>
<tr>
<th>No.</th>
<th>Classification</th>
<th>No. of Units</th>
<th>% to Total</th>
<th>No. of workers</th>
<th>% to Total</th>
<th>Value of production Rs. lakh</th>
<th>% to Total</th>
<th>Capital Rs. lakh</th>
<th>% to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Engineering</td>
<td>617</td>
<td>41.89</td>
<td>29,243</td>
<td>38.42</td>
<td>9507.30</td>
<td>43.16</td>
<td>5376.94</td>
<td>41.54</td>
</tr>
<tr>
<td>2.</td>
<td>Processing</td>
<td>143</td>
<td>9.71</td>
<td>8,020</td>
<td>10.54</td>
<td>1968.29</td>
<td>8.03</td>
<td>2398.77</td>
<td>18.53</td>
</tr>
<tr>
<td>3.</td>
<td>Chemicals</td>
<td>132</td>
<td>8.96</td>
<td>6,373</td>
<td>8.37</td>
<td>2694.54</td>
<td>12.33</td>
<td>432.66</td>
<td>3.34</td>
</tr>
<tr>
<td>5.</td>
<td>Electrical and Electronics</td>
<td>133</td>
<td>9.03</td>
<td>11,297</td>
<td>14.84</td>
<td>4461.95</td>
<td>20.26</td>
<td>3200.10</td>
<td>24.72</td>
</tr>
<tr>
<td>6.</td>
<td>Mineral Products</td>
<td>50</td>
<td>3.39</td>
<td>3,459</td>
<td>4.54</td>
<td>451.34</td>
<td>2.05</td>
<td>98.98</td>
<td>0.76</td>
</tr>
<tr>
<td>7.</td>
<td>Food Industries</td>
<td>63</td>
<td>4.28</td>
<td>8,901</td>
<td>11.69</td>
<td>1695.81</td>
<td>7.70</td>
<td>698.53</td>
<td>5.40</td>
</tr>
<tr>
<td>8.</td>
<td>Printing</td>
<td>45</td>
<td>3.05</td>
<td>722</td>
<td>0.95</td>
<td>42.79</td>
<td>0.19</td>
<td>46.65</td>
<td>0.36</td>
</tr>
<tr>
<td>9.</td>
<td>Miscellaneous</td>
<td>154</td>
<td>10.45</td>
<td>3,143</td>
<td>4.13</td>
<td>200.44</td>
<td>0.91</td>
<td>279.93</td>
<td>2.16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1473</td>
<td>100</td>
<td>76,110</td>
<td>100</td>
<td>22026.32</td>
<td>100</td>
<td>12943.62</td>
<td>100</td>
</tr>
</tbody>
</table>
share is contributed by the Engineering group of Industries in this region.

Profile of Selected Group of Industries

Having studied in general the profile of Poona industries, let us come to the groups of industries which the author has specifically selected for this study. These fall in the category of -

1. Engineering
   (a) own products and
   (b) job work
2. Electrical and Electronics
3. Chemicals including Rubber manufacturing units
4. Paper products and Box manufacturing
5. Mineral Products viz. (a) Cement, (b) Ceramics
   (c) Glass etc.
6. Miscellaneous viz. sanitary towels etc.

Industries such as Printing, Textiles etc. have not been covered.

Following Table indicates the groups as well as the units from each group.

<table>
<thead>
<tr>
<th>Group</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engineering</td>
<td></td>
</tr>
<tr>
<td>(a) own products</td>
<td>73</td>
</tr>
<tr>
<td>(b) job work only</td>
<td>131</td>
</tr>
<tr>
<td>2. Electrical and Electronics</td>
<td>36</td>
</tr>
<tr>
<td>3. Chemicals and Rubber Manufacturing</td>
<td>66</td>
</tr>
<tr>
<td>4. Paper products and Box manufacturing</td>
<td>26</td>
</tr>
<tr>
<td>5. Mineral products</td>
<td>17</td>
</tr>
<tr>
<td>6. Miscellaneous</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>402</td>
</tr>
</tbody>
</table>

Source: (66)
The above table gives an analysis of the major types of manufacturing industries existing in Poona. Engineering group is the largest one covering almost 50% of the industries in the small sector, followed by Chemical Industries. Electricals and Electronics group is fast coming up in the region. There are quite a few units manufacturing products from paper and wood as the main raw material. Miscellaneous group covers units manufacturing products like sanitary towels, kitchenware utensils, camera stands, tooth powder, surgical appliances etc., is noteworthy for its variety hold about 10% of the total units. Now let us study the age of these units i.e. the period of existence. The analysis is done yearwise, 1965 onwards. Please refer the following Table.

Table 24: Period of existence of the Small Industries in the Poona Region (No. of units established - yearwise)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>98</td>
<td>60</td>
<td>29</td>
<td>16</td>
<td>1</td>
<td>204</td>
</tr>
<tr>
<td>Own products</td>
<td>(37)</td>
<td>(22)</td>
<td>(12)</td>
<td>2</td>
<td>-</td>
<td>(73)</td>
</tr>
<tr>
<td>Job work</td>
<td>(61)</td>
<td>(38)</td>
<td>(17)</td>
<td>14</td>
<td>1</td>
<td>(131)</td>
</tr>
<tr>
<td>Electrical and Electronics</td>
<td>(12)</td>
<td>(10)</td>
<td>(6)</td>
<td>6</td>
<td>-</td>
<td>(34)</td>
</tr>
<tr>
<td>Chemicals</td>
<td>(39)</td>
<td>(16)</td>
<td>(7)</td>
<td>4</td>
<td>-</td>
<td>(66)</td>
</tr>
<tr>
<td>Paper Products</td>
<td>(10)</td>
<td>(13)</td>
<td>(2)</td>
<td>1</td>
<td>-</td>
<td>(26)</td>
</tr>
<tr>
<td>Box Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mineral Product</td>
<td>(9)</td>
<td>(5)</td>
<td>(2)</td>
<td>-</td>
<td>1</td>
<td>(17)</td>
</tr>
<tr>
<td>Miscellaneous Gp.</td>
<td>(34)</td>
<td>(12)</td>
<td>(5)</td>
<td>3</td>
<td>1</td>
<td>(55)</td>
</tr>
<tr>
<td>Total</td>
<td>202</td>
<td>116</td>
<td>51</td>
<td>30</td>
<td>3</td>
<td>402</td>
</tr>
</tbody>
</table>

Source: (67).
Almost fifty percent of the total small manufacturing units have come to be established by 1965.

This means the subsequent addition in the number of units (of almost one hundred percent) has taken place within a span of 1965 to 1970.

Out of the total of 105 engineering units established during the period of 1965 to 1970, 69 units manufactured job work and only 36 units were established for manufacturing their own product. The addition in the group of electricals and electronics is significant during the same period. Between 1966-68, 10 units were started i.e. almost 90% growth over 1965 figures. In all, between 1965 to 1970, there is a 200% addition in number of units over the 1965 figures. Chemicals group also showed the same trend. For the period of 1966 to 1968 it had the addition in number of units by about 50% over the 1965 figures. Paper Products group also had a significant addition of sixteen units during 1965 to 1970. Minerals group and miscellaneous group also recorded the addition of units during the period.

However, decline in the number of units getting established since the year 1970 onwards cannot be overlooked easily. Industrial recession is stated to be one of the main reasons for this decline in the growth rate. So also the fabulous inflation which has engrossed the Indian Economy since last two-three years is keeping the new entrepreneurs away, discouraging the establishment of new units.

Now let us see the constitutionwise analysis of these 402 units in Poona. The following Table presents data under four
major forms of organisation -
(1) Proprietary
(2) Partnership
(3) Private Limited Co.
(4) Public Limited Co.

The partnership and proprietary constitutions are more pre-
dominant in smaller units. Few are Private Limited; but the
proportion of Public Limited Companies is almost negligible.

Table 25 (Year 1971): Forms of Organisation of the Small Scale
Industries in Poona Region

<table>
<thead>
<tr>
<th>Group/Constitution</th>
<th>Proprietary</th>
<th>Partnership</th>
<th>Pvt.Ltd.</th>
<th>Public Ltd.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engineering</td>
<td>107</td>
<td>88</td>
<td>9</td>
<td>-</td>
<td>204</td>
</tr>
<tr>
<td>Own products</td>
<td>31</td>
<td>36</td>
<td>6</td>
<td>-</td>
<td>73</td>
</tr>
<tr>
<td>Job work</td>
<td>76</td>
<td>52</td>
<td>3</td>
<td>-</td>
<td>131</td>
</tr>
<tr>
<td>2. Electrical and Electronics</td>
<td>13</td>
<td>18</td>
<td>3</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>3. Chemicals</td>
<td>24</td>
<td>37</td>
<td>4</td>
<td>1</td>
<td>66</td>
</tr>
<tr>
<td>4. Paper Products and Box Manufacturing</td>
<td>8</td>
<td>17</td>
<td>1</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>5. Mineral Products</td>
<td>4</td>
<td>12</td>
<td>1</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>6. Miscellaneous Products</td>
<td>28</td>
<td>20</td>
<td>3</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>184</strong></td>
<td><strong>192</strong></td>
<td><strong>21</strong></td>
<td><strong>5</strong></td>
<td><strong>402</strong></td>
</tr>
</tbody>
</table>

Source: (68)

The overall figures in the above Table show that the
Partnership concerns as a whole have got an edge over the
Proprietary concerns. Private Limited Companies are only 21 out
of 402 total units i.e. around 5%. Public Limited Companies are only 5 in number. The analysis of Engineering group shows that Partnership is predominant in own product manufacturing; whereas the units doing job works only are run on Proprietary basis. If an overall view of the Engineering group of companies is taken, then we find that about 55% of the total 204 units are run on Proprietary basis. About 40% of the total units are run as Partnerships and the remaining 5% are run as Private Limited concerns. In case of Electrical and Electronic group of industries also Partnership concerns predominate with 18 units out of a total of thirty four. Thirteen units are run as Proprietary units. Three units are Private Limited Companies. Partnership constitution also has an edge over Proprietary constitution in the Chemical group, Paper and Box Manufacturing group and in Mineral group of industries. Thirty seven units of Chemical group out of sixty six in total, seventeen units out of twentysix in case of Paper and Box Manufacturing group and twelve units out of a total of seventeen units in case of Mineral product industries were Partnership firms. Twenty-eight units with Proprietary form out of a total of fifty-five units in the case of Miscellaneous group of industries show that Proprietary Constitution was more common in this group. Twenty units belonged to Partnerships with three more to Private Limited group. Thus, we find that in toto, Proprietorship firms are predominant in Engineering and Miscellaneous group, whereas in all the other groups Partnership form of organisation is predominant. In general
the family type of constitution (i.e. Proprietory + Partnership) Predominates in the region with 376 units of this nature out of a total of 402 units i.e. more than 90%.

Now, let us study the figures of Production, Total number of workers engaged and capital employed in these 402 units.

Table 26: Statistics pertaining to Small Scale Industry in the Poona Region relating to their Production, Capital, etc. (Year 1971).

<table>
<thead>
<tr>
<th>Group</th>
<th>Total Production Rs. Lakh</th>
<th>Total No. of workers</th>
<th>Total Capital Employed Rs. Lakh</th>
<th>Capital not mentioned in following units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Engineering</td>
<td>307.13</td>
<td>2680</td>
<td>201.27</td>
<td>28</td>
</tr>
<tr>
<td>Own Products</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Work</td>
<td>178.93</td>
<td>1500</td>
<td>106.55</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>128.20</td>
<td>1180</td>
<td>94.72</td>
<td>16</td>
</tr>
<tr>
<td>2. Electrical and Electronics</td>
<td>43.17</td>
<td>353</td>
<td>33.13</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>(6%)</td>
<td>(7%)</td>
<td>(8%)</td>
<td>(11%)</td>
</tr>
<tr>
<td>3. Chemical</td>
<td>147.81</td>
<td>693</td>
<td>75.65</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>(20%)</td>
<td>(13%)</td>
<td>(17%)</td>
<td>(10%)</td>
</tr>
<tr>
<td>Box Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(9%)</td>
<td>(5%)</td>
<td>(6%)</td>
<td>(8%)</td>
</tr>
<tr>
<td>5. Mineral Products</td>
<td>37.57</td>
<td>325</td>
<td>28.22</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>(5%)</td>
<td>(6%)</td>
<td>(7%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>6. Miscellaneous</td>
<td>136.87</td>
<td>887</td>
<td>72.27</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>(18%)</td>
<td>(17%)</td>
<td>(16%)</td>
<td>(20%)</td>
</tr>
<tr>
<td>Total</td>
<td>732.21</td>
<td>5185</td>
<td>437.46</td>
<td>61</td>
</tr>
</tbody>
</table>

(Figures in bracket indicate percentages)

Source: (69).
The total 402 manufacturing small firms on an average produced Rs. 732 lakh worth of goods by employing about 5,200 workers and the total capital employed by these was to the tune of Rs. 437 lakhs.

Production

Out of the total production of Rs. 732 lakh in the year 1971, 42% production about Rs. 307 lakh was contributed by industries in the Engineering group. Out of this, approximately Rs. 178 lakh worth of production was that of units producing their own product. Remaining share of approximately Rs. 128 lakh was on account of the jobwork done by other units.

One more interesting observation that can be made here is that, out of 204 total Engineering group units, as seen earlier in this Chapter, only 73 units belonged to the own product manufacturing group which produced goods worth Rs. 178 lakh out of a total of Rs. 307 lakh. This clearly mean 60% of the total production was contributed by the "own product group" with lesser number of units i.e. about 35% of total units. Whereas about 65% of the total engineering units doing merely job work produced only about 40% of total production. It seems, therefore, obvious that own product group did better business than the job work group. There can be reasons for the same. Own product group has got its independent, almost reserved market, whereas the job work units group operate as ancillaries broadly for bigger units around. These units depending on the job work were to the extent of more than one percent units. Thus, in a way, market expansion is in the hands of the own product.
industries group, whereas the job work units group has to look to the parent units. Secondly, in case of recession, own product industries can hope to better survive as, it can diversify efforts, to keep the market demand going, sometimes even by reducing its profit margin. But the wheels of job work units stop once the parent units are engulfed in the wave of recession. Thirdly, in case of the market developments and the change in consumer preferences, the own product industry can introduce the new developments quickly. In case of job work units, one fine morning the parent units may stop taking deliveries from the ancillary units asking them to change the design as per new specifications given to them and start the supplies immediately. In absence of money, know-how etc. such job work units find it very difficult to change over overnight.

Next in importance is chemical group of units. This group contributed approximately 20% of the total production in volume. This is followed by the Miscellaneous group with 18%, Paper and Box manufacturing with 9%. As stated earlier in this Chapter, Electrical and Electronics group has been coming up fast in Poona with a contribution of approximately 6% of the total. Mineral units contributed a very nominal share of about 5% to the total production.

Workers

The total strength of the industrial workers covered in these six groups was around 5,200 (Table No. 26). Again, as seen earlier, Engineering being the dominant group in the Poona region which shared almost 52% of the total workers, about 2,680.
Out of these, about 1500 workers (approx. 56%) belonged to the own product manufacturing units covering 73 of the total 204 units and remaining 1180 workers (approx. 44%) belonged to the 'job work' units covering 131 of the total 204 units. This observation clearly indicates that job work units were smaller establishments when compared to the 'own product' units. This means that per unit of own product manufacturing group there were around twenty one workers employed. Whereas, per unit of job work manufacturing group, there were only nine workers employed, showing that this group was smaller by establishment than the own product manufacturing one.

The next one following is a miscellaneous group employing 17% of the total workers. Chemicals ranked next with 13%. One major point to be marked here is that the Chemical units as seen earlier, employing only 13% workers of the total, manufactured 20% production of the total, whereas the miscellaneous group with 17% workers of the total, manufactured only 18% of the total production.

Capital

Again as far as the total capital employed in concerned, the major group of Engineering was in the forefront. It shared 46% of the total capital employed in all these six groups. This share came to Rs. 201.27 lakhs. Out of this the own product manufacturing industry shared Rs. 106.55 lakh (about 53% of the total of Engineering group) and the job work industry group shared Rs. 94.72 lakh (i.e. about 47% of the total for Engineering group). If we consider the per industry per unit
share of the own product manufacturing and job work industry group, we come to following findings. Every unit in own product group on an average produced Rs. 2.5 lakh worth goods by employing on an average 21 workers and employing the capital on an average of Rs. 1.5 lakhs. In short, per worker, the investment came to about Rs. 0.071 lakh in this group. Whereas, the job work industrial group produced on an average Rs. 0.97 lakh worth goods per unit by employing on an average 9 workers per unit and the capital employed for this performance was to the tune of Rs. 0.72 lakh per unit.

The next in investment is the Chemical industry, which is to the tune of 17% of the total i.e. Rs. 75.65 lakhs. This is followed by 16% investment in the Miscellaneous group of industries. Thus, the chemical group, by employing Rs. 76.00 lakhs as (approx.) capital, about 690 workers produced goods worth Rs. 148.00 lakhs approx. whereas the miscellaneous group which is very nearer to the chemical group produced goods worth Rs. 137.00 lakh (approx.) by employing 890 workers (approx.) and employed a capital of Rs. 72.00 lakhs (approx.) only.

The next in ranking is the Electricals and electronics industrial group. The investment here was worth Rs. 33.13 lakhs and the production was only Rs. 43.00 lakhs i.e. the output of these units was very much less compared to the investments made. There were many problems; the main being that this industry is recently organised and taking roots; yet is coming up fast. Many units have still to complete their moratorium periods. These problems have been dealt with in details at appropriate stages.
The next in ranking is the Metals and Mineral products industry group. The investment in this group was around 7% of the total which came to about Rs. 28.00 lakhs. This group is followed by the group of Paper Products and the Box Manufacturing units with hardly about 6% investment of the total.

There were about 61 industries which did not supply information in response to questionnaire regarding their capital investment. Out of these there were 28 units (47%) were from Engineering, 13 units (20%) of Miscellaneous group, 7 units (11%) of Electrical and Electronics group, 6 units (10%) of Chemicals and 5 units (8%) were of Paper Products and Box Manufacturing group. Having seen the position of the groups of small industries, in question, let us compare these small groups with their equivalents in large and medium industries.

**Engineering Group**

In all there were 617 engineering units in this sector. Out of these, 204 units were the small ones, about 33% of the total. Out of approximately 29,000 workers employed in this group, as a whole, the small industry employed about 2,600 (about 9%). The whole group produced per year on an average Rs. 9,500 lakh worth goods out of which the small units' share was Rs. 307 lakh - a (3%) of the total. The total capital employed in this group as a whole was around Rs. 5,400 lakhs. The small industry's share in the investment was Rs. 201 (4%) lakh.

**Electricals and Electronics**

There were 34 small units in a total of 133 units of this group (26%). The small units in this group employed about

* (Please refer Table No.27).
<table>
<thead>
<tr>
<th>Groups</th>
<th>Total No. of</th>
<th>% of S.S.I.</th>
<th>Total S.S.I.</th>
<th>% of S.S.I.</th>
<th>Total Production in S.S.I.</th>
<th>% of S.S.I.</th>
<th>Total Capital employed in S.S.I.</th>
<th>% of S.S.I.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units</td>
<td>to units</td>
<td>S.S.I. units</td>
<td>to total</td>
<td>Rs. lakh</td>
<td>to total</td>
<td>Rs. lakh</td>
<td>to total</td>
</tr>
<tr>
<td>1. Engineering</td>
<td>617</td>
<td>204</td>
<td>33</td>
<td>29,243</td>
<td>2,680</td>
<td>9</td>
<td>9,507</td>
<td>3</td>
</tr>
<tr>
<td>2. Electricals and Electronics</td>
<td>133</td>
<td>34</td>
<td>26</td>
<td>11,297</td>
<td>353</td>
<td>3</td>
<td>4,452</td>
<td>1</td>
</tr>
<tr>
<td>3. Chemicals</td>
<td>151</td>
<td>66</td>
<td>56</td>
<td>11,285</td>
<td>693</td>
<td>6</td>
<td>3,473</td>
<td>4</td>
</tr>
<tr>
<td>4. Paper Products and Box manufac-</td>
<td>123</td>
<td>26</td>
<td>22</td>
<td>3,108</td>
<td>247</td>
<td>8</td>
<td>990</td>
<td>7</td>
</tr>
<tr>
<td>turing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Miscellaneous</td>
<td>64</td>
<td>55</td>
<td>85</td>
<td>1,213</td>
<td>887</td>
<td>7</td>
<td>202</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>1,138</td>
<td>402</td>
<td>59,605</td>
<td>5,185</td>
<td>8</td>
<td>19,085</td>
<td>4</td>
</tr>
<tr>
<td>7. Printing, Textile, Food, Oil</td>
<td>335</td>
<td>-</td>
<td>-</td>
<td>16,505</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>etc., which are not covered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,473</td>
<td>-</td>
<td>76,110</td>
<td>-</td>
<td>-</td>
<td>22,027</td>
<td>-</td>
</tr>
</tbody>
</table>
350 workers (3%), out of the total strength of about 11,200. The small units produced goods worth Rs. 43 lakhs out of a total production of Rs. 4,462 lakh in this group, which comes to about 1%. At the same time to produce this 1% output, the small units' share in the investment was Rs. 33 lakhs out of the total investment of Rs. 3,200 lakh.

**Chemicals**

In this group 66 units out of the total 151 units were the small units (56%). The employment provided by them however was very meagre, only 6% of the total. Only 690 workers are employed by small units out of a total of 11,230 workers. Their share in production was still smaller, - only 4% of the total. These small units produced goods worth Rs. 14.8 lakhs out of a total of Rs. 3,470 lakhs. For making this production these units employed only 6% of the total capital investment i.e. Rs. 76 lakhs against a total capital investment of Rs. 1,343 lakhs for the whole sector.

**Paper Products and Box Manufacturing Units**

The small industries section covered about 22% of the total units. Out of the total number of 123 units in this group, the smaller units numbered 26. These 26 units employed about 8% of the total strength of the workers, i.e. about 250 workers out of a total of 3,100 workers. These 26 units produced goods worth Rs. 60 lakhs out of a total production of Rs. 990 lakhs, (7%). For this, the small units employed capital of the order of Rs. 27 lakhs out of the total of Rs. 1,480 lakh, i.e. 2% of the total capital investment.
Mineral Products

There were 17 units in the small industries group, out of the total of 50 units. This share of the smaller units was about 35% of the total. These units employed about 325 workers, Rs. 28 lakhs as capital to produce goods worth Rs. 37 lakhs of the total. In percentage to total these small units employed 8% of the total workers, 25% of the total capital employed to produce about 9% of the total production.

Miscellaneous Products

The small industries of about 85% of the total units employed about 7% of the total employees and 30% of the total capital investment to produce goods worth 70% of the total. In short there were 55 small units out of the total of 64 units, employing 887 workers out of the total of 1,213 workers, employing Rs. 72 lakhs capital out of the total capital investment of Rs. 242 lakhs, for the production of Rs. 137 lakhs out of the total production of Rs. 202 lakhs.

Thus, all these groups, comprising only small units, 402 in the total of 1,138 (35%) employing 5,185 out of the total workers from about 59,600 for the whole industry, (8%), shared a capital investment of Rs. 437 lakh out of the total for industry in the Poona region of these selected groups of Rs. 11,75 lakhs, (4%) produced goods worth Rs. 732 lakh p.a. Out of the total of Rs. 19,080 lakhs for all the selected groups, give an overall share of 4%.

Thus, we can see that the Engineering group in the small sector rotates the capital employed about 1.5 times, the
Electronics group rotates the same at about only 1 times, the Chemical group rotates it about 2 times, the paper and box manufacturing group rotates it 2.5 times, the Mineral group about 1 times and lastly the Miscellaneous group of the small industrial sector rotates the same 2 times for the production of goods per annum.

Thus, the foregoing analysis gives us a total picture of the magnitude of the small industry in the Poona Region.
LIST OF SOURCES AND REFERENCES

CHAPTER FIVE

57. Industrial and Commercial Directory of Poona, Published by Mahratta Chamber of Commerce and Industries, Poona, Published in 1972, Page 7.

58. Industrial and Commercial Directory of Poona, Published by Mahratta Chamber of Commerce and Industries, Poona, Published in 1972, Page 7.

59. For the references from 59 to 64 following is the main source:

A Profile of Industrial Development in Poona Region, Published by Directorate of Industries, Poona in 1971, Printed at Yerawada Printing Press, Poona.

59. Page 10, Table 2.

60. Page 11, Table 1.

61. Page 11, Table 2.

62. Page 12, Table 1.

63. Page 12, Table 2.

64. Page 13, Table 1.

65. Industrial and Commercial Directory of Poona, Published by Mahratta Chamber of Commerce and Industries in 1972, Table 2.2.

For further references the main source is as in 65 above, i.e. for 66 to 70.

66. -Do-

67. -Do-

68. -Do-

69. -Do-

70. -Do-