CHAPTER IV

SMALL SCALE INDUSTRIES AND INDUSTRIAL ESTATES – AN OVERVIEW
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Chapter IV

SMALL SCALE INDUSTRIES AND INDUSTRIAL ESTAES – AN OVERVIEW

4.0. Introduction

The primary objective of developing countries like India is to achieve rapid, balanced and sustained rate of economic growth. Achieving these goals inevitably necessitates the transformation of social and economic structures which will not restrain the potential productive forces and inhibit the development of resources. The developing countries world wide has accepted small scale industry as potential productive force for the long range national economic development of a country.

Indian economy is badly in need of a device to boost employment opportunities, raise income and standard of living and to bring about a more balanced and integrated economy. Small scale industry is the best solution for achieving all these goals. The prevailing scarcity of capital for the promotion of large-scale industries and the plentiful supply of labour largely favour the development of small scale industries. It is also essential to provide large scale employment and utilise local raw materials and cater to the local market. Hence, this sector of industry is playing a vital part in the economic structure of India.

4.1. SSI Sector

The SSI sector in India includes a number of industries such as small, tiny, ancillary units, export oriented units, small scale service oriented establishments and women’s enterprises. These industries are ranging from small artisan to modern production units. The term small scale industry evokes different meanings for different agencies. The Planning Commission, Government of India views the entire village and small industries (VSI) sector as a part of the SSI sector. The organised and unorganised segments as well as industrial enterprises run by households and non-households are small scale sector for the National Sample Survey Organisation, Government of India. For Reserve Bank of India, traditional
industries are also coming under the purview of small scale sector. The Central Excise Department adopts the norm of annual turnover of units for identifying SSI units. The industrial policy planners in the Small Scale Industries Board define SSI on the basis of investment in plant and machinery. However, Government of India defined SSI units in terms of investment ceiling on the original value of the installed plant and machinery.

In 1955, the Small Scale Industries Board adopted the following definition for small scale industrial unit. “A small scale unit employing less than 50 persons if using power and less than 100 persons without the use of power and with capital assets not exceeding Rs. 5 lakhs”\(^1\).

An important step in the evolution of the concept was adoption of a new definition for ancillary and non-ancillary small scale industry. This was done in 1960 to facilitate the manufacture of components needed for large scale industries. Accordingly a small industry was defined as “a unit engaged in manufacture, servicing, repairing, processing and preservation of goods having investment in plant and machinery, at an original cost not exceeding Rs. 6 lakhs”\(^2\). An ancillary undertaking was defined as “a unit having investment in fixed assets in plant and machinery not exceeding Rs. 7.5 lakhs and engaged in the manufacture of parts, components, sub-assemblies, tooling or intermediates or the rendering of services and supplying or proposing to supply or render 50 per cent of their production of other articles, provided that no such undertaking shall be subsidiary to or owned or controlled by any other undertaking”\(^3\). In 1966, the definition was revised by raising the ceiling on capital investment in plant and machinery from Rs. 6 lakhs to Rs. 7.5 lakhs for small scale industry and for ancillary unit from Rs. 7.5 lakhs to Rs. 10 lakhs.

In 1975, there was another modification in the definition of the small scale industry. On the recommendation of Small Scale Industries Board considering the steep rise in the prices of capital equipments and of replacement cost, the Government of India raised the investment limit of small scale industry to Rs.10 lakhs and for ancillary units to Rs.15 lakhs, in plant and machinery.
The creation of tiny sector as per Industrial Policy of 1977, leads to the definition of tiny units as “those small scale units with investment in machinery and equipment upto Rs. 1 lakh and situated in towns with a population of less than 50,000 according to 1971 census”\(^4\).

With a view to give impetus to the growth of small scale industry, the Industrial Policy Statement of 1980 had decided to raise the investment limit in plant and machinery from Rs. 1 lakhs to Rs. 2 lakhs in the case of tiny units, from Rs. 10 lakhs to Rs. 20 lakhs in the case of small scale units and from Rs. 15 lakhs to Rs. 25 lakhs in the case of ancillary units.

Modification of the existing definition of SSI and creation of export oriented unit was one of the glaring features of Industrial Policy in 1991. It was the tenth step in the evolution of the concept of small scale industry. The Government of India raised investment limit in plant and machinery, of small scale industry from Rs. 35 lakhs to Rs. 60 lakhs, ancillary units from Rs. 45 lakhs to Rs. 75 lakhs and tiny unit from Rs. 2 lakhs to Rs. 5 lakhs. Those small scale units with an investment in plant and machinery upto Rs. 75 lakhs, and exporting at least 30 per cent of the annual production by the end of the third year from the commencement of production onwards were said to be export oriented units. The Government had issued a notification in 2000, scaling down the investment limit in the fixed assets in plant and machinery for small scale and ancillary units to Rs. 1 crore. However, the investment limit in plant and machinery for tiny units continued to be Rs. 25 lakhs\(^5\).

Small scale sector has been accorded a strategic place in India’s economic development. It has unique advantages of providing high rate of employment opportunities with lesser capital investment, decentralisation of industries, poverty eradication, regional balance and promotion of entrepreneurship. The importance given to small industry in the Indian economy can be seen from the Industrial Policy Resolutions and the Industrial Policy Statements of the Government. The first Industrial Policy declared by the Government of India, 1948 and also the
succeeding policy declarations have assigned the development of small scale industries a prime place in the economic development of the country in general and industrial development in particular. By announcing the policy measures for promoting and strengthening small, tiny and village entrepreneurs in 1991, the Government once again reaffirmed the importance assigned to this sector. The Government stated that ‘the primary objective of Small Scale Industrial Policy during the Nineties would be to impart more vitality and growth impetus to the sector to enable it to contribute its mite fully to the economy, particularly in terms of growth of output, employment and exports’.

4.1.1 Progress of SSI Units in India

Taking the importance of small scale industry into consideration the government is giving prior importance to small scale industries for the development of the economy. It is evident from its various five year plans. In the first five year plan (1951-56), small scale industries were divided into three groups namely a) those in which small scale production has certain advantages and is not affected by large scale industry, b) those in which small scale industry is concerned with the manufacture of certain parts in which the pre-dominant role is that of large scale industry and c) those in which small scale industry has to meet the competition of the corresponding large scale industry. Various programmes like reservation of production for a new product, arrangement for the supply of raw materials and restrictions on the expansion of capacity for large scale industries were undertaken by the Government during this plan.

The programmes for village and small industries carried out during the second five year plan (1956-61) were considerably larger than in the first. During this plan more emphasis was given for increasing the employment opportunities. Programmes for the second plan and problems connected with their implementation had been reviewed by a committee known as the Karve Committee.

During the third five year plan period (1961-66) measures were taken to increase productivity of the workers and reduce cost of production. Steps were
also taken to promote the growth of industries in rural areas and small towns. In the fourth five year plan (1969-74) measures were taken for the utilisation of the capacity already established, intensive development of selected industries including ancillaries and industrial co-operatives.

The number, volume and range of production of small scale industries were the emphasis of the fifth five year plan (1974-79). Increased financial assistance was also given to the sector during this period. In the sixth five year plan (1980-85) small scale industries had been re-defined as:

- Traditional industries (Handlooms, khadi and village industries, sericulture, handlooms and coir)
- Modern small scale industries including tiny and power looms.

Promotion of village and SSI continued to be an important element in the national development strategy because of its very favourable capital output ratio and employment intensity. In this plan various measures were taken by the Government for the promotion of tiny units, prevention of sickness among SSI units, supply of adequate raw materials, provision of marketing facilities etc.

The seventh plan (1985-90) had given considerable importance to village and small industries for expanding industrial production and providing employment. Necessary entrepreneurial training was provided during this plan. One of the areas of priority of the eighth plan (1992-97) was generating of adequate employment to achieve full employment level. Several activities pertaining to this sector like processing of agricultural produce, sericulture and allied activities had been identified as critical goals in priority sector. In the ninth plan (1997-2000) the Government had taken a number of steps to mitigate the impact of problems faced by the small scale industries for increasing the flow of credit to the sector. Under the scheme of integrated infrastructural development centers, infrastructure facilities were being developed in backward rural areas.
The emphasis of tenth plan is on:

- Twelve per cent growth in coir and coir products and export during tenth plan,
- Technology upgradation of power looms,
- Integrated development and growth of woolen products in a mission mode,
- Achieving international standards for silk,
- Promotion of investment, export and employment, and
- Infrastructural and institution building for SSI.

4.1.1.1. Trends of Growth of SSI Sector

Consequent to the priority and importance given to small industry by the Government, they have shown impressive progress in terms of the number of units, their production, employment generation, export etc. The following table shows the details of progress achieved by SSIs in India.

**Table 4.1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units in Lakhs</th>
<th>Production in Crores of Rs.</th>
<th>Employment (Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Registered</td>
<td>Unregistered</td>
<td>Total</td>
</tr>
<tr>
<td>1994-95</td>
<td>11.61</td>
<td>67.99</td>
<td>79.60</td>
</tr>
<tr>
<td>1995-96</td>
<td>11.57</td>
<td>71.27</td>
<td>82.84</td>
</tr>
<tr>
<td>1996-97</td>
<td>11.99</td>
<td>74.22</td>
<td>86.21</td>
</tr>
<tr>
<td>1997-98</td>
<td>12.04</td>
<td>77.67</td>
<td>89.71</td>
</tr>
<tr>
<td>1998-99</td>
<td>12.00</td>
<td>81.36</td>
<td>93.36</td>
</tr>
<tr>
<td>1999-00</td>
<td>12.32</td>
<td>84.83</td>
<td>97.15</td>
</tr>
<tr>
<td>2000-01</td>
<td>13.10</td>
<td>88.00</td>
<td>101.10</td>
</tr>
<tr>
<td>2001-02</td>
<td>13.75</td>
<td>91.46</td>
<td>105.21</td>
</tr>
<tr>
<td>2002-03</td>
<td>14.68</td>
<td>95.42</td>
<td>110.10</td>
</tr>
<tr>
<td>2003-04</td>
<td>15.54</td>
<td>98.41</td>
<td>113.95</td>
</tr>
<tr>
<td>2004-05</td>
<td>16.57</td>
<td>102.02</td>
<td>118.59</td>
</tr>
<tr>
<td>2005-06</td>
<td>18.70</td>
<td>104.70</td>
<td>123.40</td>
</tr>
<tr>
<td>Average growth rate</td>
<td>4.4</td>
<td>4.0</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Source: Ministry of Small Industries, as given in Economic Survey
The annual growth rate of SSI units in India is 4.1 percent. This includes 4.4 percent growth of registered units and 4 percent growth of unregistered units. The production in current price for the year 2005-06 was 470966 lakhs of rupees. During this period the production of SSI units had shown an increasing trend by 13 percent. Employment opportunities provided by SSIs also showed upward trend by 4.5 percent. By the end of the financial year 2005-06, small scale industrial sector was able to provide employment to 294.9 lakhs of people. Growth of SSI units in terms of number of units and number of employment opportunities is shown in Fig. No. 4.1

### Figure 4.1

**Growth of SSI Units in India**

4.1.2. Small scale Industries in Kerala

To begin with the pace of industrialisation of a region or a country depends upon factors such as availability of local natural resources, development of infrastructure facilities, entrepreneurial skill, attitude to industrial investment, levels of skills etc. Kerala is one of the smallest states in India enriched with
abundance of natural and manpower resources. But owing to many reasons the economy is suffering from unemployment, poverty, regional imbalance etc. Though the state possesses certain basic requirements of industrial growth, it has yet to pick up momentum in the field of industrial development. Compared to many other states of India, Kerala has fairly developed infrastructure facilities and agriculture which are necessary for the progress of industrialisation. Small scale industry is playing a significant role in the industrialisation of Kerala.

The position of small scale industries in Kerala is shown in the following table.

Table 4.2

District Wise Details of Registered Working SSI Units in Kerala as on 31-3-2005

<table>
<thead>
<tr>
<th>Sl No</th>
<th>District</th>
<th>No. of SSI Units</th>
<th>Investment (Rs. Lakhs)</th>
<th>Employment Provided (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Thiruvananthapuram</td>
<td>20918</td>
<td>47020.94</td>
<td>79753</td>
</tr>
<tr>
<td>2.</td>
<td>Kollam</td>
<td>14793</td>
<td>31741.81</td>
<td>66601</td>
</tr>
<tr>
<td>3.</td>
<td>Pathanamthitta</td>
<td>8827</td>
<td>15264.49</td>
<td>22465</td>
</tr>
<tr>
<td>4.</td>
<td>Alapuzha</td>
<td>17110</td>
<td>48228.78</td>
<td>63915</td>
</tr>
<tr>
<td>5.</td>
<td>Kottayam</td>
<td>19309</td>
<td>59409.26</td>
<td>55196</td>
</tr>
<tr>
<td>6.</td>
<td>Idukki</td>
<td>4787</td>
<td>209984.56</td>
<td>14965</td>
</tr>
<tr>
<td>7.</td>
<td>Ernakulam</td>
<td>23786</td>
<td>97431.76</td>
<td>98933</td>
</tr>
<tr>
<td>8.</td>
<td>Thrissur</td>
<td>21465</td>
<td>69313.05</td>
<td>79657</td>
</tr>
<tr>
<td>9.</td>
<td>Palakad</td>
<td>14171</td>
<td>46859.55</td>
<td>44600</td>
</tr>
<tr>
<td>10.</td>
<td>Malapuram</td>
<td>9804</td>
<td>33009.66</td>
<td>32708</td>
</tr>
<tr>
<td>11.</td>
<td>Kozhikode</td>
<td>15616</td>
<td>54509.82</td>
<td>56785</td>
</tr>
<tr>
<td>12.</td>
<td>Wayanad</td>
<td>2806</td>
<td>6981.29</td>
<td>9660</td>
</tr>
<tr>
<td>13.</td>
<td>Kannore</td>
<td>9482</td>
<td>27283.51</td>
<td>33949</td>
</tr>
<tr>
<td>14.</td>
<td>Kasargode</td>
<td>4802</td>
<td>12231.17</td>
<td>23193</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>187676</td>
<td>570269.65</td>
<td>682380</td>
</tr>
</tbody>
</table>

Source: Directorate of Industries and Commerce, Thiruvananthapuram
By the end of the financial year 2004-05 there were 187676 SSI units in the state of Kerala. These industries are providing employment opportunities to 682380 people. The total capital investment in SSI units of the Kerala as on 31st March 2005 is estimated as 570269.65 lakhs of rupees. Ernakulam and Thrissur are the two leading districts of Kerala in the matter of number of SSI units. Districts Wayanad, Idukki and Kasargode stand behind other districts in the matter of small scale industries. District wise number of SSI units and employment provided by SSI Units in Kerala are shown in the following figure.

**Figure 4.2**
Number of SSI Units and Employment Opportunities Provided by SSIs in Kerala as on 31-3-2005

4.2. Industrial Estates

The government in all these years has been taking a number of steps for the promotion of small scale industries. Various committees were constituted for the revision and implementation of the various programmes of the government to make them more effective. But unfortunately such a vital sector with so much
protection, care and encouragement is not free from problems. The problems faced by small scale industries can be grouped into two: external problems and internal problems. External problems are those related to the availability of power and other infrastructural facilities. Internal problems affecting the small scale industries are related to organisation, structure, production, distribution etc. Internal problems are those which are within the control of the industry. External problems, on the other hand, are those over which the unit has no control. It can be solved mainly by the government. Small industries are confronted with a number of problems in acquiring land, building and other basic facilities. For setting up of assistance by the government to small scale industries is the starting of industrial estates where the provision of built-up factory accommodation is provided to small industries. Accepting the recommendations of the International Planning Team, Small Scale Industries Board at its meeting held in January 1955, decided to execute the idea of establishing industrial estates in India as a means of the development for small scale industries.

An industrial estate is “a tract of land which is sub-divided and developed according to a comprehensive plan for the use of a community of industrial enterprise.”

The United Nations Industrial Development Organisation (UNIDO) defines an industrial estate as “a planned clustering of industrial enterprises offering standard factory building erected in advance of demand and variety of services and facilities to the occupants.”

In the opinion of P. C Alexander, “industrial estate is a group of factories constructed on economic scale in a suitable site with facilities of water, transport, electricity, steam, bank, post office, canteen, watch and ward and first aid. It is provided with special arrangement for technical guidance and common service facilities. The estate combines in itself some of
the important schemes of assistance to small industries and provides a total outlay for integrated development”.  

An analysis of the above definitions throws light on certain aspects of industrial estates. They are:

- Planned and group character of industrial enterprises,
- Construction of industrial building in advance,
- Standardisation in the construction of industrial buildings, and
- Provision of a variety of services and facilities to the occupants.

### 4.2.1. Philosophy of Industrial Estates

The philosophy of the programme of industrial estates rests primarily on two major advantages. They are economies of scale and economies of agglomeration. Considerable economies of scale may be released by industrial estates in providing infrastructure facilities to industrial occupants. Up to certain limit, it may be expected that costs of estate development and administration decline per unit of each facility, with the increasing size of the estate. The entire argument of the economies of scale for an industrial estate is based on the localisation of many medium or small scale plants offering similar economies to those found within a single large plant. Economies of scale are said to arise because an estate sheltering a large number of small enterprises, with the advantage of overheads take the character of a single firm.

The industrial estate constitutes a strong inducement to invest because it can capture the otherwise volatile external economies of agglomeration. An industrial estate, where a number of industrial enterprises are clustered together would become a complex of interdependent and interrelated industries. Such a complex is expected to have advantages of agglomeration and external economies which are necessary for the growth of individual industrial units. The external economies can be said to accrue from the environmental facilities in the form of improved services, both human and material. Broadly, external economies are derived form the availability of trained workers, access to improved production
equipment and facilities, improved location with respect to raw material and markets and access to superior transportation facilities.

For an industrial entrepreneur, the industrial estates can save a great deal of effort, trouble and expenses in erecting a factory. The selection of a well located industrial site, the formalities of acquiring suitable land, getting the building plans approved by local authorities, securing supply of water, power, gas and other facilities present formidable difficulties to and require considerable time from the entrepreneurs. The speed with which industrialists start in production is usually a significant element and is especially very vital in developing countries.

Through industrial estates, the industrial entrepreneurs can obtain building on rent or on lease. This will strengthen the cash position of the industrialist. By renting factory premises, a capital cost can be converted into an operational expenditure and it can release resources for purchase of machinery, and for working capital.

Industrial estates by bringing together people doing same or similar types of economic activity, dealing with common problems and aiming at common objectives, may be expected to develop a community of interest among those people and promote the spirit of cooperation and joint effort. They can provide for a better division of labour by securing common technical, repair and information services, which could not pay for one industrial unit alone but do pay for a cluster of industrial units. They can also organise housing, transportation and social amenities for workers, which no single industrial project can do effectively.

**4.2.2. Objectives of Industrial Estate**

The principal object of the programme of industrial estates is to provide factory accommodations to small scale industries at suitable sites with facilities of water, electricity, steam, transport, banks, post offices, canteens, watch and ward, first aid etc. and thus create a healthy atmosphere for the development of industries. The industrial estates bring a number of industrial units together and
facilitate establishment of common facility centers, introduction of modern techniques, collective purchase of raw materials and sale of finished goods, besides fostering a co-operation spirit of interdependence between them.

Following are the main objectives of the industrial estates in India:

- Promotion of small scale industries by providing facilities, assistance and guidance to small industries in establishing, operating and managing their units.
- Decentralisation of industries from big cities, urban areas and highly industrialised centers to other places.
- Development of industries and employment in backward regions.
- Provision of facilities of all types at one place for the smooth functioning of industry.
- Provision of built-up factory accommodation to the small entrepreneurs so as to make them ready to start their industries without any inconvenience of delay.
- Rapid industrialisation of the country through the development of small industries.
- Savings and capital formation in industrial sector, and
- Development of entrepreneurial skills among people belongings to different social groups and communities.

To sum up, the primary objectives of the industrial estate has been the development of small scale industries. The secondary objective is the promotion of regional economic growth.

4.2.3. Various Forms of Incentives to Move to Industrial Estates

The industrial policy of every government may provide incentives for promotion and growth of industries. Since industrial estates are devices for rapid industrial development the government may provide additional inducement to attract more firms to industrial estates. These additional incentives may be in the form of:

- Capital grants,
- Long and short-term credit and hire purchase schemes,
Remission of taxes and duties,
Allotment of factories at subsidised rent,
Freight subsidy,
Payment of transfer expenses,
Simplification of procedure,
Use of common production facilities and services,
Guaranteed supply of raw or intermediate material; and
Workers housing.

4.2.4. Industrial Estate Vs Industrial Areas

Industrial estates and industrial areas are related terms. But they differ one another.

Industrial area is a developed land for industrial purpose with infrastructural facilities like roads, street light, power and other facilities. In such an area no factory building is provided by the government or other agencies. But industrial estates are a planned cluster of factory buildings with all the necessary facilities which are required for the sound functioning of industries.

In many industrial estates there are common facility centers; raw material depots, showroom etc. are provided centrally by the government. But such things are not found in industrial areas.

In industrial estates there is a comprehensive network of policies on admission, addition or modifications in buildings and terms and conditions, whereas in industrial area the government keeps a general overall control regarding such matters.

4.2.5. Types of Industrial Estates

Industrial estates are organised for achieving several objects. Some of them have already stated in this chapter. In order to fulfill such objects estates were designed differently. Features of some of such estates were discussed here.
Figure 4.3
Type of Industrial Estates

1. According to Location
   - Urban
   - Semi Urban
   - Rural

2. According to Industrial Activity
   - Functional
   - Composite
   - Ancillary

3. According to Motivational
   - Developmental
   - Promotional
   - Disposal

4. According to Sponsorship
   - Private
   - Government
   - Private Assisted
     - Co-operative society
     - Limited Company

Finance
- Subscription and Govt. Guarantee

Administra-
- 1. Govt. Cooperation
   - 2. Govt. Department
   - 3. Municipal Council

Finance
- Govt. loans or grants, funds from other institutional source

Equity
- Working Capital

Foreign Administration

4.2.5.1. Industrial Estates for General Purpose

As the name suggests, these industrial estate contain several type of industries. They are started to provide standard building, basic infrastructural facilities and common service facilities to industries without considering the nature.

4.2.5.2. Ancillary Industrial Estate

Some strategic industries need the services of many small industries which are producing some component parts of the final product of the former industry. So, near by areas of large scale industries industrial estates were started to provide accommodation to many ancillary units. Locations of such ancillary units help the large industry to monitor the productive function of these small ancillary units. They also provide technical and financial supervision and assistance.

4.2.5.3. Single Trade Industrial Estates

Some industrial estates provide factory accommodation to industrial units belonging to the same trade. For example the Changanacherry industrial estate was organised basically for those small scale units which produce rubber based products. The important advantage of such industrial estate is that the technical common service facilities can be planned according to the needs and put to efficient and economic use by the unit tenants. These units can also enjoy economies of large scale purchase and collective marketing of the products. Such industrial estates are useful where raw materials like wood, rubber, leather, grains etc. are abundantly available and where their utilisation is made possible with the provision of technical services and facilities.

4.2.5.4. Functional Industrial Estates

In these industrial estates the functions required for an industrial product are divided and units in the estate are allotted specific functions. For example in the cotton textile industry the total functions can be classified as a) Ginning, b) Carding c) Spinning d) Weaving, and e) Dyeing and Bleaching. These different functions are performed by different small units with in the estate. All the units in the estate function according to a coordinated manufacturing programme. The main
advantage of the functional estate is that it can provide to small scale units the economies and efficiencies of specialisation and large scale production.

4.2.5.5. Industrial Estates Based on Metropolitan Cities, Small Towns and Rural Areas

Metropolitan cities have the advantage of ‘external economies’ making the environment viable for small industries to grow and prosper. In such area there will be excellent facilities for enjoying all the infrastructural facilities. In addition to the above, these areas have the advantage of getting well trained labourers and provide good market for the industrial products. The estates in the big cities are most advantageously set up when the main objectives of public agencies are to induce the growth of small industries at low investment expenditure in developing infrastructural facilities.

Congestions and overcrowding will increase the cost. Similarly, it invite over pollution. Under such circumstances the government may force to change its industrial policy and may take steps for the dispersal of industries from big cities to small towns and rural areas. One of the preconditions for the establishment of industrial estate in small towns is that they should possess a certain minimum development of infrastructure such as water, power, communication, road and rail, and the like. Small towns would favor the location of industries which is space oriented or which require special infrastructural facilities like effluent disposal. Industries based on local resources may also be profitably encouraged there.

For balanced regional development rural areas should also be developed. Moreover, these areas provide so many natural resources and agricultural products which can be profitably used for industrial purposes. In some places industrial estates were set up in rural area for supporting traditional craft of skill by providing such assistance as may be necessary.

4.2.5.6. Government, Private and Private Assisted Industrial Estates

For achieving regional balanced development through industrialisation, it is the duty of the government to provide infrastructure facilities particularly in
industrially backward area. One of the best ways of providing such facilities for small scale industries is the organisation of industrial estates. So, industrial estates started by the government for achieving the above object are called government industrial estates. These estates can be proved useful in developing countries. It is so because the picture of weak enterprise and absence of capital resource can be counteracted in such countries only by the intervention of governmental agencies and organisation.

A private estate is promoted by a private agency or by an industrialist who may own the estate. The entrepreneurs in the estate are tenants. The owner performs the managerial and proprietary function in most cases. In few cases, it becomes possible for the individual tenants to purchase the plots and work sheds under hire purchase arrangements.

A private assisted industrial estate is operated by a private corporation. In certain cases government encourages the private entrepreneurs to have their own industrial estates. The most common form which the private corporation takes is the establishment of a cooperative society or a joint stock company. The idea is that the cooperative societies of small entrepreneurs called cooperative industrial estate join hands to provide for themselves the developed industrial plots, factory sheds, basic facilities such as water, drainage, roads, and electricity etc. at suitable sites and at economic rates. The assistance to the society is made available by the government on a participatory basis.

4.2.5.7. Mini and Major Industrial Estates

As the name suggests the mini industrial estates provide only minimum facilities to the industrial entrepreneurs. In Kerala mini industrial estates are organised with a maximum land area of one acre. But, majority of the major industrial estates of Kerala are occupying more than ten acres of land. More over, the sizes of the factory sheds of the major estates are comparatively big and they are divided as sheds A, B and C. Such classification is not found in the mini industrial estates.
Mini Industrial Estates in Kerala

In Kerala, mini industrial estate programme was launched by the state government in April 1975 as an offshoot from the idea of industrial estates making it more adoptable to the regional requirements of the state, for more effective decentralisation of local industries, and utilisation of local resource endowments. The main objectives of the programme were:

1) To provide employment opportunities for absorbing the educated unemployed,
2) To make full utilisation of the local raw material resources of the state,
3) To mobilise financial resources from the various channels and from financial institutions, and
4) To generate an industrial outlook among the public at large.¹⁰

There are two authorities in Kerala for looking after the affairs of mini-industrial estates. Directorate of Industries and Commerce (DIC) is entrusted with the power to control 78 mini industrial estates having 620 SSI units which are providing employment to 2379 persons. Similarly, Small Industries Development Corporation (SIDCO) is looking after the affairs of 36 mini industries in the state.

4.2.6. Industrial Estate Programme in India

The history of industrial estates in India can be traced back to the year 1947, when the then Bombay state appointed a special officer to recommend centers in the state where industrial estates could be established. Though a number of centers in the state were recommended, the scheme did not materialise satisfactorily for want of finance. The lead given by Bombay state was followed by the then Saurashtra State (now in Gujarat) when in 1955 it was decided to set up an industrial estate near Bhatti Nagar railway station in Rajkot.

Though the programme of industrial estates was introduced in India towards the end of the first five year plan, it was materialised only in the second five year plan. During the first five year plan, ten industrial estates were sanctioned to be set up by the State Government of Kerala, Tamil Nadu, Uttar
Pradesh and West Bengal. Consequently industrial estates were started at Palakkad, Thiruvananthapuram, Kottayam, Kollam and Trissur in Kerala, Guindy and Virudhunagar in Tamil Nadu, Kanpur and Agra in Uttar Pradesh and Layani in West Bengal. In the second five year plan 110 industrial estates were sanctioned in different parts of the country. The programme made rapid progress in the third five year plan.

The fourth five year plan emphasized for consolidation of the industrial estates programme. Up to the end of the third plan, schemes for 458 industrial estates had been sponsored and Rs 2225.45 lakhs were spent. But during the fourth plan alone Rs 1542.5 lakhs was spent and 612 industrial estates had been sponsored\textsuperscript{11}

The expenditure on the industrial estate programme during the fifth plan was around Rs 2461.28 lakhs. During the period 184 new industrial estates were sponsored in the country. With this addition the total number of industrial estates sponsored in India reached the figure 796. During the sixth plan period, government spent an amount of Rs 4500 lakhs for industrial estates in India. By the end of the March 1985 there were 799 industrial estates.

During the seventh plan period the Central Government made an outlay of 1120.51 Crores of rupees for the development of small scale industries including industrial estates. The District Industries Centers (DICs) programme was launched in 1987 as a centrally sponsored scheme with the objective of providing all the services and support facilities to small industries under one roof. This scheme will continue in the next five year plans and there is need for greater delegation of powers to the DICs by the State Governments particularly related to raw materials, allotment of industrial sheds, power, margin money, investment subsidy and incentives. The DICs are being restructured to make them technically and professionally competent. These DICs are entrusted with the function of planning and development of industrial estates. During the eight plan period onwards the government allotted funds for industrials parks and incentives for starting SSI units in backward areas.
4.2.7. Industrial Estates in Kerala

Kerala has been the traditional home of several small scale industries in India. The Government of Kerala promoted small scale industries, with the hope of generating more employment opportunities as unemployment is one of the most important problems of the state.

The programme of industrial estates was launched in Kerala during the second plan period. Following, the decision of the Central Government, the State Government decided to launch a programme of industrial estates as tool for the development of small scale industries.

The programme of industrial estates envisaged; (a) providing factory accommodation at suitable sites, with common amenities and other basic facilities, (b) bringing together a number of different industrial units so as to facilitate the setting up of Common Service Centers, (c) promoting small scale industries by all possible means and assisting them by way of collective purchases of raw materials and sale of finished goods, and (d) helping to achieve dispersal of industries in rural and backward areas and providing incentives to small entrepreneurs. Since the state governments were entrusted with the responsibility of the estates, the government of Kerala decided to start one industrial estate in each district during the second plan.

Four out of ten industrial estates sanctioned in the first plan by the Union Government were in Kerala. During the second plan, financial assistance for establishing five new estates was allocated to the state. In the third plan eight more estates were started. Thus at the end of the third plan there were altogether seventeen major industrial estates in the state.

In Kerala all the seventeen major industrial estates came into existence in two stages. Eight of them Viz, Pappanamcode, Kollakadavu, Ettumanoor, Palluruthy, Olavakode, West Hill, Palayad and Ollur come under the first stage that started during the second plan and the beginning of the third plan period. Those coming under the second stage namely Umayanalloor, Changanacherry,
Kalletukara, Karakkad, Manjeri, Karunagappally, Cherthala, Kasrgode and Vazhakulam were started during the subsequent period. All the major industrial estates functioning at present are administered by the Kerala State Small Industries Development Corporation through an administrative officer in each estate on behalf of the Director of Industries and Commerce.

4.2.7.1. Working of Industrial Estates in Kerala

There are two authorities in Kerala which look after the all the major seventeen conventional industrial estates. One is the District Industrial Office under the direct control of Industrial Ministry. The other one is SIDCO.

Kerala State Small Industrial Development and Employment Corporation Limited (SIDECO) was formed in March 1977 by amalgamating the erstwhile Kerala State Small Industries Corporation Ltd. and Kerala State Small Industries Development and Employment Corporation Ltd. with the main intention of making available a package of integrated services to the prospective entrepreneurs in the small scale industrial sector, apart from serving the existing entrepreneurs. Later the corporation changed its name to Kerala State Small Industries Development Corporation (SIDCO). The corporation has twelve functioning divisions: 1) Research and Development, 2) Industrial Estate and Infrastructure, 3) Production, 4) Raw Material, 5) Machinery 6) Finance, 7) Technical Consultancy, 8) Entrepreneurial Development, 9) Imports and Exports, 10) Marketing and Ancillaries, 11) Sick Units Rehabilitation, and 12) Information and Publicity.

The primary responsibilities of the Industrial Estate and Infrastructure Division are construction, maintenance and management of industrial estates and development plots and provision of infrastructure facilities for industrial premises. The mini industrial estates programme is also managed by this division. Industrial sheds in the estates are hired out to prospective entrepreneurs on easy terms.

The division also looks after the building requirements and infrastructure facilities of industrial townships, industrial complexes, functional industrial estates and ancillary industrial complexes. Sheds for accommodating industrial
units are constructed by the division in four different models called ‘special type’, ‘A type’, ‘B type’, and ‘C type’. Special type buildings are allotted for common service facilities, banks, post offices, training centers and for the office of the SIDCO. A type sheds are more spacious than B type and B type are more spacious than C type sheds.

A place which is locationally suitable for putting up an industrial estate can be identified by its special and functional position. Criteria for identifying such places include the rate of growth in population, employment and income, their hierarchical position among several rural and urban places and their relation to the transportation, communication net-work and the power grid system. The following factors are very important while selecting the site for the industrial estates viz.

- Infrastructure – water, power and roads,
- Availability of labour - skilled and unskilled,
- Nearness to the large city – market,
- Easy availability of land at reasonable cost,
- Good demand for the surrounding area for products,
- Access to the railway and/or the highway,
- Expansion potentiality of the site, and
- Suitable communication system.

The allotment of sheds in the industrial estates to the needy industrial entrepreneurs is made in the following manner.

There are three ways of allotment: they are on rent, hire purchase and on the basis of outright purchases. Originally majority of the sheds were allotted on the basis of rent. But later industrial entrepreneurs used to occupy the sheds on hire purchase system. Now those entrepreneurs who were occupying sheds on monthly rental basis can convert their nature of occupation of the shed either by outright purchase or by the scheme of hire purchase. Those entrepreneurs who had taken sheds on rental basis before 1996, now convert their nature of occupation to
hire purchase system will get a credit of 75% of the rent already paid by them to SIDCO towards the hire purchase price.

4.2.7.2. Terms of Allotment of Sheds on Rent

The following are the terms and conditions of the allotment of sheds on rental basis.

- The tenant shall pay such rent as fixed by the government from time to time to SIDCO in advance by the 10th of every month. In case of non-payment of rent, interest will be charged from the date of default.
- The lease period shall be for a period of thirty years.
- Power connection should be taken by the tenant at his own cost.
- Water and power consumption charges and taxes including the property tax shall be payable by the tenant.
- Production shall be started within six months of taking over of the shed.
- The shed shall be used for running a small scale industry and not for any other purpose.

4.2.7.3. Terms of Allotment of Sheds on Hire Purchase System

The hirer shall pay 20% of the cost of the shed as fixed by the Director of Industries, as the first installment in advance and the remaining amount shall be payable along with interest at 5% per annum in 15 equal installments.

- The hirer is liable to pay service charge for the upkeep and maintenance of the estate.
- The shed can be transferred within a period of ten years with the prior permission of the Director of Industries on payment in lump sum of twice the cost of shed or the market value of the shed whichever is higher.
- Other conditions would be the same as mentioned for the allotment of the shed on lease.

4.2.7.4. Term of Allotment of Shed on Outright Purchase

- Application for allotment of shed/land in the industrial estate shall be made to the Managing Director, SIDCO. Along with the application the applicant
shall furnish an interest free earnest money deposit of Rs 3000/- by means of
crossed demand draft drawn in favor of the Corporation on any schedule
bank payable at Thiruvananthapuram.

- The SIDCO shall have the right to reject any application without assigning
  any reason and also to forfeit the deposit in case the applicant fails to honour
  the allotment when made under the rules.
- The above deposit shall be adjusted against the initial payment towards the
  outright value of allotted shed/land in case allotment is made.
- When high demand for shed/land is felt, the Corporation may decide to
dispose of the shed/land by public auction.
- The Managing Director or any authorised officer of SIDCO shall be
  competent to allot shed/land to any industrialist.
- The shed/land allotted shall be used only for the purpose for which it is
  allotted and if it is used for any other purpose contravening the above
  condition the Corporation shall have the right to resume the shed/land.
- The allottee may at his cost, make additions, alterations, or modifications to
  the shed or building and structures on the land allotted to him only with the
  prior approval of the Corporation.
- On receipt of the order of allotment the allottee shall execute an agreement
  on stamp paper of appropriate value.
- Shed/land will be given on outright purchase to allottee who pay the entire
  cost of the allotted shed/land in lump sum within the time specified by
  execution of the agreement.
- The allottee should remit the price within 30 days of receipt of allotment
  order. If the allottee fails to remit the amount within 30 days the allotment
  would be cancelled automatically and the initial deposit will stand forfeited.
- A Registered sale deed shall be issued on completion of entire payment and
  all other formalities and on getting ‘patta’ of the land transferred from the
  Government.
- The allottee shall be liable to start the industry in the allotted shed within
  three months of allotment. The allottee shall be liable to start construction of
the approved structure on his allotted plot within three months of allotment and to complete the same within six months. He shall start the industry there within one year from the date of allotment.

- The Corporation shall have the power to terminate the agreement and resume and take over the shed/land if the allottee contravenes any of the provisions of these rules or of the agreement executed by him or if positive action, in the opinion of the Corporation, has not been taken to start the industry within three months of allotment of shed/land or in the event of the unit run by the allottee being wound up or if, in the opinion of the Corporation, the industry is not in a position to pay the amount due under the agreement.

- In case of resumption, the allottee shall be paid compensation as decided by the SIDCO for any improvement effected by him in the shed/land.

- The allottee shall pay all taxes, cess, land revenue and other dues payable in respect of shed/land from time to time as long as the shed/land is in his possession.

- The allottee shall maintain the shed/land and premises in good condition at all times and shall make good any damage caused to the shed. If the allottee fails to do the above the Corporation shall get necessary works done in the shed/land and the premises at the cost of the Corporation and recover such cost from the allottee.

- The allottee shall properly maintain internal installations for supply of water and electricity, commencing from the meter and ensure satisfactory maintenance of sanitary arrangements.

- The public utilities and amenities such as supply of water and power, right to use roads, canteen, post office etc. given to the allottee shall continue to be owned by the Corporation or any agency appointed for that purpose by the Corporation. The allottee shall remit to the Corporation or the agency appointed by the Corporation every month the amenity charges fixed from time to time.

- The Managing Director or any Authorised Officer of that Corporation shall have powers to inspect the shed/land and premises of the allottee at any time
without giving prior notice and the allottee shall render all assistance necessary for such inspection.

- The allottee shall get the shed insured against all risks for an amount not less than the value of the shed/land as determined by the Corporation form time to time.
- The trees & structures in the allotted land shall continue to be the property of the Corporation and it shall dispose of the same as in the manner deemed fit within a reasonable time.
- The Corporation reserves the right of utilising vacant portion of allotted land at any time for laying pipe lines, cables, underground drainage or drawing overhead electric lines without paying any compensation to the allottee for such use or without seeking permission.
- The allottee shall not effect any excavation upon any part of the allotted plot or remove any stone, earth or other material from there except so far as it in the opinion of the Corporation is necessary for the purpose of forming the foundation of the building and compound wall and executing the work.
- The price of shed/land will be fixed by the Corporation from time to time. The value so fixed would be final and cannot be questioned and the allottee shall be bound by such fixation.
- The Corporation may permit the allottee the transfer of ownership or reconstitution of the firm in deserving cases provided the difference between the current cost of the land/shed and the cost already remitted is paid to the Corporation.
- The Corporation may at any time amend, alter or modify the above rules if it is found necessary to do so and the amendment, alteration or modification shall be binding to the allottee under the above rules.\textsuperscript{14}

### 4.2.8. Major Conventional Industrial Estates of Kerala

Following is a short description about the features of the conventional major industrial estates functioning in the state of Kerala.
### Table 4.3

**Major Conventional Industrial Estates of Kerala**

<table>
<thead>
<tr>
<th>Name of the estate</th>
<th>Total area (Acres)</th>
<th>No. of working units</th>
<th>No. of closed units</th>
<th>Total numbers of sheds</th>
<th>No. of sheds allotted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pappanamcode</td>
<td>18.53</td>
<td>65</td>
<td>09</td>
<td>45</td>
<td>40</td>
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<tr>
<td>Umayanalloor</td>
<td>26.04</td>
<td>57</td>
<td>12</td>
<td>43</td>
<td>38</td>
</tr>
<tr>
<td>Karunagappally</td>
<td>8.63</td>
<td>15</td>
<td>03</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Kollakadavu</td>
<td>19.15</td>
<td>14</td>
<td>05</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Cherthala</td>
<td>8.94</td>
<td>12</td>
<td>03</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Changanacherry</td>
<td>14.22</td>
<td>57</td>
<td>09</td>
<td>31</td>
<td>33</td>
</tr>
<tr>
<td>Ettumanoor</td>
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<td>67</td>
<td>05</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Palluruty</td>
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<td>05</td>
<td>03</td>
<td>07</td>
<td>07</td>
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<tr>
<td>Mudickal</td>
<td>4.62</td>
<td>14</td>
<td>04</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Ollur</td>
<td>29.56</td>
<td>76</td>
<td>23</td>
<td>48</td>
<td>42</td>
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<tr>
<td>Kallettumkara</td>
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<td>11</td>
<td>05</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Karakkad</td>
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<td>08</td>
<td>22</td>
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<tr>
<td>Olavakkode</td>
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<td>23</td>
<td>01</td>
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<td>16</td>
<td>04</td>
<td>19</td>
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<tr>
<td>West Hill</td>
<td>2.44</td>
<td>53</td>
<td>07</td>
<td>42</td>
<td>41</td>
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<tr>
<td>Palayad</td>
<td>8.42</td>
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<td>15</td>
<td>11</td>
<td>11</td>
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<tr>
<td>Kasargod</td>
<td>15.84</td>
<td>45</td>
<td>08</td>
<td>39</td>
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</tbody>
</table>

Source: Compiled from Economic Review, State Planning Board and from the records of SIDCO
Ollur Industrial Estate has the largest area as well as a large number of industrial units. The table also shows that Palluruthy Industrial Estate is the smallest estate in respect of number of units and area. The following figure clearly shows the area and the number of industrial units in the major conventional industrial estates of Kerala.

**Fig. 4.4**

*Major Conventional Industrial Estates of Kerala*

1) **Pappanamcode Industrial Estate**

The estate is located at Pappanamcode in Thiruvananthapuram District. The estate is only four miles away from Thiruvananthapuram city and is accessible by a good tarred road of about half a mile branching from the Thiruvananthapuram – Kanyakumari high way. The total area of this estate is 18.53 acres. The total number of sheds constructed in the estate is forty five, consisting of three ‘special’ type, two ‘A’ type, eight ‘B’ type and thirty two ‘C’
type sheds. Sixty five units are functioning in this estate. Service facilities provided in this estate are water supply, electricity, telephone, street light, canteen etc. A post office and a branch of State Bank of Travancore are functioning in this estate.

2) Umayanalloor Estate

The estate is established in the year 1966 in Kollam District at eight kilometers south of Kollam town. It is accessible by good road. Nearer Railway Station Kollam is only seven kilometers from the estate. Nearer Airport is at Thiruvananthapuram, which is located at a distance of sixty five kilometers. Similarly, Seaport is Kollam which is located at a distance of ten kilometers. The total area of the estate is 26.04 acres of land. The total number of sheds constructed is forty three, consisting of one ‘special’ type, four ‘A’ type, twelve ‘B’ type and twenty six ‘C’ type sheds. The estate has also four warehouses. Fifty seven small scale industries are working in this estate. Electricity, water supply, street light, overhead water tank, bank, post office, telephone etc. are the services provided in this industrial estate.

3) Karunagappally Industrial Estate

This Industrial Estate is located at Karunagappally Thaluk, in Kollam District. It is very near to Karunagappally Railway Station. The total area acquired for this industrial centre is 8.63 acres. There are nineteen factory sheds in the estate consisting of one ‘A’ type, two ‘B’ type and sixteen ‘C’ type sheds. Common amenities like water supply, telephone, internal roads etc. are provided in the estate.

4) Kollakadavu Industrial Estate

The estate is located at Kollakadavu in Mavelikara Thaluk of Alapuzha District. The place is accessible by good road and is only 7.5 kilometers from the Mavelikara town. The estate was established in the year 1957 and total area acquired for allotment was 19.15 acres. Service facilities provided are street lights, water supply with overhead tank, canteen, administrative block, post office, etc.
Good block topped internal roads have been provided. Nearest railway station is Mavelikara, nine kilometers from the estate. Nearest seaport and airport is Cochin which is 133 kilometers from the estate. There are thirty eight factory sheds consisting of four ‘A’ type, six ‘B’ type and twenty eight ‘C’ type sheds. Now, fourteen SSI units are working in this estate.

5) Cherthala Industrial Estate

The Industrial Estate Cherthala is located at a distance of five kilometers from the Cherthala town in Alappuzha District. The estate is accessible by good road. The total area of the estate is 8.94 acres and the number of sheds constructed are nineteen consisting of one ‘A’ type, two ‘B’ type and sixteen ‘C’ type. The estate was established in the year 1965. Cochin seaport is only forty five kilometers away from the estate. Electricity, water supply, overhead tank, street light internal roads are the facilities provided in this estate.

6) Changanacherry Industrial Estate

The Industrial Estate of Changanacherry is located at a distance of four KM from Changanacherry town in the left side of Changanacherry Vazhoor road in Kottayam district. This is a functional industrial estate based on rubber and plastic. The estate was established in the year 1964.

The place is accessible by good tarred road. The railway station is only three KM away from the estate. Nearest municipal town is Changanacherry and the nearest sea port and air port are in Cochin which is 90 KMs away from Changanacherry.

Total area of the estate is 14.2245 acres out of which 14.1545 acres of area have been allotted to various entrepreneurs. It contain thirty three permanent factory building consisting of three ‘special’ type building, eight ‘A’ type sheds, fourteen ‘B’ type sheds and eight ‘C’ type sheds. Total number of working units in the estate is 57. Even though only 28 sheds were allotted by SIDCO to the entrepreneurs, the remaining 29 units were working in sheds constructed by the entrepreneurs themselves in the plot allotted to them by SIDCO. The Department
of Industries has established a well equipped and modern common facility service centre for rubber and plastics.

**Cluster Development Programme – an Important Feature of Changanacherry Estate.**

Small and medium scale industries which are concentrated in specified geographical areas and facing similar threats and risks are called clusters-examples being Coir Industry in Alappuzha, Cashew nut Industry in Kollam, Rubber Manufacturing Units in Kottayam, Sports goods manufacturing units in Ludhiana etc. In the present era of globalization, these industries face severe problem of ‘isolation’ - they were not competent to meet foreign bulk orders nor can they supply standard quality of goods to foreigners. Even if there is an agency for collecting the goods for meeting foreign bulk orders, there are chances for the order to be cancelled due to variance in quality of goods produced by different units. This is mainly because SSIs in Industrial estates are functioning on the basis of ‘operator depending’ model and not on the basis of modern technology. The quality of the product depends on the skill of the operator. Since skill differs from operator to operator, the quality of the product changes from unit to unit and the collecting agents cannot offer standardised products to foreigners.

“The only way to survive in this era of globalization and liberalization is through cluster manufacturing activities” said Sri. Francis George, M.P. of Idukki parliamentary constituency at Pathanamthitta while inaugurating the “Pathanamthitta Agro Food Consortium Pvt. Ltd.” He added “To compete with the multinational giants we should improve quality, packaging and adopt new marketing technologies such as highly profiled brand. These can be done by clustering”.

Natural Rubber and Fiber Products Manufacturers Consortium (NRFMPC) is the first ever professional legally constituted consortium in Kerala under Cluster Development Programme - formed in the middle of 2003. Since then the development activities have been going on well in the Changanacherry Industrial Estate. The successful working of this consortium leads the Department of
Industry to realise the need of cluster approach in other sectors. Several cluster groups from various parts of the state visited and interacted with the cluster members which tremendously boosted the confidence of the visiting cluster groups.

Fifty units of the industrial estate of Changanacherry and the surrounding areas joined together to form a consortium company. The members, who initially worked as independent units, encouraged by this type of cooperative functioning, were brought under a single banner for a common intention and worked towards exhibiting a uniform style and pattern. The consortium presumes that global endorsement of the products would facilitate the facet of rubber production of Kerala. Quality is the keyword that the consortium abides to face competition in the global market. To enhance quality means to ascend a step more in global competitiveness. The consortium emphasises on supply of quality raw materials. As such, they have already erected a centralised mixing plant to ensure unwavering quality at higher levels of production. Most sophisticated and up to date technological equipments are used at every stage of production. There is a quality control laboratory working in full swing to ensure optimum quality. The consortium adheres to production of only eco-friendly products available from natural rubber and coir. It is the collective endeavour of the cluster members, which gives the necessary impetus to the growth of the consortium.

7) Ettumanoor Industrial Estate

The Ettumanoor Industrial Estate was established in the year 1956-57. It is accessible by good road and is very close to Ettumanoor railway station on the Kottayam – Ernakulam line. The Main Central Road and the estate are connected by a good tarred road of about one KM length. Total area of this estate is 30.31 acres. In this estate there are fifty seven sheds consisting of five ‘A’ type, twenty ‘B’ type and thirty two ‘C’ type factory sheds. Sixty seven units are working in this estate. The Ministry of Small Scale Industries, Government of India is running a production centre equipped with modern machines with facilities for all types of foundry work. It widened its activities and renamed in the year 1999 as
“Small Entrepreneurs Promotion and Training Institute”. It is now providing excellent training facilities as a programme of entrepreneurial development and in the year 2004-05 alone it provided training facilities to 1026 young people.  

8) Palluruthy Industrial Estate

The Industrial Estate, Palluruthy is located nearly five kilometers away from Cochin on the Cochin-Alappuzha highway. Year of establishment is 1961. Total area acquired for allotment is 1.86 acres. Nearest railway station, airport, seaport etc. are in Cochin which is only five kilometers away from the estate. Total number of sheds constructed is seven comprising three ‘A’ type shed and four ‘B’ type sheds. Five small scale industrial units are working in this estate.

9) Mudickal Industrial Estate

The Mudicakal Industrial Estate is located in Eranakulam District ten kilometers east of Alwaye on the Alwaye-Perumbavoor road. The Cochin International Airport (Nedumpassery) is only twenty kilometers away from this estate and the Cochin seaport is only thirty five kilometers away from this place. Total number of sheds constructed is twenty, which includes one ‘A’ type shed, four ‘B’ type and sixteen ‘C’ type sheds. The estate was established in the year 1965 and facilities such as electricity, water supply, street light, over-head tank, canteen etc. are provided in this estate. Fourteen units are working in this estate.

10) Ollur Industrial Estate

The location is six kilometers on the south of Thrissur Municipal town and is flanked by the National High Way on one side and the Cochin-Madras main railway line on the other side. The Ollur Railway Station is very close to the estate. The total area is 29.56 acres. Cochin seaport is at a distance of sixty kilometers. The estate was established in the year 1956. Total number of sheds constructed is forty eight consisting of six ‘A’ type, ten ‘B’ type and thirty two ‘C’ type sheds. Sufficient open space is provided around the estate. Seventy six units are working in this estate. Water supply, electricity and drainage facilities are provided. Good roads with streetlight connect all the factories to the main road.
Banking and post office facilities are available very near to the estate. Godown, administrative office and canteen facilities are also provided.

11) Kallettinkara Industrial Estate

The Industrial Estate Kallettinkara is situated ten kilometers away from the Irinjalakuda town but only about one kilometer away from the Irinjalakuda Railway Station in Thrissur District. Cochin seaport is fifty five kilometers away from the estate. The total area acquired is five acres and the total number of sheds constructed is nineteen consisting of one ‘A’ type, two ‘B’ type and sixteen ‘C’ type sheds. This estate was established in the year 1964. Common facilities such as water supply, canteen, electricity, administration office, etc. are provided in the estate. Adequate free space is also allotted around the sheds.

12) Olavakkode Industrial Estate

The estate was established in the year 1956 at Olavakkode which is only eight kilometers away from Palakkad town, in the Palakkad District. The place is accessible by good all weather road and is very close to the Olavakkode Railway Station, which is on the Cochin-Coimbatore line. The total area of the estate is 21.93 acres of land and consists of forty nine sheds including five ‘A’ type, eighteen ‘B’ type and twenty five ‘C’ type sheds. The Cochin seaport is at a distance of one hundred and sixty kilometers and Coimbatore is only at a distance of sixty four kilometers. Twenty three small scale units are working in this estate. Common facilities like electricity, water supply, street light, post office etc. are provided in the estate. Banking facilities are also available near this estate.

13) Industrial Estate Karakkad

This estate is situated very near to Shornur Railway Station and Shornur town in Palakkad district. It was established in the year 1963 by acquiring 10.96 acres of land. Nearer Seaport is Cochin at a distance of one hundred and twenty kilometers. Total number of sheds constructed is twenty two including one ‘A’ type, five ‘B’ types and sixteen ‘C’ types. Common facilities such as water supply, internal roads, canteen, telephone, etc. are available in the estate. Post
office and banking facilities are available very near to the estate. Thirty five units are working in this estate.

14) Manjeri Industrial Estate

Manjeri Industrial Estate was established in the year 1963, in the Manjeri Municipal area of Malappuram District. For its establishment, the government acquired an area of 4.9 acres of land and constructed nineteen factory sheds consisting of one ‘A’ type, two ‘B’ type and sixteen ‘C’ types. Common facilities such as telephone, electricity, water supply, street light, canteen, etc. are available in the estate. Post office and banking facilities are available very near to the estate. Nearest seaport is Kozhikode at a distance of sixty six kilometers and the nearest railway station is Shornur at a distance of fifty kilometers. Twenty two units are working in this estate.

15) West Hill Industrial Estate

The West Hill Industrial Estate is situated at West Hill Beach of Kozhikode city in Kozhikode District facing the Arabian Sea. It was established in the year 1962. Even though the estate was started by acquiring only 2.44 acres of land, forty two factory sheds have been constructed and allotted to small scale entrepreneurs. These sheds consists of four ‘A’ type, fourteen ‘B’ type and twenty four ‘C’ type sheds. West Hill Railway Station is only 400 meters away from the estate. Similarly, the Kozhikode Seaport is situated within three kilometers range. Fifty three small scale units are functioning in this estate. Common facilities such as telephone, electricity, water supply, internal roads, street light, canteen etc. are provided in the estate. Post office is accommodated within the estate and banking facilities are available nearby. National Institute of Fashion Technology and Rural Development Enterprises Center are functioning in this estate under the Ministry of Rural Development and Ministry of Textiles, Government of India.

16) Palayad Industrial Estate

The estate is situated at a distance of about eight kilometers from Thalassery town. This place is connected by good road to the main road which links Thalassery and Cannore. The location is also in proximity to Dharmadam
Railway Station which links to Mangalapuram and Chennai. The total area of the estate is 8.42 acres. Year of establishment is 1959. Nearest Seaport is Kozhikode. Total number of sheds constructed is eleven, which include one ‘A’ type, two ‘B’ type and eight ‘C’ type. Seventeen units are functioning in this estate. Common facilities such as water supply, electricity and drainage are provided. Good roads with streetlight connect all the factory sheds to the main road. Banks and post office facilities are available very near to the estate.

17) Kasargod Industrial Estate

This estate is situated at Vidyanagar near the Kasargod town which is at a distance of five kilometers. The nearest Seaport and Airport is Mangalapuram situated at a distance of seven kilometers in Karnataka State. The estate was established in the year 1963. Total area of the estate is 15.84 acres. Thirty nine sheds were constructed consisting of one ‘A’ type, twelve ‘B’ type and twenty six ‘C’ type. Forty five small scale units are working in this estate. Common facilities provided are electricity, water supply, canteen, telephone, etc. The Agro Industries Corporation is running an engineering workshop here.

4.3. Conclusion

The above discussion made it clear that government as well as entrepreneurs in the industrial estate can do a lot for the improvement of industrial estates. There are several governmental agencies that are ready to give financial and technical assistance to small entrepreneurs. Entrepreneurs must join together for availing these facilities. The remarkable achievement made by the entrepreneurs of Changanacherry Industrial Estate can be taken as the model for success by the other remaining sixteen industrial estates of Kerala. By doing so, independent units in the industrial estates can resolve their common problems and strive to maintain a healthy competition among themselves without losing their identity.
References:


