

Small Scale Industries In Punjab- The State And Infrastructure Profile

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ABSTRACT

In the state of Punjab the small scale industries have a very important place. They contribute a lot towards the gross domestic product of our country. This research paper has been written to find out the size of the small scale industry in Punjab, to study the overall small scale industry along with the industry infrastructure and to study the vision of Punjab. For this purpose size and Nature of activity has been studied, what are the various type of unit, registration of units under factories act, employment profile in the total ssi sector and the gross output has been studied.

KEY WORDS

Governance, gross output, service sector

INTRODUCTION

Small scale industries are a center of innovation, growth, and employment. In India, SMEs constitute 95% of all industrial units and employ 45% of the nation's total labor force. The percentage of total SSI in state of Punjab is 3.58 out of which 10.6% manufacturing units are located in rural areas. The number of ancillary units among SSIs are 1,32,313 (2.98%) and SSI sector is creating employment for nearly 2,49,32,763 persons.

LITERATURE REVIEW

Punjab occupies a very important place in the industrial map of India which is attributable to its small-scale industrial sector (Lal, 1966).

More recently it has been through a period of terrorism and social unrest, which not only affected the industrial growth adversely but tended to cause some out migration of industry. With the restoration of peace, the state government tried to activate the process of industrial development with the hope to enter into a new era of progress (Bhatia, 1999).

Veena Bhatnagar (1995) "The Strongest argument that could be raised in developing countries in the favour of small scale enterprises is their employment generation potential.

Chandra BL (1994) " The banks with their low cost financing would be ideal for lending to the agriculture sector the small industries small business and the self employed .This would help relive the rural poor from the clutches of the informal and unorganized lending agencies ."

M A Hasnat (1991) “The small scale industries sector occupy a place of importance in economy of all labour surplus as they provide employment for a substantial work force , small industries derive part of their potential value from the employment of trained and educational person”

OBJECTIVE OF THE STUDY

- To study the size and the overview of small scale industries in Punjab.
- To study the industrial infrastructure of Punjab.
- To find out the objective and future prospect of the state.

METHODS FOR DATA COLLECTION

The data which is collected for the very first time is known as primary data. It may be collected with the help of questionnaire or by direct interview from the concerned group of people. On the other hand the data which is collected from the internet, books, journals or any other published source is known as secondary data.

TYPE OF RESEARCH USED

The data is collected with the help of secondary research. It is collected from the internet and journals. All the published sources are used to collect and analyze the data.

To study the size of small scale industries in Punjab.

In India the total small scale industrial sector comprises 10521190 units which are spread all across the country; of which 55% of units are located in rural India. Out of the total SSI sector around 44 lakhs (42.26 %) are small scale industries and the number of ancillary units and tiny units is 2.98% and 99.5% respectively. As per the data Uttar Pradesh (16.23%), Andhra Pradesh (8.32%), Maharashtra (7.64%), Madhya Pradesh (7.54%) and Tamil Nadu (7.49%) are the top five States having a total share of 47.22% in terms of number of units.

Table 1: size of small scale industries in Punjab.

Punjab state	
Small-scale industrial units	Percentage of Total Small scale industries
376826	3.58

Source: MSME website

Activities of small scale industries

In India around 44% of the units are from the Services Sector, followed by 40% units from the manufacturing and allied activities and 16% of the units from the repairing and maintenance activities.

Table 2: Activities of small scale industries

Punjab state						
Manufacturing		Repair & Maintenance		Services		Total
Rural	Urban	Rural	Urban	Rural	Urban	
10.6	24.07	12.95	13.1	17.71	21.57	100

Source: MSME website

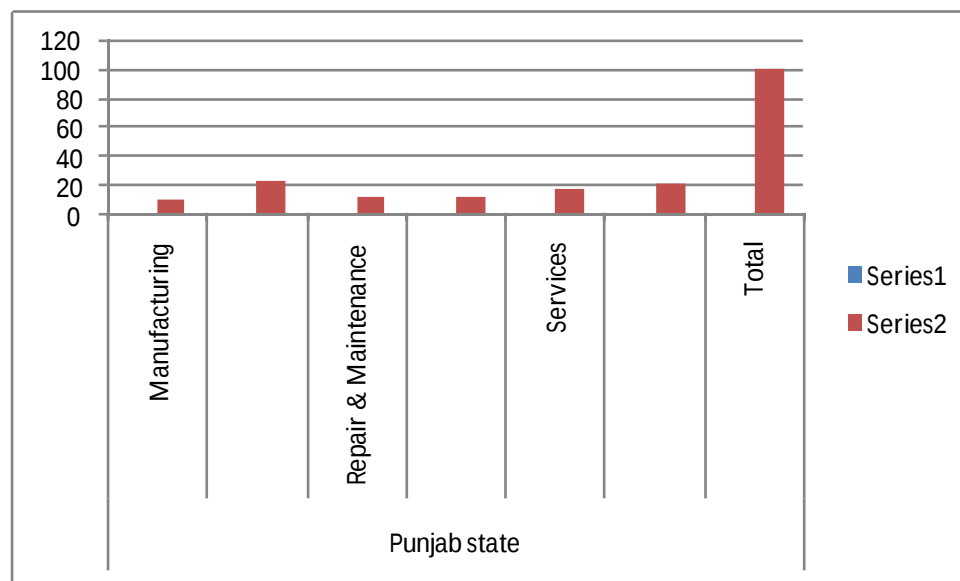


Figure 1: Activities of small scale industries

Type of unit

The total Small scale industrial sector comprises 44,45,868 (42.26%) SSIs and 60,75,322 (57.74%) small scale service business enterprises. The number of ancillary units among SSIs are 1,32,313 (2.98%).

Table 3: Types of units in Punjab state

Punjab state		
No. of Units- Estimated %		
Small scale industrial units	Ancillary units	small scale service business enterprises
3.22	4.74	3.84

Source: MSME website

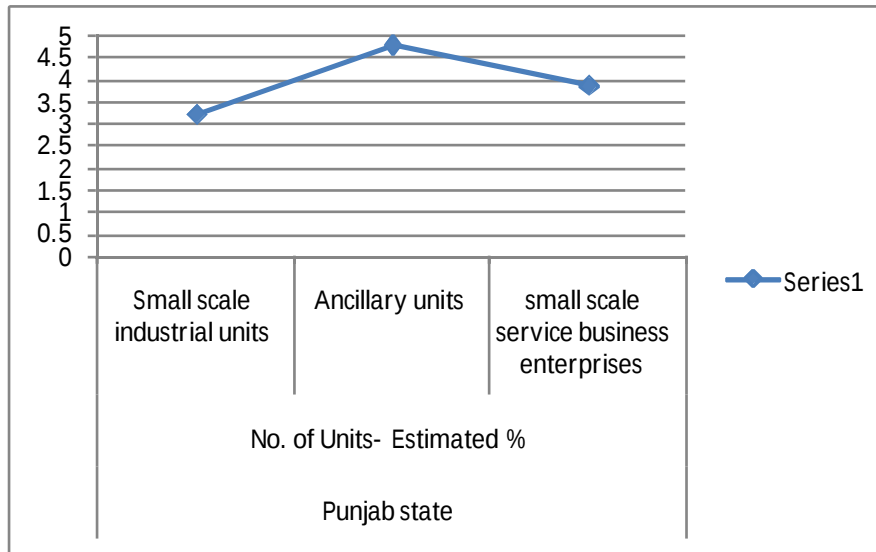


Figure 2: Types of units in Punjab state

Registration of units under factories act

All the units need to get themselves registered under the factories act. In India 1,04,953 units were registered under Section 2m (i) of Factories Act and 1,90,465 units were registered under Section 85 (i) of the Act.

Table 4: Registration of units under factories act

Units registered under the Factories Act in Punjab	
Section 2 (m) (i)	Section 85 (i)
6831	12259

Source: MSME website

Employment profile in the total small scale industrial sector

Nearly 2,49,32,763 persons are employed in the small scale industrial sector. The States of Uttar Pradesh (16.05%), West Bengal (8.7%), Andhra Pradesh (8.58%), Maharashtra (8.23%), Tamil Nadu (8.09%) have a share of 49.65% in the total employment. The total employment in Punjab in small scale industrial sector is 908576 (3.64%). Women employees and socially backward classes have 13.31% and 57.45% share in total employment in the SSI Sector. The number of children employed in the SSI sector is negligible (0.44%). 22.62% belong to the SC category, 1.67% are from ST category, 26.52% are from OBC category.

Gross output

The states of Maharashtra (14.53 %), Uttar Pradesh (9.72 %), Punjab (9.21 %), Haryana (7.08 %), Andhra Pradesh (6.47 %) and Tamil Nadu (6.47 %) have a share of 53.48 % in the total gross output in the SSI Sector.

Industrial infrastructure- Punjab.

The state Government has allocated US\$ 27.95 million in the 12th Five Year Plan in order to improve the industrial infrastructure and to create the new one. The government also stated about plans to develop 16 Specific Industrial Parks in the budget 2017-2018. There is also a plan to set up MSME Facilitation Councils at regional level at Ludhiana, Amritsar, Jalandhar, and Patiala. The government has planned for the investment outlay of US\$ 437.7 million that includes promoting and protecting small scale units; Developing mega projects, SEZs and industrial clusters; develop the IT and knowledge-based, agro-based and food processing industries. PAIC (Punjab Agro Industries Corporation Limited), had proposed to set up a mega food park in Ladowal at an amount of US\$ 17.96 million. The foundation stone for the park was laid in September 2016.

Table 5: Some of the premier investments in Punjab

Name	Industry	
Electronics Township, Mohali	Electronics	Setup for the promotion and growth of electronics industry in the state.
Industry clusters	Industry specific	Clusters identified for bicycles/ bicycle parts & textile, steel re-rolling, sports, leather goods, woollens in Ludhiana, Mandi Gobindgarh, Jalandhar and Amritsar respectively.
Food Park Project, Sirhind, Fatehgarh Sahib District	Agro-processing	Joint initiative of a Punjab Agro Industries Corporation and Non-Resident Indian (NRI) group.
Apparel Park, Doraha, Ludhiana	Textiles	Developed by Punjab Small Industry, Export Corporation Limited and the Association of Textile Industry.
Biotech Park, Dera Bassi, Chandigarh	Biotech	It has all the facilities including water, electricity, R&D lab and sewage treatment facility, etc.
Special economic zones, Mohali	IT and electronics; pharmaceuticals	SEZ status granted to QuarkCity in Mohali to promote IT and electronics sectors.

Objective and future prospect of the state

- Encouraging SMEs through adequate financing and increasing employment opportunities is the objective of Punjab. It is also focusing on setting up special economic zones and the development of backward areas.
- Focusing on increasing employment by various policy initiatives.
- Setting up of SEZ in backward areas.
- Setup computerized departments in public sector undertakings.
- Adopt e governance to ensure the ease of doing business.
- Encourage people to invest more in service sector and agro based industries.

FINDINGS

- 42.26 % of the total SSI sector is small scale industries. 55 % of SSI units are located in rural India.
- In India about 44% of the units are from Services Sector, 40% units are engaged in manufacturing and allied activities and 16% units are engaged in repairing.
- In India 1,04,953 units were registered under Section 2m (i) of Factories Act
- The SSI sector employs nearly 2,49,32,763 persons.
- The state Government has allocated US\$ 27.95 million for the development of industrial infrastructure.
- The government has stated plans to develop 16 Specific Industrial Parks in the budget 2017-2018.
- Encouraging SMEs through adequate financing and increasing employment opportunities is the vision of Punjab. It is also focusing on setting up special economic zones and the development of backward areas.

CONCLUSION

It can be very well concluded that small scale industries are contributing a lot towards the development of the country as well as the state of Punjab. It is helping in the development of the rural areas and is providing employment to a large number of people. The Punjab Government has also allocated a huge amount of fund for the development of industrial infrastructure. The government has stated plans to develop Specific Industrial Parks. It is also focusing on setting up special economic zones. But the infrastructure of small scale industry in Punjab is still very poor as the whole industry is on decline and it is not able to earn ample amount of profit. Moreover many of them need to be closed down. Even then the efforts should be made by the government and the investors to improve it as far as possible.

WEB LINKS

<https://www.ibef.org/download/Punjab-July-20171.pdf>

<http://www.dcmsme.gov.in/ssiindia/census/ch6.htm>

MSME website

ibimapublishing.com

www.ijsett.com

www.ijmra.us

www.scribd.com

www.slideshare.net