



Facilities and Programmes Provided by Directorate of Industries – An Analysis

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Abstract

To achieve the goal of faster economic development of the state, Government of Uttar Pradesh has provided various types of assistance to small scale industries under the supervision of Directorate of Industries Kanpur and district Industries centers. In Uttar Pradesh 70 districts are providing such type of facilities like technical training, management consultancy services, testing and development facilities, power and marketing facilities etc. through District industries centers for the rapid development of Uttar Pradesh.

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1. INTRODUCTION:

Uttar Pradesh has not been able to fully utilize its Productive potential, because of the inadequate development of entrepreneurship. The state will concentrate its energies on this vital factor and taken serious measures to promote entrepreneurship for the all round rapid industrialization of the state. The training of first Generation Entrepreneurs will be given the highest priority. The institute of Entrepreneurs Development will be strengthened and streamlined so that it becomes an effective medium of entrepreneurship development in the state. Diploma in Entrepreneurship has been introduced, in the state universities, Greater attention will be paid to organizing Entrepreneurial Development programmes, in hitherto backward areas, to train more and more young men and women, in the art of establishing and running an industry. Curriculum for these training programmes, will be carefully developed, to include inputs on how to establish an industry, management, accounting, marketing and relevant laws and procedures. Curriculum for these training programmes will be developed with the assistance of export agencies. The State Financial Institutions will accord priority to trained applicants in the sanction of a loan. In case of loan being sanctioned to un-trained applicants, it will be made necessary for them to undergo an Entrepreneurship Training, before the actual disbursement of a loan is made.

2. Important agencies connected with the small industries Programmes in the States are follows:

1. State Directorates of Industries.
2. State Small Industries Corporation
3. State Financial Corporation
4. State Directorates of Economic/Industrial Statistics

These agencies, of which the Directorates of Industries are the most important, are responsible for the execution of the programmes for providing credit, power, testing, training, land for workshop, allocation of raw materials, marketing, issue of essentiality certificates, training, demonstration and other facilities for the development of small scale industries. In Uttar Pradesh, the Directorate of Industry, Kanpur, is providing such type of facilities.

3. The study of various important facilities which are provided to small scale industries are as follows:

3.1 MANAGEMENT DEVELOPMENT TRAINING:

The basic objective of imparting training in management subjects is to improve the productivity and profitability of the existing entrepreneurs and developing the new enterprises. The small scale industries have to be helped not only to consolidate their existing growth but also for meeting the challenge in terms of product design, quality, reliability and process in the competitive market.

These courses are designed for small scale entrepreneurs and their supervisory personnel engaged in managerial duties.

The following types of management courses are conducted under the supervision of 'Small Industries Development Organization'.

(a). Various Management Courses conducted by Small Industries Development Organisation (SIDO)

(i). Industrial Management Courses: These courses are introductory to the management studies and give application of various disciplines of management such as production Management, Financial Management, Marketing Management, Purchasing and Inventory Control, Advertising and Publicity etc. The duration of these courses depends upon the needs of specific areas but is of a minimum of 30 lecture hours.

(ii). Specialized Courses in Management Studies: These courses provided intensive coverage of the basic fields of management such as financial management and Cost Accounting, Production Management, Marketing Management, Quality control, Work Study etc. The duration of these courses depend upon the needs of specific areas but is a minimum of 30 lecturer hours.

(iii). Techno-Managerial Courses: These courses are meant for those small scale industries which have already obtained a certain level of sophistication and need training in specialized management subjects such as quality and reliability, design analysis and value engineering, fuel efficiency, cost reduction, packaging, instrumentation and process control, plant engineering etc. These are also part time evening courses of short duration i.e. four to six weeks.

(iv). Ad-hoc courses in Management subjects: These are special courses on specific tools and techniques of management like inspection, cost control, production, development, production planning and control and market research etc.

During the year 2012-13, 210 courses in above subjects were conducted by the small scale industries in India, in which, 16200 persons were trained which included 1488 Scheduled caste and 972 scheduled Tribe persons.

(v). Technical Training Courses for workers in small scale industries: In order to improve the skills of workers engaged in the small scale industries and to equip them with better and improved technologies of production. Small Industries Service Institutes in their workshop and Extension Centers attached with them organized regular and adhoc courses in various technical trades and manufacturing process. Such technical courses are conducted twice/thrice a year by the small Industries Service Institutes in their workshop and Extension centers attached with them organized regular and adhoc courses in various technical trades and manufacturing process. Such technical courses are conducted twice/ thrice a year by the small Industries Service Institute/Extension Centres. The areas in which these courses are organized are as flows:

- (a) Shop practice courses
- (b) Trade Oriented Courses
- (c) Process oriented Courses
- (d) Products oriented courses

3.2 Management Consultancy Services:

The officers of small industries service institutes continued to provide management consultancy services to the small scale industrialized as a part of the overall industrial extension services of small industries Development Organisation. These services cover the problems-oriented

consultancy service for solving specific problems faced by small industrialists and in plant studies for intensive and analytical studies covering all subjects of a unit like finance, productions and marketing etc.

3.3 Consultancy for Techno-management services:

The need for providing specialized services to small scale sector is increasing with the rapid development of these industries in the country. A part from new products and items introduced, new raw materials have also come into existence, small scale industries are, however, handicapped by lack of financial resources as well as by lack of competent technical and management personnel. In order to help small scale industries in such areas, Small Industries Development Organisation has offered technical, managerial consultancy services through panels of private consultants/consultancy organizations/agencies on subsidised basis.

3.4 Testing and Development Facilities:

With a view to providing testing facilities for quality control, the state Government has set up a number of testing and development laboratories wherein testing and development facilities are being provided to entrepreneurs.

These facilities are being provided for leather, glass and ceramics, engineering, oil and electronics industries etc., by the following laboratories:

1. Glass testing laboratory, Kanpur.
2. Glass Ceramics Testing Laboratory, Khurja.
3. Diesel Engine Testing Laboratory, Ghaziabad.
4. Leather Testing and Development Laboratory, Kanpur
5. Pottery Servicing Centres, Khurja and Chunar.
6. Government Forged Heat Treatment Plant, Meerut.
7. Government Wood Seasoning Plant, Saharanpur.
8. Electronic Testing Laboratory, Kanpur.

Besides testing in above laboratories, testing facilities for oil at Kanpur and foregining at Agra are also being provided through Associations. Testing and Development Laboratories of Small Industries Service Institutes (Government of India) at Kanpur, Allahabad and Varanasi are also providing these facilities. Arrangements for small scale sector, for such facilities, have also been made at various important technical institutions of the state. Such as I.I.T., Kanpur, M.L. Engineering College, Allahabad, B.H.U., Varanasi and Institute of Management Development, U.P., Lucknow.

3.5 Power Facilities:

Electric power is most important factor for an industry. Without adequate and uninterrupted power supply no industry can run. To encourage development of industries in U.P., the State Government is providing various incentives/concessions on power with the recommendation of Directorate of Industries & District Industry Centre.

In order to carry on uninterrupted production U.P. Financial Corporation is assisting in installation of generating sets. Under the Schemes which apply to the entire state, industrial units can obtain loan as well as subsidy for purchasing generating sets provided they are registered as

small scale industries with the Directorate of Industries, Kanpur or under Indian Factories Act, or D.G.T.D. or controller of iron and steel.

The Uttar Pradesh State Electricity Board has also prescribed differential rates for various categories of power consumers with a view to boosting up the industrial development. On this basis entrepreneurs get benefited by selecting most appropriate and economical rate schedule for their industries to minimize the production cost. In addition to the above, Uttar Pradesh Government is providing various other facilities related to power such as priority in sanction of power, power subsidy and the facility of paying security deposits in installments etc.

3.6 Hour Uninterrupted Power Supply:

Continuous and high quality power supply is extremely important for the development of industries. Due to shortage of power in the state, it's availability to industrial units, has been uncertain in the past. The state, will take strong measures to increase the generation of power and ensure its continuous availability to the industry. Highest priority will be given, to the implementation of those power projects, for which MDUS and PPAS have already been signed.

3.7 Marketing Assistance:

The small industries may need assistance in the beginning for marketing their products. The Government assists the entrepreneurs in Government purchases and organizations like National Small Industries Corporation, U.P.S.D.C., Uttar Pradesh Export Corporation, State Brassware Corporation, State Leather Corporation also help in marketing of identified products within their purview.

Each District Industries centre has one Manager (Marketing) for guiding the entrepreneurs about the market information. The tender inquiries and D.G.C. & D notices are available in the District Industries centers to enable entrepreneurs to quote for Government purchases.

The U.P.S.D.C. registers small scale units under the Marketing Assistance programme. The U.P.S.D.C. also quotes on behalf of the entrepreneurs against nominal service charges.

For handicraft and other products the Uttar Pradesh Export Corporation has a chain of show rooms for marketing the product within the country and they can also help in export.

Brassware Corporation helps the artisans engaged in Metal Artware Industries through their show rooms and also in obtaining export orders.

Uttar Pradesh Handloom Corporation provides assistance in marketing the handloom products through network sales out-lets.

3.8 Industrial Co-operatives:

Industrial co-operatives have played an important role in the development of small scale industries and in solving the following difficulties:

1. Exploitation by the middlemen in supply of raw materials, marketing of goods and supply of credit.
2. Lack of bargaining power on account of small size of industrial; units.
3. Competition from large scale industries.
4. Low technical and managerial skill of the entrepreneurs.

The industrial co-operative societies are engaged in production and processing work and some of them provide servicing facilities to persons engaged in industrial production. A progressive

development is the setting up of co-operative industrial estates which provide workshop facilities. They also attract banking, postal, Tele-communications and other authorities to open branches within the estate for the benefit of the members. Another activity where the co-operative facilities are made available to the industrial sector is by co-operatives banks.

3.9 Some other Programmes and Facilities:

(i) Depreciation Allowance:

A tax payer is entitled to the normal depreciation allowance on industrial building, furniture, plants and machinery etc. at the prescribed rates. The rates of depreciation have been classified in income tax act(Appendix I, Part I) as 10%, 15%, 20%, 25%, 40%, 50%, 60%, and 100%. 50% depreciation is admissible if the machinery or plant remains in use less than 180 days in the previous year. An extra shift allowance up to a maximum of 50% of the normal allowance is allowed in case the unit is working in double shift and an extra allowance at 100% of the normal allowance is allowed in case the unit is working on triple shift basis. However, this concession is not applicable in case of furniture. If the profit of a business in any year is insufficient to absorb the depreciation allowance, the unabsorbed balance can be carried forward and set-off against the profits of the business in any later year or years provided there is no change in ownership of business.

(ii) Single Table under one Roof:

The state has decided to change the entire system of clearances and approvals to give substance to the concept of 'Single Table under one Roof'. All Clearances necessary to set up a new industry with an investment up to Rs. 25 crores, will now be made available through the District Industries centre. In order to implement the new scheme, a composite form of all departments will be develop. Every month, a meeting will be held at the DIC, which will be attended by the senior most officers of all the concerned departments, where the entrepreneur will be required to fill in the forms with the help of the departmental officers. After completing the form and formalities, all clearances and approvals will be made available to him on a fixed date from the District Industries centre. The entrepreneurs will not be returned to go to any of the departments for approval. The same facility will be provided by the state level Udyog Bandhu Committee for enterprises with investments above 25 crores rupees; all export oriented units and Industries involving NRI Investments.

(iii) Udyog Bandhus to be made more effective:

The District level Udyog Bandhus, have also been reorganized they are now being presided over by the Minister-in-Charge of the district as Chairman, and the concerned District Magistrate and Vice Chairman. The District level Udyog Bandhus now meets on the first Monday of every month. In order to enhance the effectiveness of District level Udyog Bandhus, the presence of officers of various departments and their role in compliance of decision taken will be strictly monitored by the District Magistrates. The District Magistrates are being given the power of recording the annual entry of the all the officers associated with the Udyog Bandhu on the basis of their performance.

The divisional level Udyog Bandhu meeting will now be held by the Divisional commissioners on a monthly basis. Earlier there meetings were being held irregularly.

Recently the state level Udyog Bandhu committee has also been organized by the Chief Minister of Uttar Pradesh Mr. Akhilesh Yadav under the Chairmanship of State Industry Minister. The Status of the Chairman of this committee is equal to the cabinet minister of the state. The purpose of this committee is to give valuable suggestions for the rapid progress of the state.

(iv) Promotion of Seri culture in the Tarai Regions of Uttar Pradesh:

The present need of raw material for the Varanasi silk industry is being largely met by imports. The Silk industry of the state, needs approximately 5000 tonnes of silk annually. The present level of silk production in the state, is much below this level. From this angle alone, there is a tremendous scope for sericulture in the state. This sector has the potential of providing full time employment to 5 persons on every hectare of land. The climate of the tarai districts of Uttar Pradesh is extremely conducive to this economic activity. It shall be the priority of the Government, to promote the production of superior quality silk in the state and through this, to create additional opportunities for employment in the rural areas. In the next five years the state aims to annually produce 850 M.T of superior quality silk through the DASP. Employment will be provided to 1.20 lakh people. Scheme will be implemented intensively in Bahraich, Shrawasti, Gonda, Gorakhpur, Maharajganj and Khushinagar districts of the Tarai region.

(v) Promotion of Information Technology:

Today, information Technology has a very special significance in the modern world. Uttar Pradesh has achieved considerable success in this field in the last few years. IIT Kanpur, which has achieved international fame in the field; of computer engineering and which produced world class software professionals is fully equipped to enable Uttar Pradesh to provide leadership to the entire country in this extremely critical area. The state will enter into an MOU with IIT, Kanpur to use its expertise in this field for the full realization of the opportunities that this sector offers.

At present, Information Technology has proved its importance at all levels in Government, administration and also in the field of industry of the state. By 2015 all the development blocks of the state will be connected through computers. Computer literacy will be promoted at all levels. It is proposed to make 10 million citizens of the state computer literate in the next 5 years.

Special Facilities for Schedule Caste/Tribes, Backward, Minority & Weaker Sections:

Keeping in view the economic potential inherent in the vast population of SC/ST, Backward classes and Minorities in the state, who have historically been deprived of participation in the productive processes of society, it shall be the effort of the state to develop entrepreneurship of this section of population. Due representation will be provided to this section, in the various entrepreneurship development programmes, conducted by Institute of Entrepreneurship development.

The additional concession of 25% on trade tax and other priority benefits would continue to be made available to industrial units which follow the prevailing reservation policies of the Govt. in respect of employment at different levels.

In addition to the above facilities income tax benefit, stamp duty concession, Investment allowances, and state capital subsidy are also available to new small industrial undertakings with the recommendation of District Industry Centers of the state for the rapid industrial growth.

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