

KARNATAKA STATE SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED – A Profile and its Development

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Abstract:

The Development of small scale industries in Industrial Estates in Karnataka have been depending on the framing and implementation of policies of frameworks of Government through KSSIDC. The Industrial Estates programme of KSSIDC has the obligation to discharge the role of promotion and development of small industries in Karnataka.

Now, it is pertinent to probe into the origin, organizational structure, activities carried on etc., the KSSIDC, Which is the Core Corporation of the present research. It is rich with natural resources and better climatic conditions for the development of industries. Infact, the state has provided a sound backup of infrastructure for setting up industrial units. The state has encouraged the development and growth of large scale and medium scale industries. At the same time, it has also taken sufficient care to ensure that small scale industries are not ignored. In order to encourage small scale industries and also to keep tuned with the policy of central government, the state has set-up Karnataka State Small Industries Development Corporation Ltd., in the year 1960 by entrusting the responsibility of establishing maintaining and managing the industrial estates. Further the corporation was also recognized as an agent of Government for supply of scarce raw materials required for the Small Scale Industrial in the State.

Key words:-Industries, KSSIDC, Corporation, Growth, Industries, Units, Organization, structure, activities.

INTRODUCTION:-

India is vast country with a geographical area of 32 lakh sqkms, nearly 80 per cent out of 1.03 crore population of its population live in villages and rural area. Agriculture is the main occupation of the people who reside in villages. Even though agriculture is the main occupation of the majority of people in this country, our Government recognize the need to improve our Industrial activities. After Independence, from the perusal of our approach for five year plan reveals that slowly but surely Government is continuously encouraging the development of industries. As early as during II plan period (1957-62), much of Industrial progress was achieved in building up the necessary infrastructural facilities by bringing public sector undertakings to the forefront of our economy. But at the same time the Government never failed to recognize the need to develop the small scale sector. In fact, the Industrial policy Resolution of 1956 stated about the importance of this sector. According to the industrial policy of 1956, the state has to give utmost importance for the improvement of the competitive strength of the SSI sector. It was suggested that techniques of production should be improved and modernized and the phase of transformation being regulated so as to avoid as far as possible technical unemployment. In order to have an orderly growth of SSI units, the need for setting up of Industrial estates for locating the SSI units.

The primary objective of establishing Industrial Estates is to create the necessary climate to house the mash rooming industrial and to fasten activities for the development of such Industries. Industrial Estates help in disbursing industrial in rural and undeveloped areas to remove the regional imbalance.

Thus both central and state governments have placed considerable emphasis on development of small industries with a view to generate additional employment opportunities and they have extended various incentives and concessions to encourage the small scale sector in KarnatakaState.

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also recognized as an agent of Government for supply of scarce raw materials required for the Small Scale Industrial in the State.

ORIGIN OF KSSIDC

Karnataka State Small Industries Development Corporation (KSSIDC) has been playing a vital role in the development of small scale industries in Karnataka. KSSIDC is a Government of Karnataka undertaking entrusted with the responsibility of providing infrastructural facilities for small scale industries. The Corporation is engaged in developing industrial estates and construction of industrial sheds of various dimensions, to help SSIs to occupy to carry on their respective activities. The Corporation is registered under companies act 1956 and it was known as Mysore Small Industries Corporation (MSIC) prior to 1972. The Corporation is rendering services to the small scale sector in the state over 5 decades. It is both befitting an appropriate to look back over the years and trace some of the important events that took place during the period.

The Corporation had a moderate beginning by occupying a small rented building in the outskirts of Bangalore. Later on, the Corporation was moved to its own building in the Rajajinagar Industrial Estate. Until around 1960, the State Government's efforts to encourage the development of small scale industries were being pursued by the Department of Industries and Commerce as a part of the department's overall strategy for a comprehensive industrial development. From 1960, KSSIDC, (the then MSIC) took over the activities relating to the management an setting up industrial estates and distribution of raw materials an started to give an orientation to this aspect of development.

OBJECTIVES OF KSSIDC

The primary objective of the Corporation has been to promote the SSIs and develop SSIs with a special focus on SSIs locate in backward areas. The Corporation is providing infrastructural facilities, technical support for the SSIs etc. An industrially prosperous Karnataka is the vision of KSSIDC.

The Corporation pursues the following broad objectives.

1. The Corporation is basically concerned with the establishment an management of Industrial estates with all the infrastructural facilities like constructing sheds and preparing plots of different types an allotting them to the needy entrepreneurs.

2. Its objective is to encourage the dispersal of industries to backward areas and to induce industries to move away from the areas of high concentration to achieve industrialisation in the state.
3. To extend special concessions to entrepreneurs belonging to schedule cast, schedule tribe, women, physically handicapped, ex-servicemen and non-resident Indians.
4. To procure the scarce raw material from various sources for distribution to the desired entrepreneurs.
5. To disseminate information by participating in the National and International exhibitions.
6. To supply machineries to entrepreneurs under hire purchase schemes.
7. To provide marketing assistance to entrepreneurs especially who undertake export of their produce.
8. To conduct EAPs (Entrepreneurs Awareness Programme) and EDPs (Entrepreneurial Development Programme) to encourage up-coming entrepreneurs.

ORGANISATION STRUCTURE

KSSIDC has employed more than 363 people. It is managed by a board of directors consisting of a Chairman, a managing director and 8 other directors. Its Board of Directors comprises of leading professionals from variegated fields. The Corporation's senior management comprises some of the most experienced and talented professionals of the Industrial sector of the country.

The total strength of the Corporation in Karnataka State as at the end of the 31.12.2010 under report stood at 363 persons (173 out sourcing class IV employees are working in KSSIDC). Out of which, 79 persons belong to schedule caste and 19 persons belongs to schedule tribes, 3 persons are working on deputation from the Government of Karnataka and 6 persons are on deputation from KSSIDC to other organisations.

Corporation is working under the control of Ministry of Small Scale Industries. Government of Karnataka and the Managing Director is performing the activities of KSSIDC with the co-ordination of different departments namely Company Affairs, Law, Industrial Estate maintenance, Administration, Marketing, Engineering, Personnel and internal Audit. KSSIDC has employed 2 General Managers, 13 Chief Managers, 20 Deputy Chief Managers, 36 Managers, 79 Assistant Managers, 1 Superintendent Engineer, 5 Executive Engineers, 3 senior Draftsmen, 30 Assistant Executive Engineer, 13 Junior Engineers (special grades), 1 Electrician, 2 Senior Trackers, 113 Senior Assistants. 55 Junior Assistants, 14 Senior

Stenographers, 1 Senior Typist, 19 Typists, 103 Class IV workers, 1 Personal secretary, 2 personnel Assistant and 23 drivers. The organisation structure of the KSSIDC is given in the form of a chart in Appendix-II.

FININCIAL PROGRESS OF KSSIDC

Financial progress of KSSIDC has been analysed through the following parameters in the paragraphs to come:

1. SHARE CAPITAL

The Corporation had an initial capital of `10 lakhs in 1960. The State Government's contribution to the equity of the Corporation during first 10 years was `20 lakhs. A probe in to the performance of KSSIDC during period from 1960 to 1970, shows that the Corporation had set-up 452 industrial sheds in 20 industrial estates, the majority of which had been constructed in Bangalore district covering 60 per cent. For this purpose, the state government had invested around `1.78 crores on these sheds. The Memorandum and Articles of Association of the Corporation have been framed in a comprehensive and exhaustive manner which permit the Corporation to take up financial activities aimed at the rapid development of small scale industries, subject to the guidelines issued by the government from time to time with an objectives of establishment of industrial estates with all the infrastructure facilities, construction of sheds, preparation of plots especially in the rural areas for the benefit of SSIs.

In order to fulfill the requirement, the Corporation has raised the share capital and borrowed the loan from other lending institutions. There is special resolution approving allotment of 50,000 equity shares every year in favour of Government of Karnataka. The Government of Karnataka releases an amount of `50 lakhs every year. The corporation in the year 1992 had undertaken the construction of industrial sheds under the VISHWA scheme on behalf of the Government of Karnataka with an estimated cost of construction of such sheds in `2,048 lakhs. During the year 1992-93, the corporation had a paid up capital of `1680.86 lakhs and in 1993-94 Corporation had pooled an amount of `160 lakhs towards paid up capital. At the end of financial year 1994-95, the corporation's paid up capital stood at `2,066.36 lakhs, it shows the additional amount of `205.50 lakhs was collected by Corporation.

The financial position of the Corporation at the end of 1995-96 shows `14,498.82 lakhs in which the paid-up capital of the Corporation showed `2,166.36 lakhs and in subsequent

years the corporation's paid-up capital stood at `2.216.36 lakhs in 1996-97 and ` 2,266.36 lakhs in 1997-98. The details of the financial position of KSSIDC is shown in Table 4.1.

TABLE 4.1
FININCIAL POSITION OF KSSIDC

FININCIAL ACTIVITIES	FINANCIAL PERFORMANCE (` IN Lakhs)		
	2015-2016	2016-17	2017-18
Authorized Capital	3,000.00	3,000.00	3,000.00
Paid-up Capital	2,466.36	2,466.36	2,466.36
Reserves and Surplus	2,433.19	3,392.33	4,559.52
Unsecured Loans	1,491.73	1,304.51	1,300.13
Provisions	6,250.87	9,616.03	8,416.64
Gross Block	4,452.30	4,359.35	4,123.14
Fixed Assets	2,891.12	2,835.67	2,320.23
Capital Employed	2,620.72	2,900.00	3,276.18
Net block	2,847.70	2,664.01	2,320.23
Profit before tax	1,119.18	1,908.61	1,934.81
Sales Turnover	7800.46	8,310.78	9,699.50
Value of the Business to Net Block	273.92	311.96	418.04
Value of the Business to Gross Block	175.20	190.64	235.24
Value of the Business per Employees	20.96	22.89	26.72
Current Assets to Net Assets	530.62	505.53	385.30
Current Assets to Current Liabilities	127.43	130.57	140.28

Quick Assets to current Liabilities	127.43	130.57	140.28
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Source: KSSIDC, Annual Reports.

2. WORKING CAPITAL

The working capital includes the current assets, loans and advances less trade dues and current liabilities and provisions plus provision for leave encashment of the corporations at the close of three years i.e. amounted to `4,394.05 lakhs, `5,234.95 lakhs and ` 7,900.63 lakhs respectively. The working capital represented 6.21 months value of business at cost in, 5.31 months and 4.26 months in and was equivalent to 5.83 months turnover in 2007-2008, 5.13 months in 2008-2009 and 3.64 months

3. BUSINESS PERFORMANCE

The value of business done during the year years up to 2009-2010 is worked out below in Table 4.2

TABLE 4.2
BUSINESS PERFORMANCE OF KSSIDC

PARTICULARS	BUSINESS PERFORMANCE (` in lakhs)		
	2015-2016	2016-17	2017-18
Sales	7800.46	8310.78	9699.50
Closing Stock	4955.83	5108.44	4947.95
Opening Stock	4605.50	4955.83	5108.44
Value of the Business	10845.79	11964.13	12851.46

Source: KSSIDC, Annual Report,

4. INVENTORY

The inventory of KSSIDC at the close of the year 2009-2010 was `4,947.95 lakhs including industrial estates property (excluding work-in-progress) and sundry debtors in

2009-2010 of ₹. 721.54 lakhs of total ₹.5,669.49 lakhs. Work-in-progress in the year 2008-2009 ₹.17.65 lakhs and 2009-2010 it was Nil.

6. WORKING RESULTS

The working results of the Corporation for the 3 years are given below in Table 4.4

TABLE 4.4
WORKING RESULTS OF KSSIDC

PARTICULAR	WORKING RESULTS (₹ IN LAKHS)		
	2015-2016	2016-17	2017-18
<u>Percentage of Profit</u>			
-Before Tax to Sales	14.34	22.96	19.94
-Gross Fixed Assets	38.71	67.30	83.38
-Capital Employed	42.70	65.81	59.05
-After Tax Net Worth	24.86	42.74	58.19
-Equity Capital	28.71	46.17	55.99
-Capital Employed	27.02	39.26	41.21

Source: KSSIDC Annual Reports,2008-09,2009-10.

Working results of the Corporation provided in Table 4.4 shows that, the percentage of profit before tax to sales was ₹. 14.34 lakhs, ₹.22.96 lakhs and ₹.19.94 lakhs The percentage of profit to gross fixed asset was Rs. 38.71 lakhs in 2007-2008, ₹. 67.30 lakhs and ₹.83.38 lakhs. The percentage of profit before tax to capital employed was ₹. 42.70 lakhs in 2007-2008, ₹.65.81 lakhs and ₹.59.05 lakhs. It further reveals that, the percentage of profit after tax to net worth was ₹.24.86 lakhs. ₹. 42.74 lakhs in 2008-2009 and ₹.59.51 lakhs in 2009-2010.The percentage of profit after tax to equity capital was ₹.28.71 lakhs in 2007-2008, ₹.46.17 lakhs in 2008-2009 and ₹. 55.99 lakhs and the percentage of profit to capital employed was ₹. 27.02 lakhs in 2007-2008. ₹.39.26 lakhs and.

DEVELOPMENT OF KSSIDC

KSSIDC has endeavored to nurture and develop the small scale industries since its inception. Its main objective is to provide basic infrastructural facilities to the small scale industries in the State. The Corporation has contributed more than 60 % of the existing infrastructure for the small scale sector.

The purpose of the corporation is establishing and maintaining industrial estates all over the State. A typical of them is the KSSIDC industrial estate which includes industrial sheds of various types, industrial plots with good infrastructure like developed roads, proper drainage, adequate supply of power and water and also utility service like post office, banks and training centre for entrepreneurs.

In Karnataka, so far 165 industrial estates have been established in 175 taluks of 30 districts spread in 11 divisions under 3 zones of the Corporation in an area of about 1,200 hectares (2,520) of land utilized for the construction of 5,573 industrial shed of various types comprising of 458 'A' type sheds, 1,003 'B' type sheds, 1,872 'C' type sheds, 1030 'D' type sheds, 633 Super-mini shes.356 Mini-sheds, 113 Special Sheds, 806 Vishwa Sheds, 40 Work sheds and 58 Faltered Factory sheds and formed 6,301 industrial plots of various dimensions. These sheds include industrial plots for electronics goods and computers. All these industrial estates provide a direct employment to about 1,85,000 men and women and has also provided sufficient indirect employment.

1. MAJOR ACTIVITIES OF KSSIDC

KSSIDC from its inception has hither to developed 165 industrial estates throughout the state of Karnataka where in 5,573 sheds of different types have been constructed. This includes 6 multistoried buildings to house 187 electronic units. A Garment complex at Rajajinagar comprising of 20 units, 3 multistoried buildings at Penney I, II and III stages comprising of 12, 14 and 12 flats respectively for light engineering units and a special type of functional estate at Chithapur, in Gulbarga District comprising of 31 plots for stone cutting and polishing units. The Corporation has achieved its main objectives viz., establishing Industrial estates, constructing sheds, forming plots of different types, construction of Vishwasheds and allotment of sheds and allotment of sheds. The major activities of the KSSIDC which were carried out during the last 50 years upto 2010 are presented below.

1. ESTABLISHMENT OF INDUSTRIAL ESTATES

Establishment of Industrial estates with the provision of infrastructural facilities is one of the major functions of the corporation. The following tables indicate the position of the industrial estates activities of the corporation so far.

A. ZONE-WISE DISTRIBUTION OF INDUSTRIAL ESTATES

Karnataka has been divided into 3 Zones by the corporation for identification of 165 industrial estates located in 175 taluks of 30 districts in the State. Table 4.5 shows the details of zone-wise distribution of Industrial estates constructed by corporation.

TABLE 4.5
ZONE-WISE DISTRIBUTION OF INDUSTRIAL ESTATES

ZONE	NO. OF INDUSTRIAL ESTATES	PERCENTAGE
Zone – I	48	29.09
Zone-II	76	46.06
Zone-III	41	24.85
TOTAL	165	100.00

Source: KSSIDC, MIS Reports.

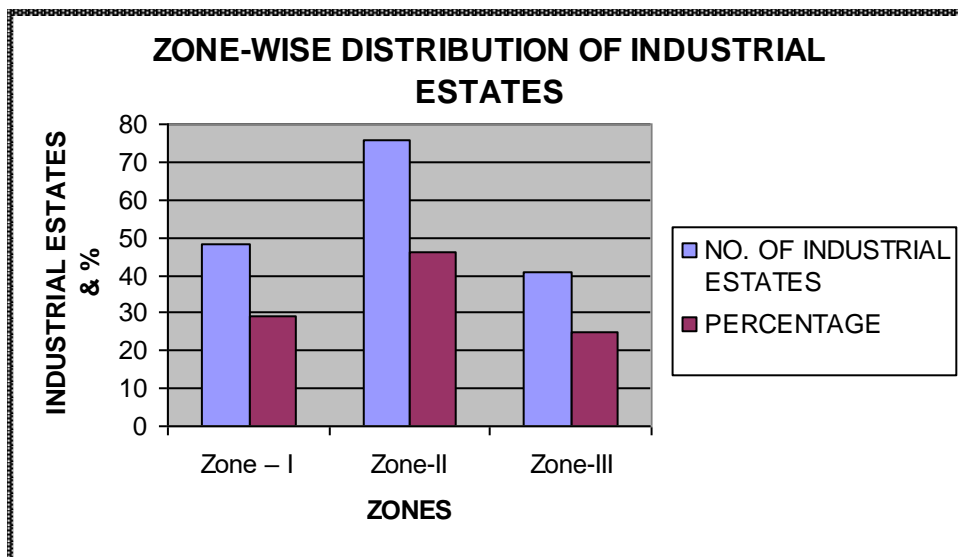


Table 4.5 reveals that, the corporation has constructed 165 industrial estates spread in 3 Zones of the state in which Zone-I is located southern part of Karnataka includes the capital

of the state and major urban industrial estates, under Zone-II and III all most all the industrial estates are located in rural and backward area of the Northern. Western and Costal parts of Karnataka. It further shows that the Zone-I has 29.09 percent (48 estates) followed by highest number of 46.06 per cent (76 estates) are constructed under Zone-II and only 24.85 per cent (41 estates) are constructed under Zone-III and the Corporation has discharged the objectives of the industrial estates programme to the maximum extent by establishing the industrial estates in rural and backward areas.

B. ZONE-CUM-DIVISIONS, DISTRICTS, TALUKS-WISE DISTRIBUTION OF INDUSTRIAL ESTATES IN KARNATAKA

Table 4.6 gives the details of distribution of Industrial estates in Karnataka state.

TABLE 4.6
ZONE-CUM-DIVISIONS, DISTRICTS, TALUKS-WISE DISTRIBUTIONS AND INDUSTRIAL ESTATES IN KARNATAKA

ZONE	NO. OF DIVISION	NO OF DISTRICTS	NO OF TALUKS	NO OF I.E
Zone – I	5	7	48	48
Zone-II	2	13	79	76
Zone-III	3	10	48	41
TOTAL	11	30	175	165

Source: KSSIDC, MIS Report March 2010.

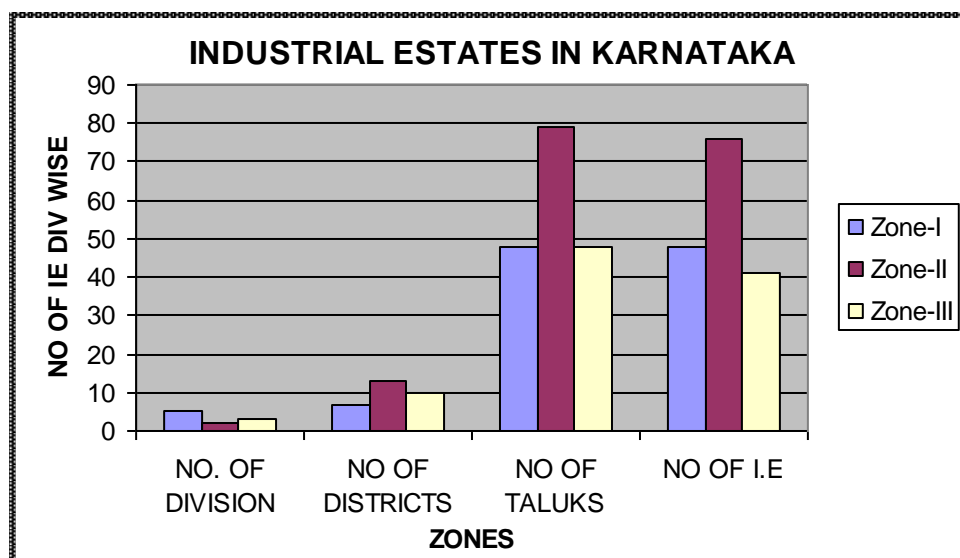


Table 4.6 shows the Zone-wise distributions of divisions, districts, taluks and industrial estates. The above classification is made on the basis of degree of backwardness of each district/taluk and for the proper administration and maintenance of the estates. The study revealed that the distribution of industrial estates are comparatively more in Zone-I, since the ratio of number of districts to number of industrial estates is 1:7:33. This ratio is 1:6 in Zone-II and 1:4:33 in Zone-III. The Industrial Estates of the KSSIDC is given in the form of a Map in Appendix-III.

2. CONSTRUCTION OF INDUSTRIAL SHEDS

KSSIDC has been constructing different types of sheds in the Industrial Estates established by it, in the State. The role of KSSIDC in providing the infrastructure is to make available land and building in various industrial estates set-up by the Corporation. The land and building are normally available in the form of ready built-in-sheds having various type including 806 Vishwa Sheds. The details of the sheds constructed zone, division and type wise together with land acquired therein and areas of construction of sheds and plots are given in the following paragraphs.

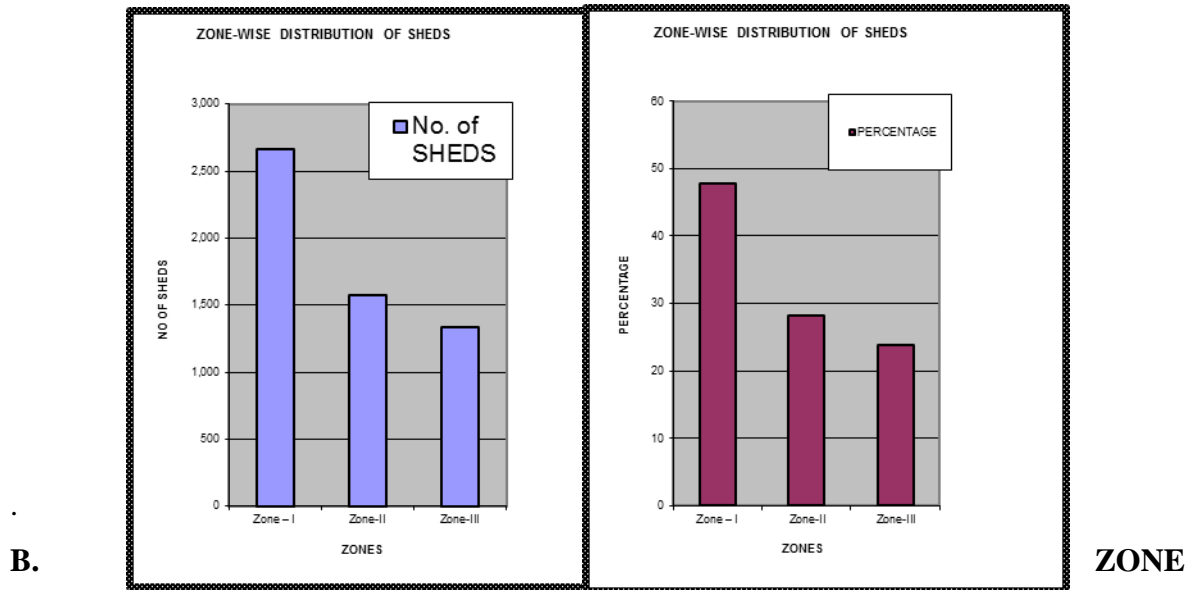
A. ZONE-WISE DISTRIBUTION OF SHEDS

The sheds are designed to give the desired comforts to the entrepreneurs. The Corporation is taking up programme of construction of sheds to the maximum extent in rural and backward areas. Table 4.7 give the Zone-wise distribution of sheds constructed by the Corporation in State.

TABLE 4.7
ZONE-WISE DISTRIBUTION OF SHEDS

ZONE	No. of SHEDS	PERCENTAGE
Zone – I	2,665	47.81
Zone-II	1,576	28.29
Zone-III	1,332	23.90
TOTAL	5,573	100.00

Source: KSSIDC, MIS Report.



AND TYPE-WISE DISTRIBUTION OF SHEDS

The Corporation has constructed various types o sheds for industrial activities based on the plinth area specified by the government. The maximum number of popular sheds of type B, C and D sheds were constructed by the Corporation in Karnataka. A total of 1,935 sheds (33.94 per cent) were constructed in type ‘C’ type. Hence, an attempt is made to known the details of type of sheds constructed under the Zones of Corporation with the help of ensuring Table 4.8.

TABLE 4.8
ZONE AND TYPE WISE DISTIBUTION OF SHEDS

TYPE OF SHED	ZONE –I		ZONE-II		ZONE – III		TOTAL	
	NO OF SHEDS	%	NO OF SHEDS	%	NO OF SHEDS	%	NO OF SHEDS	%
A	438	7.86	1	0.01	19	0.34	458	8.21
B	769	13.79	192	3.46	169	3.03	1130	20.27
C	757	13.59	587	10.53	485	10.55	1829	32.81
D	235	4.21	436	7.83	315	4.65	986	17.89
SM	139	2.50	268	4.81	202	3.62	609	10.92
M	122	2.18	91	1.64	124	2.22	337	6.14

SPL	110	1.97	1	0.01	12	0.21	123	2.68
FFS	58	1.00	-	-	-	-	58	1.08
WS	37	0.71	-	-	-	-	37	
TOTAL	2665	47.81	1576	28.29	1332	23.90	5573	100.00

Source: KSSIDC, MIS Report,

The analysis of Table 4.8 reveals that more number of A,B and C type of sheds are constructed in Zone-I than Zone-II and III. The figures reveal that 35.24 per cent of A,B and C type sheds are in Zone-I but this percentage is 14.00 in Zone-II, 13.92 in Zone-III. But this situation is reversed in D, SM and M type of sheds. These figures show the concentration of large number of big sized industrial sheds in Zone-I than the other two Zone followed by the concentration of comparatively big sized industries within the SSI sector.

C. DISTRICT-WISE DISTRIBUTION OF SHEDS

TABLE 4.9
DISTRICT WISE DISTRIBUTION OF SHEDS

DISTRICT	No of IE	NUMBER OF TYPES OF SHEDS									Total no of Sheds
		A	B	C	D	SM	M	SPL	FFS	WS	
Bangalore urban	9	129	262	148	54	25	30	32	20	-	700
	10	25	111	137	45	40	20	16	-	40	434
Rural	3	270	236	280	28	8	20	51	38	-	931
Peenya											
Tumakur	8	-	10	60	20	18	14	10	-	-	132
Kolar	9	14	12	70	38	22	2	-	-	-	158
Chitradurga	3	-	-	26	24	4	6	-	-	-	60
Dhavanagare	2	-	6	36	28	22	30	1	-	-	123

Dharwad	5	-	119	126	119	86	26	1	-	-	477
Gadag	6	-	-	14	4	10	6	-	-	-	34
Haveri	6	-	-	10	2	20	-	-	-	-	32
North canara	8	-	-	34	48	22	6	-	-	-	110
Belgam	10	1	49	121	77	48	18	-	-	-	314
Bijapura	5	-	6	26	50	24	8	-	-	-	124
Bhagalkot	3	-	6	4	6	8	4	-	-	-	28
Gulbarga	11	-	6	57	48	22	7	-	-	-	140
Bidar	7	-	-	38	38	10	4	-	-	-	90
Raichur	4	-	2	20	28	4	6	-	-	-	60
Koppal	2	-	-	2	-	2	-	-	-	-	4
Bellary	5	-	4	44	46	12	6	-	-	-	112
Mysore	6	15	83	228	118	48	30	2	-	-	524
Mandya	6	-	10	79	31	34	4	-	-	-	158
Shimoga	6	4	15	70	45	25	26	-	-	-	185
Hassan	7	-	4	56	24	20	16	-	-	-	120
Chikkamagalore	2	-	-	8	24	4	6	-	-	-	42
South canara	11	-	57	147	73	71	42	-	-	-	390
Ramanagar	2	-	3	13	1	11	9	-	-	-	37
Chikkaballapur	6	-	2	12	3	9	6	-	-	-	32
Yadgiri	2	-	-	6	6	3	3	-	-	-	18
Kodagu	1	-	-	-	2	1	1	-	-	-	4

TOTAL	165	458	1003	1872	1030	633	356	113	58	40	5573
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Source: KSSIDC, MIS Report

A study into the reasons for the concentration of sheds in few districts revealed that marketing opportunities, transportation facilities, availability of raw-materials, availability of skilled labour, nearness of Government administration favorable industrial environment of climate etc., contributed for this situation. The data also revealed the imbalanced distribution of estates, sheds and industries in the State. The number of industrial sheds in Karnataka State is given in the form of Table in Appendix – IV

D. TYPES AND DIMENSIONS OF SHEDS

The Corporation is taking up construction programme at the ratio of 30:70 for construction of sheds and plots respectively in rural areas and it is 60:40 in urban areas. The Corporation develops an industrial estate by forming the required roads and other civil amenities including street lights and takes up construction of sheds in a portion of the industrial estates.

KSSIDC has a competent team of Engineers with the vast experience in construction activity. This is responsible for conceptualizing, designing, planning, constructing, establishing industrial estates, planning and constructing living-cum-working sheds for artisans engaged in handloom, handicraft, leather industries etc., planning and constructing Ancillary Industrial Estates in the vicinities of large industries and maintenance of KSSIDC industrial estates.

After the construction activity, the corporation has formed an engineering wing to maintain which is headed by superintending engineer and there are five divisions spread through out the state with the sub-divisions managed by the Asst Executive Engineers. Generally and construction programme is of the order of about ` 500 to ` 600 crore per annum consisting of 150 to 200 sheds and the development of infrastructure to the tune of ` .200 to ` .300 crore.

KSSIDC has constructed the industrial sheds of different size in the State of Karnataka. The sheds include factory accommodation toilet facilities, storage space an open area outside the shed. The Corporation constructs the following type of sheds, the factory sheds constructed and formed are normally standard type of dimensions as indicated in Table 4.10

TABLE 4.10
TYPE AND DIMENSIONS OF SHEDS

TYPE OF SHEDS	SITAL AREA (In Sq. Mtrs)	PLINTH AREA (In Sq. Mtrs)	OPEN SPACE (In Sq. Mtrs)
'A' Type Shed	903.00	500.00	403
'B' Type Shed	546.00	246.00	282
'C' Type Shed	378.00	171.00	207
'D' Type Shed	243.00	95.00	148
Super Mini	119.00	63.00	--
Mini Shed	36.00	28.00	--

Source: History of KSSIDC, Index, project Selection, KSSIDC, BANALORE

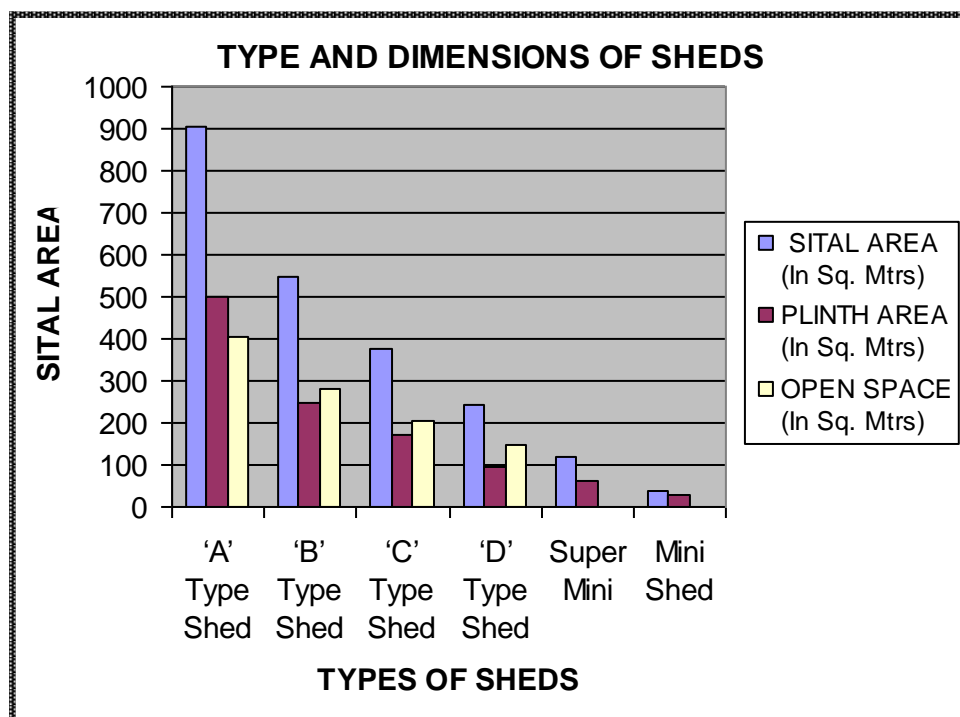


Table 4.10 shows that, the Corporation has constructed the sheds on the basis specified by the Government. The Corporation constructed various types consisting to type 'A' indicated the large one by using 903 sq. mtrssital area in which the sheds are erected on 500.00 sq.mtrs for plinth area and 403.00 sq.mtrs which is used for open space and it is followed by the type 'B' using 546 sq.mtrs of sital area divided into 500.00sq mtrs for open

space. The most popular type 'C' shed has the sital area of 378 sq.mtrs, in which 171 sq.mtrs is used for construction of building and 207 sq.mtrs. is open space. Type 'C' has more demand thus the Corporation has constructed nearly 30 per cent out of 5,573 sheds in KarnatakaState. Type 'C' has greater advantage in area utilized for construction of building an open space area. The cost of building, production comforness and further expansion is adequately possible only in this type and other types of sheds have the less dimension.

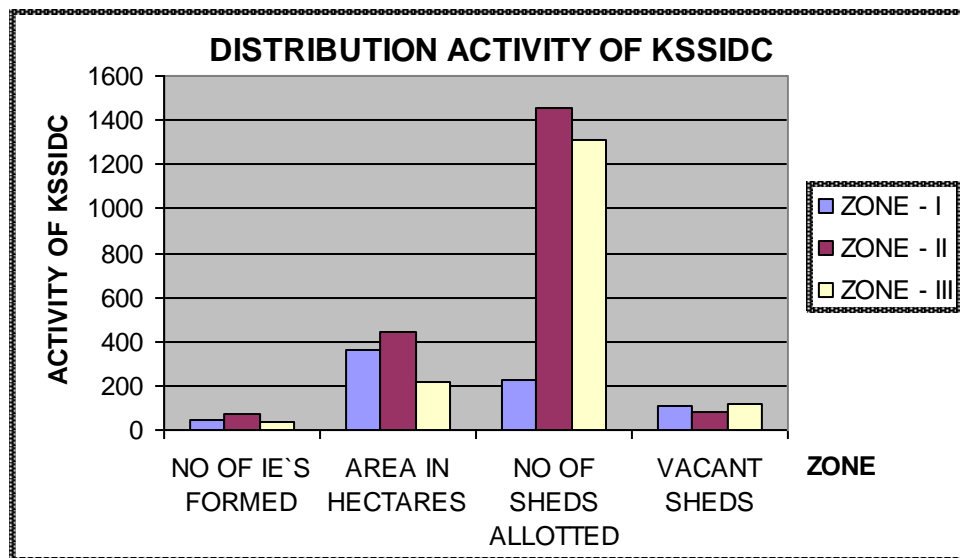
DISTRIBUTION ACTIVITY

One of the major functions of the Corporation is distributing the constructed sheds to the desired entrepreneurs to perform the activities in industrial estates. The Corporation has constructed sheds of various type in order to encourage the entrepreneurs coming over different parts of Karnataka. The corporation has allotted the sheds under various scheme including hire purchase. The details of ownership, shed under agreement, term completed, vacant sheds and lockout sheds are given in Table 4.11

TABLE 4.11
DISTRIBUTION ACTIVITY OF KSSIDC

ZONE	NO OF IE`S FORMED	AREA IN HECTARES	NO OF SHEDS ALLOTTED	VACANT SHEDS
ZONE - I	44	364.93	225	110
ZONE - II	71	441.61	1,459	83
ZONE - III	40	213.58	1,309	121
TOTAL	165	1,020.12	5,359	314

Source: KSSIDC, Annual Report,



The analysis of the Table 4.11 revealed that 5,359 sheds out of 5,573 sheds constructed are allotted to the entrepreneurs. This shows that a large majority of sheds are used for the purpose for which it was constructed. This Table also indicated that 314 sheds are vacant. This requires the serious steps on the part of the authority to allot the same to the needy so to fulfill the purpose of construction.

TERMS AND CONDITIONS OF ALLOTMENT OF SHEDS/PLOTS

The sheds or plots are allotted to entrepreneurs under Hire Purchase Scheme or Out right sale basis is on certain terms and conditions fixed by the Corporation. The lease period allowed under Hire Purchase Scheme is seven year in case of developed area and ten years in case of developing/under developing areas. Out of this, two years are allowed as moratorium period to enable the entrepreneurs to start the industry. During first year no amount is payable except prescribed security deposit and during the second year onwards installment is payable. After completion of these lease period and performing and complying terms and conditions of allotment and successfully running the unit the entrepreneur is entitled for absolute sale deed of the property.

FORMATION OF PLOTS

Formation of industrial plots with the provision of infrastructure facilities is one of the major activities of Corporation. Hither to the Corporation has formed 6,301 Industrial Plots in 165 Industrial estates in 3 Zones by 1,012.86 hectares of land utilized for formation of plots.

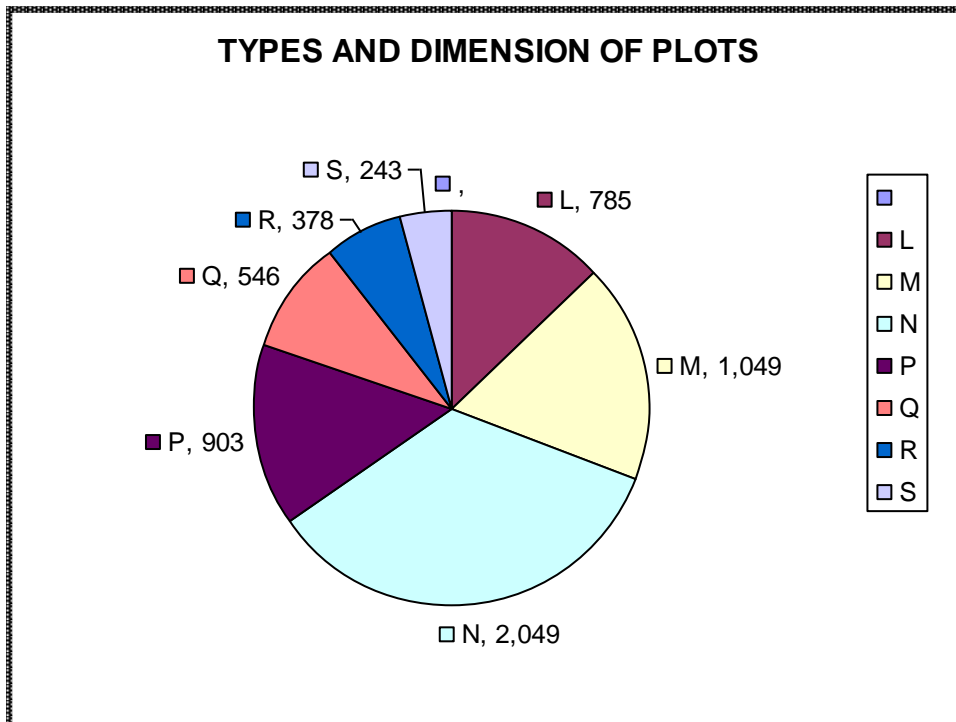
A. ZONE-WISE DISTRIBUTION OF PLOTS**B. TYPES AND DIMENSIONS OF PLOTS**

Normally, plots are being formed by the corporation on the basis of sital area specified by the Government. The plots formed by the Corporation has various types and dimensions and are given in Table 4.13.

TABLE 4.13
TYPES AND DIMENSION OF PLOTS

TYPE OF PLOT	SITAL AREA (In Sq. Mtrs)
L	785
M	1,049
N	2,049
P	903
Q	546
R	378
S	243

Source: www.kssidc.net



The Table 4.13 shows that, the Corporation has formed 7 plots of various dimensions. Type 'N' has large plots with the dimension of 2,049 sq.mtrs. followed by type 'M' with sital area of 1,045 sq.mtrs. and other 2 types have moderate dimensions and remaining plots are limited in area. The study observed that industrial estates provided the ample scope for development of small entrepreneurship.

PROCUREMENT AND SALE OF RAW MATERIALS

Industrial productivity and progress is dependent on the regular and continuous availability of raw materials. The Corporation deals in industrial raw materials like iron and steel, pig iron, coal, coke, paraffin wax, petroleum products, industrial rubber and industrial lubricants and titanium dioxide. These raw materials are produced and supplied at controlled and reasonable prices. Credit facilities are also extended to units on merits, against security.

KSSIDC is playing an important role in procurement an distribution of raw materials to SSI units in the State through its network of 24 raw materials deposits established all over the Districts Head Quarters. To obtain the raw-materials support from KSSIDC the entrepreneur should have SSI registration certificate issued by the Directorate of Industries and Commerce.

KSSIDC is performance from 2008-09 onwards upto 2009-2010 shows the upward trend in turnover of materials. To conclude that the performance of KSSIDC from last 2 years is better in connection with purchase and sale of materials.

II SPECIAL ACTIVITIES OF KSSIDC

I UNIQUE PROGRAMME FO SC AND ST ENTREPRENEURS

KSSIDC has been pursuing the accepted policy of Government of Karnataka in helping or assisting the SC and ST entrepreneurs. As a right step in this direction an industrial estate in Jigani on the eve of Dr. B.R.Ambedkar's centenary celebration has been established with 100 sheds and 84 plots where in the allottee have to pay only 40 percent of cost and the balance 60 percent will be treated as subsidy and another 60 super mini sheds have been constructed throughout Karnataka wherein the allottee have to pay 60 percent of the cost and the remaining 40 percent will be treated as subsidy.

2. VISHWA SHEDS

In October 1991, the Government of Karnataka has launched an ambitious Rural Development Programme called "Vishwa" named after Sir. M.Visveswaraiah, the architect of modern Karnataka. This programme aimed at buildings sheds at Industrial Estates in all the 175 taluks of 30 districts of the State. The details of sheds constructed in 3 zones of the State are given in Table 4.15

TABLE 4.15
ZONE-WISE DISTRIBUTION OF VISHWA SHEDS

ZONE	No. of SHEDS	PERCENTAGE
Zone – I	243	30.15
Zone-II	289	35.86
Zone-III	274	33.99
TOTAL	806	100.00

2. MAINTENANCE OF INFRASTRUCTURE FACILITIES

The maintenance and improvement of infrastructure facilities has been of great importance and concern. In many cases industrial estates have been handed over to the local municipalities and in the case of other estates KSSIDC is maintaining civic amenities.

3. TECHNICAL LIBRARY

As a part of service rendered, KSSIDC established a Technical Library in the estate of Bangalore, Mysore, Hubli and Mangalore equipped with more than 5,000 books related to managerial, technical subjects besides subscribing to various magazines to small scale industries.

4. RAW MATERIALS

To enter into new fields for marketing raw materials for the benefit of small scale industries, Corporation has entered into Memorandum of Understanding (MOU) with Assam Tea and other products of North Eastern States. M/s. Indian Oil Corporation has appointed KSSIDC for distribution of bitumen in the State of Karnataka and Corporation has plans to enter into new plastic raw materials. Kerala Krishna Sahakara Federation Limited (KERAFED) has appointed KSSIDC for distribution of account oil in the state of Karnataka.

5. MANAGEMENT GUIDANCE TO SSI ENTREPRENEURS

KSSIDC is also taking part in Entrepreneurial Development Programme. The main objectives of the Corporation is to select, motivate and train potential entrepreneurs, systematically organize EDPs throughout the state and provide technical and managerial advice to entrepreneurs in the establishment of their venture.

6. LAND ACQUISITION AND CONSTRUCTION

The Corporation has the proposal to acquire land at all the taluks during next 5 years. KSSIDC has proposals to conduct a multi-storeyed complex at major industrial estates, develop mini growth centres at Tumkur, Bijapur and Bellary District. It also plans to establish functional estates in the field of garments, food processing, pharmaceuticals, agrobased industries and automobiles industries.

7. DECENTRALISATION OF KSSIDC

In order to ensure that the service rendered by KSSIDC to SSIs are extended to entrepreneurs in district place, the Corporation has set-up Zonal Offices in district area.

8. ALLIANCES

KSSIDC was grown through alliances and partnerships. Over the years Corporation will form and strengthen alliances with global leaders across in a wide spectrum, where the most

effective way to address a market opportunity has been a joint ventures. These international alliances have culminated into equity sharing joint ventures. The clients of KSSIDC includes Karnataka State Financial Corporation (KSFC), Karnataka Industrial Area Development Board (KIADB), District Industrial Centres (DIC), Karnataka State Industrial Investment and Development Corporation (KSSIDC), Steel Authority of India Ltd (SAIL), Tata Iron and Steel Company (TISCO), Vishakapatnam Steel Plant (VSP) and Jindal Vijayanagar Steel Ltd.

9. FUNCTIONAL ESTATES

As part of industrial estate programme, the Corporation has also set-up functional estate in Tumkur for the manufacture and hand tool products in association with few small scale industries. The entrepreneurs selected for ancillary, have taken steps to install key machineries for their units. They have also commenced the production and the Corporation has carried the samples of this SSIs products and exhibited at Hannover Trade Fair (West Germany), Masco Trade Fair (Russia), Chicago Trade Fair (USA) and a large number of response have been received by the Corporation.

10. ELECTRONIC ESTATE PROGRAMME

As per the directions of Government of Karnataka, the Corporation has constructed multi-storeyed buildings for location 187 electronic SSI units and the Corporation has allotted all the flats and many of them have started functioning.

11. HOSIERY PROJECT

As a part of rural industrialisation, the Corporation has set-up a training cum-production centre for manufacture of hosiery products at Hunasur, which is declared as centrally backward and the trainees recommended. The corporation has given training in various aspects of manufacture of hosiery products and it has also extend necessary assistance to these trainees to set-up their own SSI units in the hosiery field. The Corporation is also manufacturing hosiery products and marketing the same. The Corporation's training-cum-production centre is the first of its kind in the State.

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