

Cottage and Small Scale Industries in the Bishnupur Sub-Division of Bankura District in West Bengal – A Survey

TANAY KUMAR PAL*¹ AND UDAY KRISHNA MITTRA²

¹Associate Professor & Head and ²Associate Professor

¹Department of Commerce, Dr. Gour Mohan Roy College, Monteswar, Purba Bardhaman (W.B.) India

²Department of Commerce, Khalisani Mahavidyalaya, Khalisani, Chandannagar, Hooghly (W.B.) India

ABSTRACT

Bishnupur is particularly an agricultural sub-division of Bankura district in West Bengal. Nearly 90% people of this sub-division depend mainly on agriculture. However, agriculture is depended on the vagaries of nature and hence agricultural productivity becomes very low. Against this background, people have to find out other alternative source of income and employment. Hence the present paper concentrated on the role of cottage and small scale industries as an alternative source of growth. The present paper is trying to discuss the issue with respect to the condition of workers engaged, production capacity and utilization, capital employed in cottage and small scale units. The paper is exploratory as well as descriptive in nature and is based on primary and secondary data.

Key Words : Cottage and small scale industries, Agriculture

INTRODUCTION

Bishnupur sub-division of Bankura District is mostly agricultural in nature. About 90% of the people of this sub-division are dependent on agriculture either directly or indirectly. But agriculture is dependent on the vagaries of nature. Irrigation facilities are not well developed. Productivity is also very low in the agricultural sector. The farmers have to depend upon alternative sources of income during their spare time when they do not have work in the farm sector. Cottage and small scale industries provide an ideal alternative source of income and employment for those who are dependent on agriculture. Cottage and small scale industries can use local resources and surplus manpower available in the locality. They also require relatively lower amount of capital funds (Banerji, 1968; Bhattacharyya, 2000; Chattopadhyay, 1999; Dasgupta, 1975).

The area has also a history of certain traditional cottage and small scale industries operating successfully with reputation. Notable among them are the units manufacturing Baluchari sarees and silk sarees. These

sarees are now being sold all over India and even outside India with reputation. Further there are units producing conch shell products, bell metal products and handicrafts producing terracota objects. All these cottage and small scale industries have a glorious past and they are associated with this area for a very long period of time. Apart from these traditional cottage and small scale industries there are also modern small scale industries such as cold storages, rice mills, flour mills, engineering firms producing gates, grills, ice cream manufacturing units etc. All these small scale industries play an important role in this subdivision. They can be a powerful alternative engine of growth generating income and employment. However, it is found that these cottage and small scale units are facing some problems and they cannot contribute to their fullest extent in the process of economic development of the sub-division. Hence it is proposed that a study be undertaken to consider the position of cottage and small scale industries in the Bishnupur sub-division of Bankura district with special reference to the problems faced by them and the prospects they hold for the future (Desai, 1983a&b).

Objectives:

The study has the following objectives:

- (i) To assess the importance of cottage and small scale industries in the economy of Bishnupur sub-division in terms of generation of income and employment.
- (ii) To highlight the conditions of workers engaged in these units.
- (iii) To consider the existing condition of these units and to estimate their future potential in terms of generation of income and provision of employment opportunities.
- (iv) To consider the existing facilities provided by the government to these units and to suggest policy measures to be adopted by the government agencies for helping these units.

Meaning and Definition of Cottage and Small Scale Industries:

The basis of distinction between the large-scale, medium-scale and small-scale industries is generally the size, capital resources and labour forces of the individual unit. The differences between the small-scale and cottage industries are basically two: (i) while small-scale industries are mainly located in urban centres as separate establishments, the cottage industries are generally associated with agriculture and provide subsidiary employment in rural areas; and (ii) while small-scale industries produce goods with partially or wholly mechanised equipment employing outside labour, the cottage industries involve operations mostly by hand which are carried on primarily with the help of the members of the family. The basis of this distinction between the small-scale and cottage industries was laid down by the Fiscal commission in 1950 when it stated, "A cottage industry is thus one which is carried on wholly or primarily with the help of members of the family either as a whole or a part-time occupation. A small-scale industry, on the other hand, is one which is operated mainly with hired labour, usually 10 to 50 hands."

The importance of small-scale industries was immensely felt in the Industrial Policy Resolution of the Government of India dated 4th April, 1948. Realising the problems of the various groups of industries in the small sector, the Cottage Industries Board recommended the setting up of a separate organisation at the centre for their promotion. Accordingly, five boards were set up in 1952-53 for handlooms, handicrafts, coir, silk and khadi

and village industries.

At the first meeting of the Small Scale Industries Board held on 5th and 6th January 1955, the Board adopted the first working definition of a small-scale industrial unit as:

"A 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 lakh."

The definition of small scale industries recommended by the Small-Scale Industries Board and as per Ministry of Commerce and Industries letter No. 12-SSI(A)(136)/57, dt. 4th January, 1960 was:

"Small-scale industries will include all industrial units with a capital investment of not more than Rs. 5 lakh, irrespective of the number of persons employed."

The definition of small scale industries recommended by the Small-Scale Industries Board at its 24th meeting held on 8th July 1966 and as per the

Ministry of Industry Letter No. SSI (A) 13 (5) / 66 dated 31st October 1966, was as under:

"Small-scale industries will include all industrial units with a capital investment of not more than Rs. 7.5 lakh irrespective of the number of persons employed. Capital investment for this purpose will mean investment in plant and machinery only."

At the 32nd meeting of the Small-Scale Industries Board held in November 1974, the revised definition of small-scale industries recommended by the Board was as follows:

"Undertakings having investments in fixed assets in plant and machinery not exceeding Rs.10 lakh."

Subsequently, under the Industrial Policy Statement of 1980, the limit of investment in small-scale units was raised from Rs.10 lakh to Rs.20 lakh.

As per Ministry of Industries, letter No. 10/37/85-1P dated 19.3.85, Government has again revised the investment limit of small-scale to Rs.35 lakh.

As per the Industrial Policy Statement of May 1990, the investment ceiling in plant and machinery for small-scale industries (fixed in 1985) has been raised from Rs.35 lakh to Rs. 60 lakh.

During 1997 on the recommendation of Abid Hussain Committee and as per the Ministry of Industry letter No. SO/857(E) dated 10th Dec., 1997; the Government has raised the investment limit on plant and machinery for small units from Rs. 60 lakh to Rs. 3 crore.

The Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Govt. of

Table A : Definitions of Cottage and Small Scale Industries

Date	Defining Authority	Main Features	
		Capital Investment in Plant and Machinery	Number of persons Employed
6.4.1948	Industrial Policy Resolution	All industries in handlooms, handicrafts, coir, silk and khadi and village industries are grouped into the small scale sector	
6.1.1955	Small-scale Industries Board	Rs. 5 lakh	50(if using power) or 100(without the use of power) per shift.
4.1.1960	Do	Rs. 5 lakh	Irrespective of the number of persons employed.
8.7.1966	Ministry of Industries, Government of India	Rs. 7.5 lakh	-Do-
Nov-1974	Small-scale Industries Board	Rs.10 lakh	-Do-
July-1980	Industrial Policy Resolution, Government of India	Rs. 20 lakh	-Do-
19.3.1985	Ministry of Industries, Government of India	Rs. 35 lakh	-Do-
May-1990	Industrial Policy Resolution, Government of India	Rs. 60 lakh	-Do-
10.12.1997	Ministry of Industries, Government of India	Rs. 3.00 crore	-Do-
24.12.1999	Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Govt, of India	Rs.1.00 crore	-Do-

India, in their Notification no. SO/1288-E dated 24th December, 1999 has amended the order of the Govt. of India No. SO/857-E dated 10th December, 1997 to the extent that the limit of plant and machinery valuation for small scale industries would be Rs. 1.00 crore in place of Rs.3.00 crore (Hunter, 1881; O' Malley, 1912; Tandon and Tandon, 1997).

A Glimpse of Definitions of Cottage and Small Scale Industries (Table A).

Classification:

Broadly speaking, we can divide the cottage and small-scale industries into two categories: a) traditional small-scale industries are highly labour-intensive and based on traditional skills and techniques, and b) modern small-scale industries making use of modern technology as well as artisans' workshops engaged in activities such as repairing of various implements, machinery, vehicles etc. The traditional industries can be further sub-divided into two categories-(i) handicrafts producing highly selective goods of high-skill workmanship (wood and ivory carving, carpet making, metal works etc.), and (ii) village and household industries producing common consumer goods and other utilitarian products predominantly by hand or using simple tools (pottery, leather products, hand-woven textiles, silk materials etc.)

For instance, during 1979-80 traditional small industries in India accounted for only 13 per cent of the total output but their share in total employment was 56 per cent. In that year total output of traditional small industries came to be Rs. 4,420 crore and this output

was produced with the employment of 133 lakh workers, the average output of labour in traditional small industries was roughly Rs. 3,323.

As against this, the share of modern small-scale industries in the total output of this sector was 74 per cent in 1979-80, but their share in employment was only 33 per cent. Obviously, these industrial units would be having higher labour productivity. For example, in 1979-80, a total output in modern small-scale industry was Rs. 24,885 crore produced by 78 lakh workers the average product of labour being Rs.31,900.

METHODOLOGY

Sampling design, selection of reference year, methods used for the analysis of data:

There are 1948 registered cottage and small scale units in the Bishnupur sub-division. Besides, there are a number of non-registered cottage and small scale units. Primary data for the present study have been collected from 150 cottage and small-scale industrial units including 15 non-registered cottage and small scale units covering each block and taking all types of industries. Out of 1948 registered cottage and small scale units only 135 registered cottage and small scale units have been considered which is about 6.93% of the total registered cottage and small scale units lying in this sub-division. The survey was conducted during the year 2012-2013. Purposive sampling method had been adopted for the selection of cottage and small scale units. Emphasis has been placed on tabular method for the analysis of primary data. Of the

total 150 units primary data of 34 units from the block of Joypur, 21 units from Kotulpur, 39 units from Bishnupur, 16 units from Sonamukhi, 21 units from Patrasayer and 19 units from Indus have been collected. For the purpose of discussion, all the homogeneous industrial units lying in this sub-division have been divided under five categories:

- 1) *Agro-based Industries* : Oil mills, wheat and spice grinders, Rice mills, cold storage, flattened rice (Chira) mills and units making Thala Pata (Plates made of sal leaves).
- 2) *Traditional arts and crafts* : Baluchari sarees, terracota, handicrafts, weaver, potter, bell metal, conch shell, painting Das Avatar Tas (cards depicting ten incarnations of Lord Vishnu).
- 3) *Manufacturing Industries* : Making gates and grills, coke briquetting, printing, making candles, confectionary, lantern, readymade garments, spurt pipe, tiles, R.C.C. ring pipe.
- 4) *Service Industries* : Xerox and type copying, photography-studio, saw mills.
- 5) *Seasonal Industry* : Ice candy.

For the collection of primary data in this regard 47 Agro-based units, 39 Traditional arts and crafts units, 42 Manufacturing industrial units, 8 Service Industrial units and 14 Seasonal industrial units have been selected.

Hypothesis:

The study is exploratory in nature and is mainly descriptive and diagnostic. Hence no definite hypothesis is postulated for testing in course of research work. However, the following working hypotheses are suggested for the study :

- 1) The cottage and small scale industrial units in this sub-division have immense potentialities and they can become an important economic agent in the process of economic development of this sub-division.
- 2) The cottage and small scale industrial units in this region are not developing adequately due to the absence of a positive policy pursued by the government authorities.

Information about proprietors :

We now consider information on the proprietors on issues such as caste composition, religion, place of residence, educational qualifications, training undertaken whether family occupation or not, whether whole-time

or part-time activities of proprietors etc.

RESULTS AND DISCUSSION

From Table 1 it is observed that, out of 129 proprietors, 89 (69%) are of general castes. It shows that most of the proprietors belong to general castes. Scheduled castes and scheduled tribes constitute only 3 (2.32%) and 1 (.78%), respectively. It reveals that a very small percentage of the proprietors belong to these castes. Again, there are 36 proprietors belonging to other backward classes which comprise of 27.90% of the total proprietors.

Table 1 : Caste composition of the proprietors

Caste	Number	Percentage
General	89	69.00%
SC	3	2.32%
ST	1	0.78%
OBC	36	27.90%
Total	129	100

Source: Direct enquiry

The religion of the proprietors is shown in Table 2.

From Table 2 it is seen that of the total 129 proprietors, 119 are of Hindu religion which constitute 92% of the total proprietors. Thus it can be said that the people of Hindu religion have come forward to set up SSI units. On the other hand, only 10 (8%) of the total 129 proprietors are of Muslim community.

Table 2 : Religion of the proprietors

Religion	Number	Percentage
Hindu	119	92%
Muslim	10	8%
Total	129	100

Source: Direct enquiry

Table 3 shows that out of 129 proprietors, 87 (67%) proprietors live in villages and 42 (33%) proprietors stay in towns. This shows that most of the units are located in rural areas.

Table 3 : Place of residence of the proprietors

Place	Number	Percentage
Village	87	67%
Town	42	33%
Total	129	100

Source: Direct enquiry

Educational qualifications of the proprietors are shown in the Table 4.

Educational qualification	Number	Percentage
Madhyamik or less	75	58.14%
Higher Secondary	24	18.60%
Graduate	28	21.71%
Professional	2	1.55%
Total	129	100

Source: Direct enquiry

From Table 4 it is found that out of 129 proprietors, 58.14% have education upto Madhyamik or its equivalent, 18.60% have passed Higher secondary, 21.71% are graduates and only 1.55% are of professionally qualified. This shows that about one-fifth of the proprietors are graduates, about one fifth have passed Higher secondary while three-fifths are Madhyamik or less qualified.

Table 5 reveals that out of 129 proprietors, 10.85% received formal training to run their units but 89.15% of the proprietors did not receive any training to run the units successfully. Thus most of the entrepreneurs do not have any formal training for running their units.

Proprietors	Number	Percentage
Trained	14	10.85%
Non-trained	115	89.15%
Total	129	100

Source : Direct enquiry

From Table 6 it is seen that out of a total sample of 129, to a maximum number of proprietors of 110 (85.27%) these are not family occupation and to 19 (14.73%) these are their family occupation.

	Number	Percentage
Family occupation	19	14.73%
Not family occupation	110	85.27%
Total	129	100

Source : Direct enquiry

From Table 7 it is found that out of 129 proprietors, 116 are engaged in the activity throughout the year as a whole-time activity which is 89.92% of the total proprietors. On the other hand, 13 (10.08%) proprietors are engaged as a part-time activity along with other main

occupation. Out of these part-time proprietors, 38.46% are engaged in agricultural activities and the remaining 61.54% are engaged in other allied business activities as their main occupation. Thus most of the proprietors (about 90%) have adopted cottage and small scale units as their main occupation in which they have engaged themselves on full time basis. Only for 10% of the proprietors these are their subsidiary occupations and they are engaged on part-time basis. They have either agricultural activities or business activities as their main occupations.

Activity	Number	Percentage
Whole-time	116	89.92%
Part-time	13	10.08%
Total	129	100

Source: Direct enquiry

Information about workers engaged in the units:

Workers engaged in the cottage and small scale units may be family members or may be non family members. They may be permanent workers or temporary workers. Information collected from the sample units on these issues is now presented for analysis.

Table 8 reveals that the number of family members working in different units is different. It is found that only one family member is working in each of 70 units, while 4 or more members are working in each of 17 units. Two family members are working in each of 30 units while three family members are working in each of 12 units.

No. of family members	No. of units
1	70
2	30
3	12
4 and more	17
Total	129

Source: Direct enquiry

Table 9 shows the role of workers other than family members in various units. It is found that other than family members do not have any role in 27 units out of 129 units; only family members work in those units. In each of 27 units, there is only one worker besides family members while in each of other 28 units there are two workers who are not family members. In 13 units out of

129 units, three non family members are working in each unit and in 34 units, four or more non family members are working in each unit.

No. of workers other than family members	No. of units
NIL	27
1	27
2	28
3	13
4 and more	34
Total	129

Source: Direct enquiry

Table 10 is showing the employment of workers on permanent basis in different units. In 15 units out of 129 units, no worker is permanently employed. There are 48 units where there is only one permanent member. It is seen that in 30 units there are only two permanent workers while in 13 units, there are 3 permanent workers. It is also found that four or more workers are permanently employed in 23 units.

No. of permanent workers	No. of units
NIL	15
1	48
2	30
3	13
4 and more	23
Total	129

Source: Direct enquiry

Table 11 shows the employment of workers on temporary basis in different units and thereby the role of temporary workers. It is found that in 26 units, there is no temporary worker. In 29 units out of 129 units, there

No. of temporary workers	No. of units
NIL	26
1	29
2	32
3	13
4 and more	29
Total	129

Source: Direct enquiry

is only one temporary worker while in another group of 32 units, there are only two temporary workers. In 13 units, there are only three temporary workers. However, in 29 units out of 129 units, four or more temporary workers are found to be working.

Table 12 shows the status of workers in the aggregate of different units. Out of 243 family member-workers, 220 workers are permanently employed and 23 workers are on temporary basis which can be expressed as 90.53% and 9.47%, respectively. Out of 447 non-family workers, only 45 workers are permanent while 402 workers are temporary. In percentage terms it can be stated that 10.07% workers are permanent and 89.93% workers are employed on temporary basis. On the other hand, out of 265 permanent Workers, 220 workers are family members and only 45 workers are non-family members. Out of 425 temporary workers, only 23 workers are family members and 402 workers are non-family members. This shows that family members are mostly employed as permanent workers while non family members are mostly used as temporary workers. Thus most of the work is done by family members. While 90% of permanent workers belong to the family members, 90% of temporary workers belong to non-family members.

Workers	Permanent	Temporary	Total
Family members	220(90.53%)	23(9.47%)	243(100)
Other than family members	45(10.07%)	402(89.93%)	447(100)
Total	265(38.40%)	425(61.60%)	690(100)

Source: Direct enquiry

Consider now the distribution of average wage given to non family members. This is shown in the Table 13.

Table 13 points out the disparity in the distribution of average wage of workers per month. It is found that 27.07% workers belong to the average monthly income group of lowest grade (up to Rs. 500) and 17% workers belong to average wage level of Rs. 501 - 1000 while only 0.45% workers do enjoy highest average wage level of Rs. 3501 or more per month. On the other hand, 37.14% workers enjoy a little higher average monthly wage level of Rs. 1001 - 1500. The number of workers of 11.19% belong to the average monthly level of income of Rs. 1501 -2000, 2.90% to the level of average monthly income of Rs. 2001 - 2500, 1.79% to the average monthly income of Rs. 2501 -3000 and 2.46% to the level of

average monthly income of Rs. 3001 - 3500.

Average wage per month	Number of workers	Percentage
Upto 500	121	27.07%
501- 1000	76	17.00%
1001 -1500	166	37.14%
1501 - 2000	50	11.19%
2001 - 2500	13	2.90%
2501 - 3000	8	1.79%
3001 - 3500	11	2.46%
3501 and above	2	0.45%
Total	447	100

Source: Direct enquiry

Analysis of production capacity and its utilization:

We now consider the position of production capacity and its utilization in the five categories of industrial units as revealed from our investigation.

Table 14 points out the production capacities of agro-based industrial units and their utilization showing the progress of different industrial units. The Table also shows the discrepancy between average production capacity and average actual production in the survey year of each unit. It is found from the inspection of statistics in question that average production capacity of thala pata units is 9.5 lakh units but its average actual production is 5.25 lakh units and hence the percentage of capacity utilized is 55.26%. The reason for such performance is the lack of demand for thala pata. In the case of chira mill units average production capacity is 1400 quintals but its average actual production is 1015 quintals. Therefore, the percentage of capacity utilized of chira mill unit turns out to be 72.5. This is because of the fact that the propensity to consume chira has fallen to some extent now-a-days. The average actual production of cold storage units is 85,587 quintals against the average

production capacity of 87,279.5 quintals showing the remarkable performance (98.06%) of the unit. This is because of higher production of potatoes. In the case of flour grinding and oil seed crushing oil mills the average production capacity is 2596.89 quintals while its actual production is 1647.31 quintals. Consequently, the percentage of capacity utilized of flour grinding and oil seed crushing mills becomes 63.43%. The reason for such poor progress is less production of wheat and oil seeds. In the case of rice mills also there is wide discrepancy between average production capacity (56,125 quintals) and average actual production (36,500 quintals) and this shows 65% of capacity utilized. This is due to the fact that rice of good quantity at reasonable price is available in the open market.

Table 15 reveals the average production capacity per year and average actual production in the last year of traditional arts and crafts industries and its utilization and thereby the progress of the concerned units. In the case of Baluchari production units average production capacity is 245 pieces but its average actual production is 191 pieces showing the 77.95% of capacity utilized. It shows a good performance because of much demand for Baluchari in the locality as well as in the regions outside West Bengal. The average production capacity of handicrafts is 8515 pieces while its average actual production is 6920 pieces and this shows the remarkable(81.27%) progress. This is due to the fact that there is higher demand from tourists as well as from local people. The average actual production of bell metal units is 41.33 quintals against the average production capacity of 63.33 quintals showing the 65.26 percentage of capacity utilized. The reason for this is that less demand for bell metal and more use of alternative utensils like steel-made ones. In the case of weaver average production capacity is 2899 pieces and its actual production is 2326 pieces. It shows the 80.22 percentage of capacity utilized because of higher demand. The average actual production of

Industries	Sample size	Production capacity per year (Average)	Actual Production in the last year (Average)	Percentage of capacity utilized
Thala Pata making	2	9.5 lakh units	5.25 lakh units	55.26%
Chira mill	4	1400 quintals	1015 quintals	72.50%
Cold storage	4	87,279.5 quintals	85,587 quintals	98.06%
Flour grinding and oil seed crushing mill	29	2596.89 quintals	1647.31 quintals	63.43%
Rice mill	8	56,125 quintals	36,500 quintals	65.00%
Total	47			

Source: Direct enquiry

Table 15 : Production capacities of traditional arts and crafts industrial units and their Utilization

Industries	Sample size	Production capacity per year (Average)	Actual production in the last year (Average)	Percentage of capacity utilized
Baluchari	10	245 pieces	191 pieces	77.95%
Handicrafts	18	8515 pieces	6920 pieces	81.27%
Bell metal	3	63.33 quintals	41.33 quintals	65.26%
Weaver	3	2899 pieces	2326 pieces	80.22%
Agri- equipments	3	6 quintals	4 quintals	66.67%
Potter	1	8000 pieces	6,200 pieces	77.50%
Das Avatar Tas	1	50 sets	24 sets	48.00%
Total	39			

Source: Direct enquiry

agricultural equipments is 4 quintals against the average production capacity of 6 quintals. This shows 66.67 percentage of capacity utilized because of lack of demand. In the case of potter, production capacity is 8000 pieces and the actual production is 6200 pieces showing the 77.50% of capacity utilized. The reason for such progress is much demand. The production capacity and the actual production of Das Avatar Tas is 50 sets and 24 sets, respectively. It shows the poor percentage (48.00%) of capacity utilized because of very little demand for it.

Table 16 points out the production capacity of different manufacturing units and their utilization. The average actual production of gate and grills is 104.14 quintals against average production capacity is 181.11 quintals showing the poor performance (57.50%) of capacity utilized because of competition among the homogeneous industries in the area nearby. In the case of lantern units average production capacity is 1162 dozen while its average actual production is 998 dozen. This shows the remarkable (85.85%) progress. This is due to the fact that there is a higher demand in the area as well

as in other districts. The average production capacity of candle units is 57.5 quintals but its average actual production is 32.5 quintals showing the 56.52 percentage of capacity utilized because of lack of demand. The production capacity and the actual production of printing are 14 lakh pages and 12 lakh pages, respectively. It shows the remarkable progress (85.71%) because of much demand in the locality. In the case of R.C.C. ring pipe, tiles, spun pipe units average production capacity is 6375 pieces while its average actual production is 4625 pieces. This shows the 72.55 percentage of capacity utilized because of adequate demand in the locality. The actual production of coke briquetting unit is 3600 quintals against its production capacity of 10,000 quintals. It shows poor percentage (36%) of capacity utilized. The reasons for this are availability of LPG, availability of fire wood from nearby forest area, and use of agricultural products used as fuel. The production capacity of confectionary unit is 300 quintals but its actual production is 220 quintals showing 73.33 percentage of capacity utilized because of higher demand. In the case of readymade garments, production capacity is 3500 pieces while its actual

Table 16 : Production capacities of manufacturing industries and their utilisation

Industries	Sample size	Production capacity per year (Average)	Actual production in the last year (Average)	Percentage of capacity utilized
Gate and grill	27	181.11 quintals	104.14 quintals	57.50%
Lantern	5	1162 dozen	998 dozen	85.85%
Candle	2	57.5 quintals	32.5 quintals	56.52%
Printing	1	14 lakh pages	12 lakh pages	85.71%
R.C.C. Ring pipe, Tiles, spun pipe	4	6375 pieces	4625 pieces	72.55%
Coke briquetting	1	10,000 quintals	3600 quintals	36.00%
Confectionary	1	300 quintals	220 quintals	73.33%
Readymade garments	1	3500 pieces	2500 pieces	71.42%
Total	42			

Source: Direct enquiry

production is 2500 pieces showing 71.42 percentage of capacity utilized. The reason for such progress is much demand.

From Table 17, we get a clear picture regarding the average production capacity of service units and thereby the progress of the units in question. The average production capacity of xerox units is 3,00,000 copies while its average actual production is 1,26,667 copies. It shows the poor percentage (42.22%) of capacity utilized because of little demand for it. In the case of saw mill units, average production capacity is 20000 cu. ft. while its average actual production is 15000 cu. ft. showing 75 percentage of capacity utilized because of much demand. The actual production of studio unit is 3200 copies against production capacity is 10,000 copies. This indicates poor performance showing only 32 per cent of capacity utilized. This is due to the fact that there is lack of modern laboratory. The average production capacity and the actual production of type writing unit is 12000 pages and 6000 pages, respectively showing 50.00 per cent of capacity utilized. Uncertainty of employment opportunity and introduction

of computer in the era are the causes of such performance.

Table 18 points out that the average production capacity of ice candy is 14,89,285 units and its average actual production is 8,94,285 units. It shows that 60.04 per cent of capacity utilized because of competitiveness of the same industries, availability of good quality ice candy like Big one's etc., lack of demand, frequent power cut and rough weather etc.

Analysis of Capital employed:

For the analysis of capital employed the total sample of 150 industrial units may be classified according to the values of fixed capital, working capital and value of plant and machinery. For getting a clear picture of capital employed, the relationships among fixed capital, working capital and value of plant and machinery are shown in the following tables:

From Table 19, it is calculated that the average fixed capital of agro-based industries is Rs. 2,67,553.19. The values of the average fixed capital of traditional arts and

Table 17 : Production capacities of service industries and their utilisation

Industries	Sample size	Production capacity per year (Average)	Actual production in the last year (Average)	Percentage of capacity utilized
Xerox	3	3,00,000 copies	1,26,667 copies	42.22%
Saw mill	2	20,000 cu. ft.	15000 cu. ft.	75.00%
Studio	1	10,000 copies	3,200 copies	32.00%
Typewriting	2	12,000 pages	6000 pages	50.00%
Total	8			

Source: Direct enquiry

Table 18 : Production capacity of seasonal industry and its utilisation

Industry	Sample size	Production capacity per year (Average)	Actual production in the last year (Average)	Percentage of capacity utilized
Ice candy	14	14,89,285 candy units	8,94,285 candy units	60.04%
Total	14			

Source: Direct enquiry

Table 19 : Distribution of industrial units by size of fixed capital

Industries	Sample size	Fixed capital (Amount in Rs.)						
		50,000-1,00,000	1,00,001-1,50,000	1,50,001-2,00,000	2,00,001-2,50,000	2,50,001 - 3,00,000	3,00,001 - 3,50,000	Above 3,50,000
Agro- based	47	4	4	8	6	2	3	20
Traditional arts and crafts	39	26	6	5	1	1	-	-
Manufacturing	42	14	10	5	1	6	-	6
Service	8	1	2	2	-	2	1	-
Seasonal	14		1	2	5	2	2	2
Total	150	45	23	22	13	13	6	28

Source: Direct enquiry

crafts, manufacturing units, service units and seasonal Units are Rs. 1,04,487.18, Rs. 1,73,809.59, Rs. 1,93,750 and Rs. 2,53,571.42, respectively. By ranking on the basis of average fixed capital we get, agro-based industries secured top position followed by seasonal industries, service industries, manufacturing industries and traditional arts and crafts, respectively.

Similarly, from Table 20, it is found from calculation that the average 1 Working capital of agro-based industries is Rs. 65,319.15. The values of the average working capital of traditional arts and crafts, manufacturing Industries, service industries and seasonal industry are Rs. 27,435.19, Rs. 53333.33, Rs. 40,000 and Rs. 31,428.57, respectively. By ranking on the basis of average working capital we get, agro-based industries secured top position followed by manufacturing industries, service industries, seasonal industry and traditional arts and crafts, respectively. To determine the extent of consistency between ranking on the basis of fixed capital and ranking on the basis of working capital rank correlation method is used. The rank correlation between fixed capital and working capital is 0.6. So it may be inferred that there is a little consistency between ranking on the basis of fixed capital and ranking on the basis of working capital.

From Table 21, it is also found from calculation that the average value of plant and machinery in agro-based

industries is Rs. 1,13,030. The average values of plant and machinery in traditional arts and crafts, manufacturing, service and seasonal industries are Rs. 20,192.31, Rs. 50,595.24, Rs. 75,000 and Rs. 1,23,214.28, respectively. By ranking on the basis of value of plant and machinery we get, seasonal industry secured top position followed by agro-based industries, service industries, manufacturing industries and traditional arts and crafts, respectively. The rank correlation between ranking on the basis of working capital and ranking on the basis of value of plant and machinery is 0.3. Similarly, rank correlation between ranks on the basis of fixed capital and ranks on the basis of value of plant and machinery is found to be 0.9. This shows that fixed capital and plant and machinery are highly associated. So we can consider only fixed capital and working capital as tools of analysis of capital employed.

From Table 22, it is found that out of 150 sample industrial units, only 45 entrepreneurs run their business with their owned capital which is 30% of the total and 105 entrepreneurs do their business with the capital partly owned and partly borrowed which is 70% of the total. Thus the table highlights the nature of sources of capital employed in business.

Table 23 shows the sources of capital for the different types of industries. In the case of agro-based

Table 20 : Distribution of industrial units by size of working capital

Industries	Sample size	Working capital (Amount in Rs.)						
		Upto 20,000	20,001 - 40,000	40,001 - 60,000	60,001 - 80,000	80,001 - 1,00,000	1,00,001- 1,20,000	Above 1,20,000
Agro -based	47	7	18	5	-	-	-	17
Traditional arts and crafts	39	18	11	8	1	1	-	-
Manufacturing	42	7	10	11	5	5	-	4
Service	8	3	0	3	2	-	-	-
Seasonal	14	2	9	3	-	-	-	-
Total	150	37	48	30	8	6	X	21

Source: Direct enquiry

Table 21 : Distribution of industrial units by size of value of plant and machinery

Industries	Sample size	Value of plant and machinery (Amount in Rs.)						
		Upto 25,000	25,001 - 50,000	50,001 - 75,000	75,001 - 1,00,000	1,00,001- 1,25,000	1,25,001- 1,50,000	Above 1,50,000
Agro- based	47	3	2	7	10	2	3	20
Traditional arts and crafts	39	31	5	2	1	-	-	-
Manufacturing	42	12	13	11	2	-	1	-
Service	8	3	-	-	3	-	1	1
Seasonal	14	-	-	2	1	5	1	5
Total	150	49	20	22	17	7	6	29

Source: Direct enquiry

Table 22 : Sources of capital

Capital	No. of units	Percentage
Completely owned	45	30%
Partly owned and partly borrowed	105	70%
Total	150	100

Source: Direct enquiry

Table 23 : Industry-wise sources of capital

Capital	Industries									
	Agro-based		Traditional arts and crafts		Manufacturing		Service		Seasonal	
	No. of units	Percentage	No. of units	Percentage	No. of units	Percentage	No. of units	Percentage	No. of units	Percentage
Completely	4	8.51%	22	56.41%	9	21.43%	4	50%	6	42.86%
Partly owned and partly borrowed	43	91.49%	17	43.59%	33	78.57%	4	50%	8	57.14%
Total	47	100	39	100	42	100	8	100	14	100

Source: Direct enquiry

industries, it is seen that major portion of entrepreneurs (43) have no financial ability to run the business completely and with own funds. As some units like cold storage, rice mills required much capital to set up and to run the business, they have to depend on partly owned and partly borrowed capital. On the other, hand, only 4 entrepreneurs have as much financial ability as required to run the business. It is because of this those (4) entrepreneurs do their business with their owned capital. In percentage terms these figures are 8.51% and 91.49%, respectively. In the case of traditional arts and crafts, out of 39 units, major portion of entrepreneurs (22) are capable of running their business with their owned capital while 17 entrepreneurs do not have any financial ability to run their business independently and hence they have to depend on partly owned and partly borrowed capital. This can be expressed as 56.41 per cent and 43.59 per cent, respectively. It is also found that out of a sample of 42 units from the manufacturing industries, only 9 entrepreneurs have the capacity to manage their business with their owned capital while 33 entrepreneurs do not have any financial ability to run the business completely with own funds. Some units like gate grills require more capital to run the business and because of this they have to depend on partly owned and partly borrowed capital. These figures can be expressed by way of 21.43% and 78.57%, respectively. Out of 8 service industrial units, 4 units have completely owned capital while the other 4 units have partly owned and partly borrowed capital. This

implies that 50% of the industrial units are run with completely owned capital and the other 50% of the industrial units with partly owned and partly borrowed capital. In the case of seasonal industrial units (14), only 6 units have completely owned capital which is 42.86% of the total and the 8 units have partly owned and partly borrowed capital which is 57.14% of the total. Let us now consider the position of loans taken by the sample units.

Table 24 represents the number of units taking loans and not taking loans from banks in the last five years. Out of 150 sample industrial units, only 40 units had taken loans from banks in the last five years while 110 units did not take any loan from bank to run the business in the same period. This can be expressed as 26.67 per cent and 73.33 per cent, respectively.

Table 24 : Analysis of loan taken during the last five years

	No. of units	Percentage
Loan taken	40	26.67%
Loan not taken	110	73.33%
Total	150	100

Source: Direct enquiry

From Table 25 an idea about industry wise analysis of total amount of loan taken during the last five years can be obtained. Out of 47 agro-based industrial units, only 18 units had taken loans to run their business. Of these 18 units, only 4 units had taken loans upto the limit of Rs. 50,000, six units took loans between Rs. 50,001 -

Table 25 : Industry-wise analysis of total amount of loans taken during the last five years

Industries	Sample size	No. of units loan taken	Loan taken (in Rs.)				
			Up to 50,000	50,001 - 1,00,000	1,00,001 - 1,50,000	1,50,001 - 2,00,000	Above 2,00,000
Agro based	47	18	- 4	6	- -	-	8
Traditional arts and crafts	39	3	-	2	-	1	-
Manufacturing	42	13	6	2	3	1	1
Service	8	2	1	-	-	1	-
Seasonal	14	4	-	2	2	-	-
Total	150	40	11	12	5	3	9

Source: Direct enquiry

1,00,000 and 8 units took loans above the range of Rs. 2,00,000. It is also found that no entrepreneur did take any loan either in the range of Rs. 1,00,001 - 1,50,000 or in the range Rs. 1,50,001 - 2,00,000. It is found on calculation that average amount of loan taken by these 18 units was Rs. 1,16,667. In the case of traditional arts and crafts, out of 39 units only 3 units had taken loans. Only 2 units had taken loans lying between Rs. 50,001-1,00,000 and only one unit took loans between Rs. 1,50,001 - 2,00,000. No unit did take any loan within the limit of Rs. 50,000, between Rs. 1,00,001-1,50,000 and above Rs. 2,00,000. It is found on calculation that the average amount of loan taken by the 3 entrepreneurs is Rs. 1,08,333. In the case of manufacturing industries, out of 42 units only 13 units took loans. Of them 6 units had taken loans within the range of Rs. 50,000, two units within the limit of Rs. 50,001 - 1,00,000, three units within the range of Rs. 1,00,001 - 1,50,000, one unit within the limit of Rs. 150,001 - 2,00,000 and 1 unit above the limit of Rs. 2,00,000. It is found on calculation that average amount of loan taken by these 13 units was Rs. 82,692. Out of 8 service units, only 2 units had taken loan. One unit had taken loans under the limit of Rs. 50,000, one unit between Rs. 1,50,001 - 2,00,000. No unit had taken loans between Rs. 50,001-1,00,000, Rs. 1,00,001 - 1,50,000 and above Rs. 2,00,000. It is found on calculation that average amount of loan taken is Rs. 1,00,000. Out of 14 seasonal industrial units only 4 units had taken loans. Of them 2 units had taken loan in the range of Rs. 50,001-1,00,000 and the other 2 units in the range of Rs. 1,00,001-1,50,000. No unit took loans below the limit of Rs. 50,000, between Rs. 1,50,001- 2,00,000 and above Rs. 2,00,000.

It is found from calculation that the average amount of loan taken by these 4 units is Rs. 1,00,000.

An analysis of total amount of loan taken during the last five years is highlighted in Table 26. Out of 150 industrial units only 40 entrepreneurs had taken loan. Of them, 11 entrepreneurs had taken loan within the limit of Rs. 50,000, twelve entrepreneurs in the range of Rs. 50,001-1,00,000, five entrepreneurs in the range of Rs. 1,00,001-1,50,000, three entrepreneurs in the range of Rs. 1,50,001-2,00,000 and 9 entrepreneurs had taken loan above Rs. 2,00,000. It is found on calculation that the average amount of loan taken by these 40 units is Rs. 1,08,750.

Table 27 shows the industry wise rate of interest on loan, in the case of agro-based industries, out of 47 units, only 18 entrepreneurs had taken loan. Only 1 entrepreneur had taken loan at rate of interest of 13%, two entrepreneurs took loans at rate of interest of 14%, eight entrepreneurs at rate, of interest of 15%, 5 entrepreneurs at rate of interest 16%, one entrepreneur at rate of interest of 18% and 1 entrepreneur at rate of interest of 23%. Out of 39 traditional arts and crafts units only 3 entrepreneurs had taken loan. 1 entrepreneur had taken loan each at rate of interest of 11.5%, 12% and 15%, respectively. In the case of manufacturing industries, out of 42 units, only 13 entrepreneurs had taken loan. 4 entrepreneurs had taken loan at rate of interest of 12%, two entrepreneurs at rate of interest of 16%, 4 entrepreneurs at rate of interest of 18% and 1 entrepreneur had taken loan each at rate of interest of 13%, 14% and 15%, respectively. Out of 8 service industrial units only 2 entrepreneurs had taken loan. One

Table 26 : Analysis of total amount of loan taken during the last five years (in Aggregate)

Total no. of units	Loan taken (Rs.)				
	Upto 50,000	50,001-1,00,000	1,00,001-1,50,000	1,50,001-2,00,000	Above 2,00,000
40	11	12	5	3	9

Source: Direct enquiry

Table 27 : Industry-wise rate of interest on loan

Industries									
Agro-based		Traditional arts and crafts		Manufacturing		Service		Seasonal	
Rate of Interest	No. of units	Rate of interest (%)	No. of units	Rate of interest (%)	No. of units	Rate of interest (%)	No. of units	Rate of interest (%)	No. of units
13	1	11.5	1	12	4	13.5	1	12	1
14	2	12	1	13	1	14	1	12.5	1
15	8	15	1	14	1	-	-	13	1
16	5	-	-	15	1	-	-	14	1
18	1	-	-	16	2	-	-	-	-
23	1	-	-	18	4	-	-	-	-
-	18	-	3	-	13	-	2	-	4

Source: Direct enquiry

entrepreneur had taken loan at rate of interest of 13.5% while other 1 entrepreneur at rate of interest of 14%. Out of 14 seasonal industries, only 4 entrepreneurs had taken loan. One entrepreneur had taken loan each at rate of interest of 12%, 12.5%, 13% and 14%, respectively.

Table 28 shows different rates of interest at which different industrial units had taken loans in the last five years. Only 1 entrepreneur had taken loan at rate of interest of 11.5%, 6 entrepreneurs had taken loan at rate of interest of 12%, 1 entrepreneur at rate of interest of 12.5%, 3 entrepreneurs at rate of interest of 13%, 1 entrepreneur at rate of interest of 13.5%, 5 entrepreneurs at rate of interest of 14%, 10 entrepreneurs at rate of interest of 15%, 7 entrepreneurs at rate of interest of 16%, 5 entrepreneurs at rate of interest of 18% and 1 entrepreneur at rate of interest of 23%.

Table 28 : Rate of interest on loan (in Aggregate)

Rate of interest (%)	No. of units
11.5	1
12	6
12.5	1
13	3
13.5	1
14	5
15	10
16	7
18	5
23	1
Total	40

Source: Direct enquiry

Table 29 highlights the repayment pattern of loans taken from banks in the last five years. It is found that all entrepreneurs (40) have paid their amount of loan

alongwith interest to the concerned bank regularly which is 100 per cent of the total. In this connection, it is also found that there is no entrepreneur who is irregular in the matter of repayment of loan.

Table 29 : Repayment pattern of loan (in aggregate)

Industries	Sample size	No. of units taken loan	Repayment pattern	
			Regular	Irregular
Agro-based	47	18	18	-
Traditional arts and crafts	39	3	3	-
Manufacturing	42	13	13	-
Service	8	2	2	-
Seasonal	14	4	4	-
Total	150	40	40	-

Source: Direct enquiry

Table 30 pinpoints the industry-wise repayment pattern of loans taken by different categories of industries. Out of 47 agro-based industries, only 18 entrepreneurs had taken loans and all of them are found to be regular in repaying their loans. Out of 39 traditional arts and crafts, only 3 entrepreneurs had taken loans and were regular in repayment of loans. Out of 42 manufacturing units, 13 entrepreneurs had taken loans and they repaid their loans regularly. Out of 8 service units, only 2 entrepreneurs had taken loans and repaid regularly. Out of 14 seasonal industries, only 4 entrepreneurs had taken loan and all the entrepreneurs had repaid their loans regularly. Thus, it is found that all the entrepreneurs of different types of

Table 30 : Industry-wise repayment pattern of loan

Repayment pattern	No. of units	Percentage
Regular	40	100
Irregular	-	-
Total	40	100

Source : Direct enquiry

industries had repaid their loans regularly and also that no unit had been irregular in the repayment of loans.

Table 31 shows the subsidy or financial assistance received from the Govt. in the last five years. It is observed that out of 150 sample units, only 18 entrepreneurs have received subsidy or financial assistance so far from the Govt. in the last five years while 132 entrepreneurs did not have any subsidy or financial assistance so far from the Govt. in the same period. This can be expressed as 12% and 88%, respectively.

Subsidy	No. of units	Percentage
Subsidy received	18	12%
Subsidy not received	132	88%
Total	150	100

Source: Direct enquiry

Table 32 points out the analysis of subsidy received for the different types of industries from the Govt. in the last five years. It is found that in the case of agro-based industries, major portion of entrepreneurs (41) did not receive any subsidy or financial assistance from the Govt. in the last five years while only 6 entrepreneurs have received subsidy or financial assistance from the Govt. in the same period. These figures can be expressed by way of 87.23% and 12.77%, respectively. In the case of traditional arts and crafts, out of 39 units only 1 entrepreneur has received subsidy or financial assistance from the Govt. in the last five years and 38 entrepreneurs did not have any subsidy or financial assistance from the Govt. in the same period. In percentage terms, these figures are 2.57 and 97.43, respectively. In the case of manufacturing units (42), only 4 entrepreneurs have received subsidy or financial assistance from the Govt. whereas 38 entrepreneurs did not have any subsidy or financial assistance from the Govt. in the last five years. This can be expressed as 9.52 per cent and 90.48 per cent, respectively. Out of 8 service industrial units, 4 entrepreneurs have received subsidy or financial assistance from the Govt. while the other 4 entrepreneurs did not have any subsidy or financial assistance received from the Govt. in the last five years. This implies that 50% of the entrepreneurs have received subsidy and the other 50% of the entrepreneurs did not have any subsidy or financial assistance from the Govt. In the last five years. Out of a sample of 14 units from the seasonal

industries only 3 entrepreneurs have received subsidy or financial assistance from the Govt. in the last five years which is 21.43% of the total and 11 entrepreneurs did not have any financial assistance or subsidy from the Govt. in the last five years which is 78.57% of the total.

Table 32 : Industry-wise analysis of subsidy received during the last five years

Industries	Sample size	Subsidy	
		Received	Not received
Agro-based	47	6 (12.77%)	41 (87.23%)
Traditional arts and crafts	39	1 (2.57%)	38 (97.43%)
Manufacturing	42	4 (9.52%)	38 (90.48%)
Service	8	4 (50%)	4 (50%)
Seasonal	14	3 (21.43%)	11 (78.57%)
Total	150	18	132

Source: Direct enquiry

Table 33 shows the different sources of subsidy or financial assistance received during the last five years. It is observed that all the entrepreneurs (18) have received subsidy or financial assistance from the Govt. in the last five years. In this connection, it is also observed that there is no entrepreneur who received subsidy or financial assistance from any source other than Govt. during the last five years.

Table 33 : Sources of subsidy

Sources	No. of units	Percentage
Government	18	100
Any other	-	-
Total	18	100

Source: Direct enquiry

Conclusion:

We may conclude that the cottage and small scale industries play a significant role in the development of Bishnupur sub-division. These industries have an important role in generating income and employment in this sub-division. The position of production capacity and the utilization in 5 categories of industrial units are also remarkable although the study shows some elements of discrepancy between average production capacity and average actual production in the survey year of each unit. It is also found that the entrepreneur of different types of industries repaid their loans regularly and also that no unit had been irregular in the payment of loans. Hence, the govt. should take more care of these units

for further development of this sub-division.

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