

## **Industries in India**

An industry is a group of organizations involved in producing/manufacturing or handling the same type of product and service.

Industries are part of the secondary activity. Secondary activities or manufacturing converts raw material into products of more value to people. Industry refers to economic activities concerned with the production of goods, extraction of services and provision of services.

Hence we can say that Industries are concerned with:

- Production of good (steel energy)
- Extraction of minerals (coal mining)
- Provision for services (tourism)
- There are also Emerging Industries: 'Sunrise Industries'

### **Classification of Industries**

#### **1. Raw material**

- Agro-based industries: These industries use plants and animal-based products as their raw materials. Examples, food processing, vegetable oil, cotton textile, dairy products, and leather industries.
- Mineral based industries: Mineral-based industries are based on mining and use 'mineral ore' as raw material. These industries also provide to other industries. They are used for heavy machinery and building materials.
- Marine-based industries: Marine-based industries use raw materials from sea or ocean. Examples, fish oil.
- Forest-based industries: These industries use raw materials from the forest like wood. The industries connected with forest are paper, pharmaceutical, and furniture.

#### **2. Size**

Size of industries are measured by how much money is invested, employee count and goods produced.

- Small-scale industries: Small-scale industries have less capital and technology invested in them. There is often manual labour noticed here. Example, Basket weaving, pottery, and handicrafts.
- Large-scale industries: Large-scale industries are the exact opposite of small-scale industries. Here the capital invested is large and advanced technology is in use here. Example, Automobiles and Heavy Machinery.

#### **3. Ownership**

- Private sector: Private industries are businesses that are owned and operated by an individual or group of individuals.

- **Public sector:** Public industries are owned and managed by the government. Example, Hindustan Aeronautics Limited (HAL)
- **Joint sector industries:** These industries are jointly operated by the state and individuals. Example, Maruti Udyog.
- **Cooperative sector industries:** Cooperative industries are operated by the suppliers, producers or workers of raw material. Example, Amul India.

### First Time in India

In India, the modern industrial sector on an organised pattern started with the establishment :

- **Iron & Steel Industry:** It was first set up in Kulti which is still working.
- **Aluminium Industry:** It was first set up Jaykaynagar (West Bengal) in 1837.
- **Cement Industry:** It was first set up in Chennai in 1904.
- **Chemical Fertilizer Industry:** In India, the beginning of chemical fertilizer industry was with the establishment of Super Phosphate plant in Ranipet (Tamil Nadu) in 1906.
- **Shipping Industry:** It was first set up (The Hindustan Shipyard) in Vishakhapatnam in 1941.
- **Paper Industry:** It was first set up in Serampore, West Bengal which was unsuccessful. After that, another one was set up in Lucknow (Now Closed). Again a paper mill was set up in Titagarh (West Bengal) in 1881 which is still working.
- **Cotton Textile Industry:** In 1818, the first cotton mill was established in Fort Gloster which was unsuccessful. In 1854, the first succesfull cotton mill set up in Mumbai by Kavasji Davar.
- **Jute Industry:** It was first set up in Rishra (near Kolkata) in 1855.
- **Woollen Textile Industry:** It was first set up in Kanpur in 1876 with the brand name 'Lal Imli'

Rail transport made a beginning between Bombay and Thane in 1854. The Tata Iron and Steel Company started at Jamshedpur in 1907

This means that modern industrial sector had its beginning only after the middle of the nineteenth century. The two World Wars gave an impetus to the development of a number of industries, such as chemical, iron and steel, sugar, cement, glass and other consumer goods industries.

### Agro-Based Industries in India

The agro-based industry includes industries related to textiles, sugar, paper and vegetable oil. These industries use agricultural products as their raw materials. Textile industry is the largest industry in the organized sector.

Textiles have been a major component of the industrial sector. It accounts for nearly a fifth of the industrial output and a third of the export earnings.

### **Importance of Agro-Based Industries**

- They are important because agro-based industries support a huge part of our population by providing them with employment.
- They help us to enhance our exports and foreign exchange.
- They support the development of backward and uneducated people, farmers and women by giving them the opportunities to enhance their financial condition.
- They are highly responsible for the development of rural areas and the lives of people living there.
- They are beneficial for the farmers dependent on agriculture as it stabilizes their income.
- It also helps by preventing the migration of rural population to urban areas.
- It reduces the chances of exploitation of farmers by middlemen.
- Encourage farmers to have better produces they get better prices for their produce.

### **Types of Agro-Based Industries**

Agro-based industries are classified into various sub-divisions based on the raw material they use and the service and output provided by them. There are majorly four types of agro-based industries present in the market, which are as follows-

- **Agro-processing units**

In these types of units, no new products are produced. Instead of producing new products they just process the raw materials in a way to increase their lifetime by adding preservatives and package them in a way to make their transport easier and cheaper.

- **Agro-produce manufacturing units**

In such units the production of new completely different end product takes place. Here usually, the raw materials are converted into goods that are more suitable for consumers.

- **Agro input manufacturing units**

These units are mainly responsible for the development of the agriculture sector as they produce goods that are majorly responsible for increasing the productivity of the agriculture sector including its mechanization.

- **Agro service centre**

These units are basically units that provide agriculture-related services to people like farm equipment repairing, educational workshops etc.

Committees on Various Sector of India Economy

## **Committees on Various Sector of India Economy**

There are many committees and commissions are made in India in various fields. On the basis of recommendations of these committees many reforms taken place in our country.

- 1. Abhijit Sen Committee (2002): Long Term Food Policy**
- 2. Abid Hussain Committee: On Small Scale Industries**
- 3. Ajit Kumar Committee: Army Pay Scales**
- 4. Athreya Committee: Restructuring Of IDBI**
- 5. Basel Committee: Banking Supervision**
- 6. Bhurelal Committee: Increase in Motor Vehicle Tax**
- 7. Bimal Jalan committee: Report on the working of capital market infrastructure institutions (MIIs)**
- 8. Bimal Jalan committee: To decide the appropriate level of reserves that the RBI should hold**
- 9. C. Babu Rajiv Committee: Reforms in Ship Act 1908 & Ship Trust Act 1963**
- 10. C. Rangrajan Committee: To review the Methodology for Measurement of Poverty**
- 11. Chandra Shekhar Committee: Venture Capital**
- 12. Chandratre Committee Report (1997): Security Analysis and Investment Management**
- 13. Chore Committee: Review the Operation of the Cash Credit System**
- 14. Dave Committee (2000): Pension Scheme for Unorganized Sector**
- 15. Deepak Parekh committee: To Financing Infrastructure through PPP model**
- 16. Dhanuka Committee: Simplification of Transfer Rules in Security Markets**
- 17. G. V. Ramakrishna Committee: On Disinvestment**
- 18. Goiporia Committee: Improvement in the Customer Service at Primary (Urban) Cooperative Banks**
- 19. Hanumant Rao Committee: Fertilizers**
- 20. J. R. Varma Committee: Current Account Carry Forward Practice**
- 21. Jankiramanan Committee: Securities Transactions**
- 22. JJ. Irani Committee: Company Law Reforms**
- 23. K. C. Chakrabarty Committee: To analyse the financial condition of the Regional Rural Banks in India**
- 24. K. Kasturirangan: To head drafting committee of National Education Policy**
- 25. Kelkar Committee (2002): Tax Structure Reforms**
- 26. Kothari Commission: To examine all aspects of the educational sector in India**
- 27. Khan Working Group: Development Finance Institutions**
- 28. Khusro Committee: Agricultural Credit System**
- 29. Kumarmanglam Birla Report: Corporate Governance**
- 30. MB Shah Committee: To investigate black money, mostly hoarded abroad**
- 31. Mahajan Committee (1997): Sugar Industry**
- 32. Malegam Committee: Reforms in the Primary Market & Repositioning of UTI**
- 33. Malhotra Committee: Broad Framework of Insurance Sector**
- 34. Marathe Committee: Recommendation for Urban Co-operative Banks**
- 35. Mashelkar Committee 2002: Auto Fuel Policy**

- 36. McKinsey Report: Merger of 7 Associate Banks with SBI**
- 37. Meera Seth Committee: Development of Handlooms**
- 38. Nachiket Mor Committee: Committee on Comprehensive Financial Services for Small Businesses and Low Income Households**
- 39. Narismhan Committee (1991): Banking Sector Reforms**
- 40. N.N. Vohra Committee: Relations (Nexus) Of Politicians with Criminals**
- 41. Parekh Committee: Infrastructure Financing**
- 42. Percy Mistry Committee: Making Mumbai an International Financial Center**
- 43. P. J. Nayak Committee: To evaluate governance of board of banks and examine criteria to select directors, as well as their term**
- 44. Prasad Panel: International Trade and Services**
- 45. Radha Krishnan Commission (1948): Establishment of the University Grant Commission**
- 46. R V. Gupta Committee: Small Savings**
- 47. Raja Chelliah Committee: Tax Reforms**
- 48. Rekhi Committee: Indirect Taxes**
- 49. RV Gupta Committee: Agricultural Credit**
- 50. Sarkaria Commission: Central-state relationship**
- 51. K. Santhanam Committee: Establishment of CBI**
- 52. S P Talwar Committee: Restructuring Of Weak Public Sector Bank**
- 53. Suresh Tendulkar Committee: Redefining Poverty Line and Its Calculation Formula**
- 54. Sapta Rishi Committee (July 2002): Development Of Domestic Tea Industry**
- 55. Shah Committee: Reforms Relating To Non Banking Financial Companies (NBFCs)**
- 56. Shivraman Committee (1979): Establishment of NABARD**
- 57. S.N. Verma Committee (1999): Restructuring the Commercial Banks**
- 58. Swaminathan Commission (2004): To find the problems faced by the farmers**
- 59. Sukhamoy Chakravarty Committee: To assess the functioning of the Indian Monetary system**
- 60. Tandon Committee: System Of working capital financing by Banks**
- 61. Tarapore Committee (1997): Report on Capital Account Convertibility**
- 62. Udesb Kohli Committee: Analyze Fund Requirement in Power Sector**
- 63. U.K. Sharma Committee: NABARD's Role in RRB**
- 64. Vaghul Committee: Money Market in India**
- 65. Vasudev Committee: NBFC Sector Reforms**
- 66. Y B Reddy Committee: 2001: Review Of Income Tax Rebates**
- 67. Justice A.K Mathur commission: 7th Pay Commission**
- 68. Balwantrai Mehta Committee (1957): Panchayati Raj Institutions**