

# INDUSTRIAL ESTATE

## UNIT – 3

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BUSINESS ORGANISATION

CODE:18K3C006

- 1. what is an industrial estate?**
- 2. Features of industrial estates**
- 3. objectives of industrial estates**
- 4. Types of industrial estates**
- 5. what are the functions of DIC?**

# What is an Industrial Estate?

An industrial estate is a place where necessary infrastructural facilities are made available to entrepreneurs. Industrial parks, industrial zone, industrial area, industrial township are some of the other terms used to denote industrial estates

# Features of Industrial Estates

- Separate plots and sheds
- Cluster
- Regional development
- Common infrastructure
- Promote industrialization
- Different sizes
- Developed in all areas
- Promotion through any agency

# Objectives of Industrial Estates

- Ensuring well planned and structured industrial development
- To provide the necessary infrastructure
- To provide common facilities to a number of industries
- To promote development of clusters
- To enable small units to source products from one another
- To enable dispersal of industries
- To promote balanced regional development
- To ensure development of backward areas
- To provide a climate for smooth functioning of industrial enterprises

# Types of industrial estates

- Composite industrial estates
- Special purpose
- Ancillary industrial estates
- Flatted industrial estates

# REGULATION OF STOCK EXCHANGES UNIT – IV

## Main provisions of the act

- Recognition of stock exchanges
  - Regulation of the working
    - Powers of the government
  - Power to suspend Business
- Power to compel listing of certain securities
- Power to order the exchange to list the securities
  - Regulation of speculation
- Prohibition of options in securities
  - Regulation of blank transfer
- Licensing of dealers in securities

# SECURITIES AND EXCHANGE BOARD OF INDIA(SEBI)

- The basic purpose of establishing SEBI is to protect the interests of investors in securities and to promote, develop, and regulate the securities market and the matters connected therewith or incidental.

# SALIENT FEATURES OF SEBI ACT, 1992

- Establishment of the SEBI[sec,3]
- The management of the board[sec.4]
- Term of office of chairman and members of the board[sec.5]
- Removal of members of the board[sec.6]
- Meeting of the board[sec.7]
- Any vacancy in the board[sec.8]
- Officer and Employees of board[sec.9]

# POWERS AND FUNCTIONS OF THE BOARD

## 1. FUNCTIONS OF SEBI

- \*To protect the interests of investors in securities and to promote and development

- \* Regulating the business in stock exchanges and any other securities markets

- \* Registering and regulating the working of stock brokers,sub brokers,share transfer agents,bankers to an issue,trustees of trust deeds.

- \* Registering and regulating the working of the depositories,participants,custodians of securities.

- \* Registering and regulating the working of collective investment schemes including mutual funds

- Promoting and regulating self-regulatory organisation.
- Promoting investors education and training of intermediaries of securities markets.
- Prohibiting inside trading in securities.
- Regulating substantial acquisition of shares and take-over of companies.
- Conducting research for the above purposes.

## 2. Power of SEBI as a civil court

- The discovery and production of books of account and other documents, at such place and such time as may be specified by the board
- summoning and enforcing the attendance of persons and examining them on oath.
- Inspection of any books, registers and other documents of any person referred to in section 12, at any place

### 3.Powers of SEBI in relation to stock exchanges

- power to call for periodical returns from stock exchanges[sec.6(1)]
- power to prescribe maintenance of certain documents by the stock exchange [sec.6(2)]
- Power to amend bye-laws of stock exchange(s)[sec.10]
- Licensing of dealers in securities in certain areas [sec.17]
- power to compel a public company to list its shares [sec.21]

# ACHIEVEMENTS OF SEBI

- Guidelines on disclosure and investor protection issued and clarified from time to time
- Proper disclosure to investors through prospectus made obligatory
- Guidelines for merchant bankers issued
- Advertising code for mutual funds
- Mutual funds required publishing balance sheets
- Code for takeovers and mergers
- Guidelines on insider trading, takeover bids ect. issued.
- Stock invest scheme to eliminate delayed refunds
- Suggested detailing brokerage/commission in contract notes.
- Total ban on forward trading
- Commenced registration of intermediaries associated with the stock exchange
- Format for reporting to SEBI by companies for public /right issues drafted.

# QUESTION

- Explain the main provision of securities contracts(Regulation) Act 1956
- Write the features of SEBI Act 1992
- Explain the power of SEBI
- What is SEBI? Briefly enumerate its achievements?

# Trade association and chambers of commerce

## UNIT-V

- A trade associations can be defined as “voluntary, non-profit organisation for mutual protection or advantage of independent enterprises producing or distributing similar goods or services”. These are the organisation formed to serve particular branches of industry and trade and to protect their common interest.

# FEATURES OF TRADE ASSOCIATIONS

- Loose form of organisation:-This form of organisation is so loose and informal. The membership is open to all traders.
- Non- profit making Bodies:- Trade association do not conduct any business of their own and have no direct objective of profitability in view.
- Scope of the association:-Trade association is generally formed to promote and protect the interest of the people engaged in a particular trade, industry or business.

- Source of income:- the main source of income of the trade association consist of entrance and subscription fees collected from the members. The expenses of the association are met out of this income.
- Pattern of organisation:- The trade associations are generally registered under the Trade Union Acr or Companies Act. Again they may be formed as companies with or without share capital. If it is formed with share capital the members should purchase the shares. Generally, these association are formed as companies limited by quarantee.

# OBJECTIVES OF THE TRADE ASSOCIATIONS

- To increase the individual efficiency through education.
- To minimise competition or to prevent cutthroat competition.
- To project or extent trade as a whole through legislation.
- To develop the trade as a whole through technical work.

# FUNCTIONS OF THE TRADE ASSOCIATIONS

- Assist members to adopt uniform accounting and costing methods.
- Conduct industrial and market research collect statistical data and make available the findings to the members.
- Formulate a code of business conduct and help to encourage business ethics amongst members.
- Conduct conferences and arrange convention with a view to bring together the members or representatives of the trade and industry.

- Assist in standardising trade practice and thereby help to evolve uniform business practices.
- publish trade magazines and release periodic bulletins on topics of interest and thereby help to educate both the members and the general public.
- Raising the voice of the members or representing the grievances of the members to the government when any move to affect their interest is proposed by the government
- Doing all such things as may be necessary for the extension and development of trade and industry and doing all such things, which are instrument or incidental to the achievement of their main objectives.

# CHAMBER OF COMMERCE

- chamber of commerce is an association of traders, industrialists, banks and some professionals for the promotion of business interests in the locality they serve. Just like trade associations, the chambers of commerce are also voluntary associations.

## Organisational structure

The constitution and composition of the chamber of commerce vary from country to country. They are voluntary, non-profit making organisations in India.

The chambers were non-registered bodies. But today majority of them are in the form of body corporate formed and registered either under the trade unions Act or under the companies Act with or without share capital or limited by guarantee.

# FUNCTIONS AND SERVICES OF THE CHAMBERS

- promotion of trade,commerce,shipping and manufacture of the homeland
- collection and dissemination of statistical and other information relating to trade,commerce,shipping and other manufacturers
- promoting,supporting or opposing legislative or other direct measures affecting the aforesaid interest
- undertaking by arbitration the settlement of disputes arising out of trade,commerce or manufacture.
- doing of such other things as may be conducive to the expansion of trade,commerce or manufacture or incidental to the attainment of the above objectives.these include the following:
  1. standardisation of trade practices and regulation of competition.
  2. issuance of certificates of origin to the exporters,and
  3. the provision of industrial research,market research,technical help,legal assistance ect.

# TRADE ASSOCIATIONS V.CHAMBER OF COMMERCE

## TRADE ASSOCIATION

1. members belong to the same trade or industry
2. its aim is to protect the interest of a particular trade or industry
3. members are competitors
4. this is a type of horizontal combination
5. it does not arrange for settlement of trade disputes
6. the scope of the association is very limited

## CHAMBER OF COMMERCE

1. members do not belong to the same trade but belong to the same area
2. it safeguards the general interest of all traders in a particular area
3. members may or may not be competitors
4. it comes under circular combination
5. it undertakes and arranges for settlement of disputes
6. its scope is much wider

# Questions

- What are associations?
- List out the features of trade association.
- What are chambers of commerce?
- What are the objectives of trade associations?
- State the functions of trade associations.
- Give the point of difference between trade associations and chambers of commerce.
- What are trade associations? State their features, objectives and functions.

- Reference book:

Business organisation – Kathiresan

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