

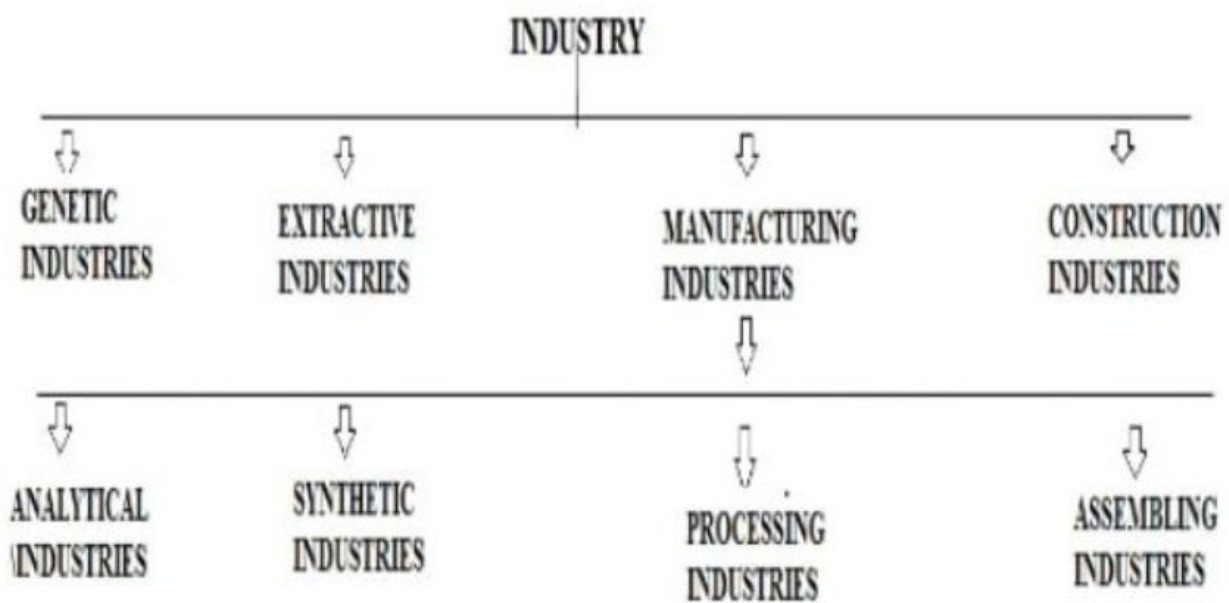
INDUSTRY

- The term '**Industry**' refers to that part of business activity which relates to production processing or fabrication of products..
- The goods are called **Consumer goods** if used by final consumers and **Capital or Producer goods** if used in production of other goods.



CLASSIFICATION

1. On the basis of types of goods produced



- **Genetic industries:** producing and multiplying certain species of plants and animals for the purpose of earning profit from their sale.

Eg: Breeding farms,
Poultry farms.



- **Extractive industries:** concerned with extraction or drawing out the products from natural sources such as soil, air or water.

Eg: Oil exploration,
Forestry,
Agriculture.



- **Construction industries:** engaged in construction of roads, buildings, canals, bridges, dams etc.



- **Manufacturing industries:** engaged in production of goods wherein the raw materials or semi manufactured goods are converted into finished products.

Eg: Pharmaceutical industry

Manufacturing industries are further subdivided into :

- Analytical industries
- Synthetic industries
- Processing industries
- Assembling industries



1. **Analytical industries:** engaged in manufacturing of products by analysing and separating different elements from the same material. For example, fractional distillation of crude oil refinery industries.
2. **Synthetic industries:** where two or more than two materials are mixed together in a manufacturing process to make a new product.


Products like various chemicals, drugs, soaps, cosmetics, fertilizers are produced by synthetic industries.



3. **Processing industries:** raw materials are processed through different stages of production to produce final product. For example drugs, pharmaceutical industries, paper, sugar industries etc.
4. **Assembling industries:** where the parts or components are assembled to make a useful product. For example production of cars, scooters, television, computers etc.



2. Based on size and investment

- **Light industries:** These industries involve a small capital investment and have a short duration production cycle.
 - Eg: Industries involved in the production of collapsible tubes, rubber tubes, tin containers etc.
 - **Heavy industries:** These industries need a big capital investment and also involve a longer production cycle.
 - Eg: Iron and Steel industries.
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3. Based on capital employed:

- **Large scale industries:** involves higher capital, large number of workers, machinery and tools.



- **Small scale industries:** Capital involved is not more than 10 lakhs in plant and machinery.



4. Official classification of industries:

- The industries are classified according to the type of products produced by them as given under the, First schedule to the industries (Development and Regulation) Act, 1951 by the government. For example, Drugs and Pharmaceuticals, Medical and Surgical appliances, Cosmetic and Toilet preparations.

