

C H A P T E R - V

DATA PRESENTATION AND ANALYSIS

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Chapter V

Data Presentation and Analysis :

This chapter deals with the presentation of the data collected through the survey method. The collected data is classified and tabulated. While calculating the percentage the figures have been rounded up. The following are the classified informations :

Table No. 1

Form of Organisation :

Sl.No.	Form of Organisation	Agro-based		Horticulture based	
		No.of units	Percentage	No.of units	percentage
1.	Sole trading concern	14	82	14	93
2.	Partnership	2	12	-	-
3.	Private Ltd.Co.	-	-	-	-
4.	Public Ltd.Co.	-	-	-	-
5.	Co-operative concern	1	6	1	7
6.	State Enterprise	-	-	-	-

As indicated in table No.1 82% of Agro-based industries and 93% of Horticulture based industries are organised in the form of sole trading. There are only two partnership firms in the agro sector and one co-operative concern. -

Absolutely no company organisations and state enterprises seem to exist.

Table No.2

Date of Establishment :

Sl.No.	Period of Establishment	Agro-based		Horticluture based	
		No.of units	Perce-ntage	No.of units	Perce-ntage
1.	Before 1975	-	-	1	7
2.	1975 - 1980	-	-	1	7
3.	1981 - 1985	2	12	3	20
4.	1986 - 1990	15	88	10	66

The above table indicates that it is only after 1980 the development started. 88% of agro-based units and 66% of horticulture based units are established during the period between 1986 and 1990.

Table No.3

Planning Process Adopted by Manufacturing Units (H)

Response	Formally planning concerns		Plan Period				R.M.P.P		L.R.P.		M.P.		P.R.M.P.		W.U.P.		F.P.	
			M	Q	HY	Y	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
	No.	%																
Yes	3	20	12	-	1	2	9	60	5	33	6	40	2	13	1	7	6	40
No	11	73	-	-	-	-	5	33	8	53	8	53	12	80	13	86	6	40
To some extent	1	7	-	-	-	-	1	7	2	13	1	7	1	7	1	7	2	13

H = Horticulture based	M = Monthly
Q = Quarterly	HY = Half Yearly
Y = Yearly	R.M.P.P. = Raw Material Procurement Plan
L.R.P. = Longe Range Plan	
M.P. = Market Plan	P.R.M.P. = Public Relations Maintainance Plan
W.U.P. = Waste Utilisation Plan	F.P. = Financial Plan
No. = No. of units	% = Percentage

As indicated in table no.3 73% of the units have no formal planning process. Simply they follow informal planning. This ^{is} due to the fact that 82 and 93 percent of the units (Table 1) are sole trading concerns. The owners

have not felt the necessity of recording the plans, as they themselves are accountable and responsible for any profits or losses. 86% of the units do not have waste utilisation plan. 53% of the units have no market plans. 53% of the units have no long range planning. 80% of the units do not have public relations maintenance plan.

Table No.4

Sources for Manpower Procurement

S1. No.	Source of Manpower procurement	No.of Units Procuring	Percentage
1.	Friends and relations (Local)	10	66
2.	Employment Exchanges	1	7
3.	Notification in News papers	1	7
4.	Directly from Schools and Colleges	-	-
5.	Any other source	3	20

A.O.S. = Any other source includes acquaintances, recommendation by employees, casual applicants.

The above table indicates that 66% of the manpower procured locally through friends and relations. 20% is from casual applicants and recommendations by the employees.

Hardly 7% of the units recruit through employment exchange and 7% by the notification in the news papers. One of the unit recruiting through employment exchange belongs to co-operative sector, this source is adopted as per the directives given in the bye-laws.

Table No.5

**Provision for Proper Training and
Procuring Outside Technical Guidance.**

S.No.	Response	Provision for training within		Outside Technical assistance	
		No.of units	Percentage	No.of units	Percentage
1.	Yes	2	13	1	7
2.	No	11	74	13	86
3.	To some extent	2	13	1	7

The table no.5 indicates that 74% of the units do not have provision for training within and 86% of the units do not go for outside technical consultancy or guidance only 7% seek outside technical guidance and 13% of the units will provide some kind of training to the employees. One of the units taking outside technical assistance once again belongs to be co-operative sector.

On the advise of the state Government, reputed research institutions from Bangalore and Mysore pay visits to the organisation and assist the technical division in erradicating the problems in the production process. At the same time these experts extend their services in terms of up-grading the technology as and when the situation demands.

Table No.6

**Basis of Decisions made by the
Manufacturing Units.**

.No.	Response	Based on Scientific methods		Based on past records		Arbitrary decisions		Based on intutions	
		No.of units	%	No.of units	%	No.of units	%	No.of units	%
1.	Yes	1	7	7	46	4	27	3	20
2.	No	13	86	7	46	11	73	8	53
3.	To some extent	1	7	1	8	-	-	4	26

The above table no.6 shows that 86% of units do not follow scientific method of decision making. 46% of units base their decisions on the past records. 27% follow arbitrary decisions. 20% take their decisions on the basis of their intutions.

Table No.7

Basis of Wage payment.

S.No.	Basis of wage payment	No. of units following the basis	Percentage
1.	Time rate system	10	67
2.	Piece rate system	3	20
3.	Incentive systems of wage payment	2	13

As indicated in the above table, out of 15 Horticulture based units, 10 units follow time rate. 3 units follow piece rate system. Incentive system is followed only in two concerns. The two units adopting incentive systems of wage payment are manufacturing - co-conut powder and pickles. In this units they have a standard rate for processing of a stipulated number of co-conuts and a stipulated time for preparing and packing certain quantity of pickles. Whenever the employees exceed these set standards, they are paid the incentives apart from the standard rates.

Table No.8

Working Capital Position.

Sl.NO.	Working Capital Positions (in Rs.)	No.of units	Percentage
1.	Up to 10,000	6	40
2.	11,000 to 20,000	3	20
3.	21,000 to 30,000	2	13
4.	31,000 to 40,000	1	7
5.	Above 40,000	3	20

The above table no.8 indicates that 40% of the units manage with less than Rs.10,000 working capital. 20% of the units need between Rs.10,000 to Rs.20,000 and again 20% of the units require more than Rs.40,000 working capital. Hardly 7% of the units need Rs.31,000 to Rs.40,000 and 13% are in the range of Rs.21,000 to Rs.30,000. 20% of the units utilising more than Rs.40,000 working capital justifies the type of business. These units are Kamadhenu Co-operative Society, R.S. Silk Industries, and Goverdhan Industries Sirsi. The first unit makes advance payments to the fruit growers and also needs some finance during the working of the plant. Similarly Silk being a costly item the purchase of co-coons and before the disbursement of silk yarn more capital as required which is in the

form of working capital. In the third unit the processing co-conut and the preparation of co-conut powder takes place due to which for the purchase of raw-co-conuts and before the sale of co-conut powder the working capital is essential which is to the tune of Rs.40,000 and above.

Table No.9

Sources of Finance.

Sl.No.	Major Source of finance	No.of units	Percentage
1.	Local Banks	4	27
2.	Private Source	2	13
3.	State Finance	3	20
4.	Co-operatives	-	-
5.	Nationalised Banks	6	40

Out of the 15 Horticulture based units, 6 units have obtained finance from Nationalised Banks. 4 units have obtained form local banks. 2 units depend on private source and 3 units procure from the State Finance Corporation. 40% of the units consider Nationalised Bank as a major source of finance. During the survey, it is noticed that two of the units have raised their finance through private source, that is from friends and relatives who -

are playing the role of money lenders. The further investigation has revealed that the only reason for approaching the private source is the cumbersome and lengthy process as well as too many documents required to be fulfilled in other sources of finance.

Table No.10

**Forms of State Aid Claimed
by Manufacturing Units.**

No.	Response	Capital Subsidies		Interest Concessions		Special Concessions		Additional Seasonal Finance	
		No.of units	%	No.of units	%	No.of units	%	No.of units	%
1.	Yes	15	100	15	100	3	20	6	40
2.	No	-	-	-	-	10	67	7	47
3.	To some extent	-	-	-	-	2	13	2	13

Almost all units got capital subsidies, and interest concessions. 20% of the units got special concessions and 40% of the units secured additional financial assistance too. In the above table it is noted that 20% of the organisations, that is 3 units availing some special concessions by the State Government.

One of the unit manufacturing co-conut powder is enjoying two years repayment holidays coming under the pervue of special concessions similarly the State Government to boost the sericulture industry has guaranteed the purchase of silk yarn and allowed one year monetary period for the repayment of the loan. Finally to boost the co-operative sector in horticulture the State Govt. has given a special concession in the form of godown subsidy of Rs.25,000/- and a loan of Rs.2.4 lakhs at the rate of interest of 3% which is normally an extra-benefit apart from interest concessions.

During the manufacturing process at certain durations the demand exceeds the supply, at seasonal durations under such circumstances to match the demand and supply certain organisation need more working capital. Seeking of additional seasonal finance banifit is found in 40% of the organisations during the survey. 13% each of the organisations seem to have availed special concessions and additional seasonal finance to some extent.

Table No.11

Principal Raw-Materials and their Processed Products.

Sl.No.	Raw-Materials Used	Finished Products after Processing.						
		Papad	Pickles	Jams squashes pulps	Slices Beverages	Masala & Powder	Leaf cups	Silk Yarn
1.	Mango	-	1	1	3	-	-	-
2.	Pineapple	-	-	1	3	-	-	-
3.	Areca nut	-	-	-	-	1	-	-
4.	Areca leaves	-	-	-	-	-	1	-
5.	Co-Coons	-	-	-	-	-	-	1
6.	Red Chilly	1	1	-	-	4	-	-
7.	Jack fruit	1	-	-	-	-	2	-
8.	Co-conut	-	-	-	-	1	-	-
9.	Banana	-	-	-	2	-	2	-
10.	Potato	-	-	-	-	-	2	-

The table no.11 indicates that only one unit prepares pickles, two units prepare jams and squashes, 3 units produce beverages, 6 units manufacture powders, 2 units prepare chips. Leaf cups and silk yarn is produced by one each.

Table No.12

Attitude Towards Government Policy and the Problems Faced in Getting State Aid.

Sl.No.	Response	Units happy with the - policy of the Government		Units experiencing problems in getting state aid	
		No.of units	Percentage	No. of units	Percentage
1.	Yes	2	13	12	80
2.	No	11	74	2	13
3.	To some extent	2	13	1	7

As indicated in the above table no.12, 74% of the horticulture based units are not happy with the policy of the Government towards them. 80% of the units are experiencing difficulty in getting state aid. Hardly 13% of the units are happy with the Government policy -

towards them and 13% of the units have expressed that they have no problem in getting state aid.

Table No.13

**Capacity Utilisation in Horticulture
Based Manufacturing Units.**

Sl.No.	Capacity Utilisa- tion range	No.of Units	Percentage
1.	Above 90%	Nil	-
2.	81% to 90%	1	7
3.	71% to 80%	3	20
4.	61% to 70%	3	20
5.	51% to 60%	3	20
6.	41% to 50%	4	26
7.	Less than 40%	1	7

The above table no.13 indicates that the existing capacity in Horticulture based units is utilised ranging from 38% to 90%. More than 50% capacity utilisation is only in 10 units and in case of other 5 units the capacity utilisations is less than 50%. The above highlights that 93% of the units are utilising more than 40% capacity and less than upto 90%. It is observed -

here none of the Horticulture based units are in a position to utilise 100% capacity. Having probed in to the details, idle capacity exists due to number of reasons such as power shortage, availability of skilled labour, lack of finance, breakdown of machinery severe fluctuations in the supply of raw-materials etc.

Table No.14

Percentage of Profit Earned.

Sl.No.	Profit Percentage Range	No.of units	percentage
1.	Less than 5	nil	-
2.	5 to 10	2	13
3.	11 to 15	5	33
4.	16 to 20	6	40
5.	21 to 25	1	7
6.	Above 25	1	7

The above table shows that no firm is earning less than 5% profit. Only one firm is earning more than 25% profit. Remaining firms earn profit margin ranging between 5% to 25% as indicated in table no.14.

Table No.15

**Units having Product Development
Strategy and Pricing Policy.**

Sl.No.	Response	Units with product development		Units with pricing Policy	
		No.of units	Perce- ntage	No.of units	Perce- ntage
1.	Yes	4	27	5	33
2.	No	8	53	6	40
3.	To some extent	3	20	4	27

As indicated in the above table, 8 units out of 15 have no product development strategy. 6 units have no well-conceived price policy. Only 5 units follow price policy and 4 units tentatively plan for product development.

As 50% of the units indicate absence of product development strategy due to the fact that the products manufactured by them is homogenous in nature, where no scope exists for developing a range of products such as -

co-conut powder, chilly powder, banana chips, jack-fruit chips and so on. The 40% of units indicating absense of pricing policy means they are adopting simply cost plus pricing method.

Table No.16

Raw-Material Problems Faced by
Manufacturing Units.

Sl.No.	Response	Raw Material Procurement Problem		Raw Material Quality Problem		Raw Material Short Supply	
		No.of units	Perce- ntage	No.of units	Perce- ntage	No.of units	Perce- ntage
1.	Yes	2	13	9	60	3	20
2.	No	10	67	1	7	8	53
3.	To Some extent	3	20	5	33	4	27

The above table indicates that 13% of the units have the raw-material procurement problem. 60% of the units have the problem of quality control. 20% of the units are facing the problem of short supply.

Table No.17

**Types of Problems in the Production
of Food Articles.**

1.No.	Response	Labour Problems		Machine break-down Problems		Power Problems		Production control problems	
		No.of units	%	No.of units	%	No.of units	%	NO.of units	%
1.	Yes	2	13	4	27	7	46	3	20
2.	No	12	80	8	53	4	27	10	67
3.	To some extent	1	7	3	20	4	27	2	13

As shown in the above table no.17,13% of the units have labour problems, 27% have machine problems, 46% have the power problems, 20% have production control problems. In 40% of the units it was observed that the problems of labour and machine break-down seems to be prevailing. The labour problem is not due to strikes or lockouts but due to some psychological attitude of the workers towards the employers, that is the employees ask for advance payment against salary, if denied, they either remain absent without notice or work without much -

enthusiasm and zeal. In case of machine break-down problem, it has been observed that majority of the machines (in 27% of organisations) are giving an old outlook with constant break-down.

Table No.18

**Marketing Channels Employed in the
Distribution of Horticulture Based
Processed Goods.**

Sl.No.	Marketing Channels	No.of Units	Percentage
1.	Zero Level	4	27
2.	One Level	2	13
3.	Two Level	5	33
4.	Three Level	4	27

As shown in the above no.18, out of 15 units only 4 units sell directly to consumers. 5 units - employ agents to reach to relailers and then to consumers. 2 units sell directly to retailers and then to consumers. 4 units follow long route that is from agent to whole-saler to retailers then to consumers. As abserved above -

27% of the units adopting zero level are mainly dealing with perishable items.

Table No.19

**Local Selling and Outside
Selling Units.**

Sr.No.	Response	Local Selling		Outside Selling	
		No.of units	Perce- ntage	No.of units	Perce- ntage
1.	Yes	4	27	9	60
2.	No	9	60	4	27
3.	To some extent	2	13	2	13

As highlighted in the above table no.19, 60% of the units do not sell their products locally. 27% of the units sell their products in the local market, while 13% of them are selling both locally as well as outside. The above table reveals that majority of production has outside market.

Table No.20

**Nature of Problems in Markiting of
Products.**

Sl.No.	Response	Transport Problems		Storage Problems		High Cost Problems		Bad debt problems	
		No.of units	%	No.of units	%	No.of units	%	No.of units	%
1.	Yes	4	27	6	40	6	40	4	27
2.	No	9	60	5	33	6	40	8	53
3.	To Some extent	2	13	4	27	3	20	3	20

As indicated in the above table no.20, 27% of the units have transport problem, 40% expressed that they have proper storage problem, another 40% complain about cost excalations, 27% of the problem of bad debts.

Table No.21

Provision for Workers Wel-fare
and Problems.

S.No.	Response	Special aid		Financial incentives		Medical aid		Agitation If any		Non-job facilities		Work-ers Abse-nteesm	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1.	Yes	2	13	1	7	2	13	-	-	2	13	2	13
2.	No	11	74	13	86	10	67	15	100	12	80	12	80
3.	To some extent	2	13	1	7	3	20	-	-	1	7	1	7

The above table no.21 shows that certain special aid is given to workers by 13% of units, financial incentives are provided by 7% of the organisations, medical aid is given by 13%, non-job facilities like rest-room etc. is provided by 13% of the units. There is a problem of absenteeism in 13% of the units.

Looking at the above table we infer that in majority of the units the workers welfare facilities does not seem to exist, for instance in 86% of the organisations financial incentives are not provided with, similar is the case of non-job facilities having failed to provide by 80% of the units.

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Package of Incentives and Concessions for new Industries in Agro-sector in Karnataka State.

10% of the cost of plan and estimate prepared by the recognised planners will be provided by the Government.

15% of the cost of fixed assets will be provided by the Government as capital subsidy.

50% of the interest on the loan raised from the state financial institutions or nationalised banks will be given as interest subsidy.

Sales tax exemption for a period of five years will be given to the industries.

The fee charged by the I.S.I. and I.D.C. will be reimbursed to the extent of Rs.2,000/-.

Subsidy on consumption of electricity by the units. 30%, 20%, 10%, during 1st year, 2nd year and 3rd year respectively.

There is subsidy on the charges of technical know-how from recognised development corporation or research institution.

Concessions are allowed on electricity rates.

Waving of conversion fee for converting agricultural land in to non-agricultural land.

Special concessions in respect of loan limit, interest rates, and repayment are allowed to sheduled caste,shedule tribes, and women entrepreneurs, engaged in food processing industries.

