CHAPTER VI
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FINDINGS, CONCLUSIONS & SUGGESTIONS

INTRODUCTION

Among the developing countries, India has the pride of place in promoting a comprehensive programme of assistance for modern small industries. In view of the economic problems of the country, soon after independence, it was felt necessary to provide institutional support and guidance on different fronts for stimulating the development of new entrepreneurial talents and energising the existing talents for speedy industrialisation of the country through modern small industries. A massive programme was launched from 1954 to assist existing industrial units and sow the seeds for attracting entrepreneurs into the field of small industries. The uniqueness lies in the fact that they were all consciously initiated almost simultaneously. As years passed by, the experience gained in administering the different facets of small industry assistance programmes was incorporated to evolve patterns suited to the different objectives of economic development of the country in the subsequent periods. The role of village and small industries in the development of the national economy has been continuously stressed in the Government of India Industrial Policy Resolutions of 1948 and 1956 and in the successive Five Year Plan documents and also highlighted the significance of small industries in securing a balanced and coordinated development of the industrial and agricultural economy in each region.

INDUSTRIAL ESTATES AS PART OF SMALL INDUSTRY ASSISTANCE PROGRAMMES

The policy of the Government for the development of small industries has been to provide assistance in areas where small industries were handicapped because of their small size and the consequent inherent weaknesses vis-a-vis medium and large industries. Absence of suitable factory accommodation has been one of the major handicaps of small industries in
India, even if they had capital, the formalities of acquiring suitable land, getting the building and in other aspects plans approved by the local authorities, securing water, power and gas connections and other requirements like drainage and sewage disposal facilities presented formidable difficulties for small industrialists. Many may need advice and assistance on the plans for the factory building. Industrial estates with fully developed sites and factory buildings offered for rent are an effective means for overcoming these difficulties. On the other side, industrial development of bigger centres presented its own problems. A large number of small industries were located in congested areas with hardly any space for expansion. This was due to the natural tendency on the part of industries to be attracted to areas where facilities like raw materials, power, water, transport, communications, trained labour and markets for finished products were readily available. This has resulted in the exodus of rural population to the cities. The attendant evils of this shift of rural population include overcrowding in the metropolitan areas, creation of social problems and disintegration of village life. The Industrial Estates programme was launched towards the close of the First Five Year Plan period in 1955 to overcome these difficulties for the existing and new industrialists and develop small industries in different parts of the country.

The programme of Industrial Estates was accepted as a powerful tool for promotion and dispersal of small scale industries in India, the Karve Committee (1956) also stressed the need and importance of the programme. The Indian concept of industrial estates originated with the primary objective of developing small scale industries and this still remain as the major objective though different dimensions have been added to this programme to serve the emerging needs of economic development. In the subsequent years during the second and third plans the programme has gained momentum consequently the construction of estates also increased rapidly. As against 15 estates sponsored in 1956 the figure rose to 458 in 1966 and further to 799 by the end of March 1982. The objectives of the programme was also changed from Third Plan
onwards. Industrial estates have been established in small towns, backward regions, rural and semi-urban areas and different types of estates were also constructed to attract the various types of entrepreneurs.

It has been observed that the performance of semi-urban and rural estates was poor. The occupancy rate of rural estates was also far from satisfactory as compared with the urban estates. The haphazard location/heavy establishment costs and delay in construction work are most important the causes for this adverse effects. The Estimates Committee of Parliament (1965-66) for example observed that "with more than Rs. 31 crores spent till then on this programme, less than 2,600 sheds have been occupied by the functioning units, out of almost the double number of sheds constructed". R.B.I.'s study group on industrial estates revealed that the rate of utilisation of sheds in different estates was 75 percent in the case of urban estates, 56 percent in semi-urban estates and 42 percent in rural estates. Further, the expenditure incurred on industrial estates was not commensurate with the employment generated. The commercial banks and other financial institutions also have not involved much in advancing for development of Industrial estates. The R.B.I, Study group set up in 1972 suggested that commercial banks and other financial institutions should shoulder the responsibility of financing industrial estates programme, Further I.D.B.I, Act was amended to extend refinancing scheme of commercial banks and SFCs to enable them to finance the construction of industrial estates.

Several evaluative studies have been undertaken on the programme of industrial estates from time to time by various Government agencies and individual researchers. These studies have brought to light the deficiencies of the programme and suggested remedial measures. These studies indicated that it is essential for the state governments to prepare a detailed feasibility reports of such areas to decide the location of estates on the basis of industrial potentiality, availability of essential facilities and other techno-economic considerations. Further, it has been pointed out that industrial estates should be established only in such places where small entrepreneurs could be helped to make best use of their own limited resources.
INDUSTRIAL ESTATE PROGRAMME IN ANDHRA PRADESH

Adhering with the national objectives of development and dispersal of small scale industries especially in backward and rural areas by providing basic infrastructure facilities the government of Andhra Pradesh also taken steps to implement the programme since 1957 in the state. The first industrial estate was established in 1957 at Visakapatnam, the success of the programme has encouraged the government and established industrial estates in different parts of the state. Subsequently due to paucity of funds the government has also evolved a new scheme called Assisted Private Industrial estates. To provide suitable and healthy accommodation for large and medium scale industries it also developed Industrial Development Areas at various places and upto 1973 the programme was carried out by the Directorate of industries and commerce. In 1973, the government promoted a separate corporation viz., Andhra Pradesh Industrial Infrastructure Corporation to shoulder the responsibility of developing and administrating the programme in the state. The corporation as an independent agent has also taken various measures to develop the programme in all the parts of the state. The corporation has come into existence in 01.01.1974 with an authorized capital of Rs. 10 crores.

ROLE OF THE CORPORATION

After formation of the corporation all the 35 industrial estates, 9 industrial development areas and 3 rural estates which were in existence in the state were brought under its purview. After the corporation came to existence it developed 110 industrial estates, 127 industrial development areas, 42 autonagars, 22 Special Economic Zones and 24 other types of estates. The corporation has completed 36 years of existence by now and there is a need to evaluate its performance in terms of its objectives. The present study is an attempt in this direction. Specifically the objectives of the study are to evaluate the role of the corporation in development of industrial estates programme in Andhra Pradesh in general and Chittoor & Anantapur district of Rayalaseema region in particular and to assess performance of the corporation from the beneficiary industrialists point of view.
GROWTH AND DEVELOPMENT OF THE PROGRAMME

At the time of incorporation lands acquired for the programme consists 7173 acres, plots developed were 3647 nos. and sheds constructed consists 1593 nos. after incorporation lands acquired rose to 99850 acres (an increase by 12.92 times), plots developed rose to 28203 nos. (an increase by 6.73 times), sheds constructed rose to 3105 nos. (showing an increase by 0.94 times); of the total lands acquired coastal region accounts 56 percent followed by Telangana (19 percent) and Rayalaseema (25 percent); of the total plots developed coastal region accounts 57 percent followed by Telangana (25 percent) and Rayalaseema (13 percent); of the total sheds constructed 60 percent in Telangana followed by coastal (29 percent) and Rayalaseema (11 percent).

While viewing, the industrial development areas programme in Andhra Pradesh, lands acquired & developed are more in coastal areas (56 and 55 percent respectively), plots developed & allotted are also more in coastal and even in coastal in some districts only the programme made rapid progress i.e., Visakapatnam, Nellore, Krishna and Guntur and in remaining districts the development of the programme is not satisfactory. In Rayalaseema, Anantapur and Chittoor districts accounts major share in terms of land developed and allotted and in Telangana region Ranga Reddy, Hyderabad and Medak districts only the programme penetrated satisfactorily. At the same time while observing the progress of the programme is backward and non backward districts in the state, backward districts accounts 60 percent each in respect of lands developed and allotted, it can be observed that in backward districts also in some districts only the programme has been developed extensively.

While observing the industrial estate programme in the state lands developed & allotted and also plots developed & allotted are more in coastal region (63 & 68 per cent respectively) followed by Rayalaseema (13 and 10 percent), seems that the programme has to make a long way in Rayalaseema, more over the industrial estate programme has been concentrated in Kadapa
and Chittoor districts (8 and 7 percent in total) in terms of lands acquired and developed. In coastal, Krishna, Guntur and Visakapatnam districts ahead of with other districts. While observing the progress of the programme in backward and non-backward districts, non-backward districts accounts 67 percent each in respect of lands acquired / developed; 69 percent in plots developed & allotted, among non backward districts Visakapatnam, Guntur, Hyderabad, Ranga Reddy, and Krishna districts claims major share in remaining districts the programme is not satisfactory. The corporation has to take steps to develop the programme in other non-backward districts also. In backward districts in Kadapa, Kurnool, Chittoor and Nellore districts only the programme has been developed extensively, the corporation has to take steps to develop the programme in other backward districts also.

While assessing the progress of the industrial estate programme after inception, lands acquired increased by 6.13 times, plots developed by 10.85 times, sheds constructed by 1.82 times showing an increase in all aspects. Since the concept for development of autonagar has been initiated by the government, the corporation after came into existence has taken steps for the development of autonagar programme in the state. Lands acquired for autonagars are more in coastal (88 percent) followed by Telangana (9 percent) and Rayalaseema (3 percent), further in some districts only the autonagars are developed, while observing the demand /occupancy ratio in autonagars, it ranges between 95-100 percent in all the places hence the corporation may develop the autonagars in other parts of the districts also taking into consideration distance factor.

As on the date (31-03-2009) there are 376 different types of estates, of which 145 are industrial estates, 140 Industrial Development Areas, 43 autonagars and 22 Special Economic Zones, of the total 145 industrial estates coastal region accounts 46 percent and in Rayalaseema 26 percent only. It seems that industrial estates are confined to in some districts / region- only, hence the corporation has to take steps to develop the programme in other parts.
of the districts. In respect of industrial development areas coastal region accounts 56 percent and the occupancy rate for lands developed over lands acquired are also more in industrial development areas, the corporation should consider to develop the programme in other parts also. Special Economic Zone concept are new and co-ordinating with the government policy the corporation has also developed 22 special economic zones on its part as well as under public private partnership mode since large number of foreign companies are located in these zones, the corporation may develop specially economic zones either by own or under partnership mode taking into consideration potentiality and feasibility of the region.

While assessing the progress of the programme in urban, semi urban and rural areas in the districts as well as region wise, of the total lands 67 percent are in rural areas, 20 percent in urban areas and 13 percent in semi urban areas. whereas plots developed accounts 62 percent in urban areas since large number of autonagars are established in urban centres and more number of small plots are developed on it i.e., the concept of rural industrialization has been achieved in terms of lands acquired for the programme by accommodating large number of industries. While observing the occupancy ratio in rural, lands developed over lands acquired is 87 percent. After inception of corporation Lands acquired in rural areas are also more (an increase by 17.47 times) followed by urban (increase by 3.3 times) and in semi urban (increase by 2 times); plots developed in rural areas increased by 74 times followed by semi urban (13.37 times) and urban (4.47 times), since the demand / occupancy ratio is also more than 75 percent in all areas particularly in rural and semi urban, the corporation should have an idea to develop the estates/areas in future in semi urban and rural areas.

INDUSTRIAL ESTATE PROGRAMME IN THE STUDY REGION

The study region consists of four districts viz., Anantapur, Chittoor, Kurnool and Kadapa. The industrial estate programme particularly after inception of the corporation played a significant role in attracting and
accommodating large number of small scale units in the industrial estates located at various places along with large and medium scale industries in the region. The first industrial estate was established at Nandyal in 1960 by the Directorate of Industries & Commerce. Later industrial estates were established at Chittoor (1962), Kadapa (1963) and Anantapur (1963). After corporation came into existence taken all the 9 estates developed by the government and developed 75 different types of estates in this region. Of the 84, industrial estates consists 38 nos., industrial development areas 32, autonagars 5, other type of estates 7 and special economic zones are 2. Total lands acquired increased from 616 acres to 25082 acres; plots developed from 287 to 3777 nos. and Sheds constructed from 60 nos. to 337 nos. in the region. Of the total lands acquired, more in Anantapur followed by Chittoor district; of the total plots developed, more in Chittoor followed by Anantapur (4.60), whereas plots developed & allotted and sheds constructed and allotted are more in Kadapa.

FEATURES OF SAMPLE UNITS

The present study confined to Chittoor and Anantapur districts only. Of the total 214 working units in Chittoor and 178 working units in Anantapur district, 110 units in Chittoor and 98 units Anantapur districts was taken for study purpose to evaluate and assess the role played by the corporation in promoting and development of industries in the region by developing the programme. Of the total 110 units in Chittoor region, 63 percent are sole trading concerns, 26 percent are partnership type and 16 percent are company type of organization, except in rural in all the estates sole trading concerns are more followed by partnership type organization. In category wise also sole trading concerns are more followed by partnership concerns. In Anantapur region also sole trading concerns more (67 percent) followed by partnership organization (17 percent), estate as well as categories wise shows sole trading are more followed by partnership type organizations, it seems that the corporation played a positive role in attracting large number small scale industries in the estates in both the regions, generally form of organization influence scale of operations. Manufacturing concerns are more in almost all
the estates in Chittoor region followed by job work / ancillary units, it is welcoming trend to encourage these type of units to avoid marketing problems since assured demand is there for these industries in the estates. Category wise analysis shows except in engineering, in all the categories manufacturing concerns are more; Job work/ancillary and repairing/servicing activities are more in electricals & electronics and engineering & allied industries. While observing the line of activity in the Anantapur region also on the whole, 73 percent are manufacturing concerns in all the estates; repairing/servicing activities are more in semi urban areas (21 percent). In all the categories except in engineering manufacturing units are more.

**Entrepreneurial background**

In Chittoor region, majority of entrepreneurs are from Hindu religion (89 percent) followed by Muslims (9 percent), Jain communities accounts (2 percent). Estate wise as well as category wise also Hindu entrepreneurs are more followed by Muslim entrepreneurs, in engineering industries considerable amount of Muslim religion entrepreneurs are there. In Anantapur region also entrepreneurs from Hindu community are more (88 percent), followed by Muslim religion (8 percent). While analyzing the social status of the entrepreneurs among Hindus estate as well as category wise entrepreneurs from forward communities are more (83 percent) followed by backward communities (16 percent). While examining the social status of the entrepreneurs in Anantapur region also, entrepreneurs from forward communities are more followed by backward communities.

While observing the educational background of the entrepreneurs, nearly 82 percent of entrepreneurs are possessing metric, degree are upto degree level, followed by P.G. & professionals (11 percent), seems that the programme attracted educated entrepreneurs considerable extent in the estates. While analyzing the educational background of the entrepreneurs in the Anantapur region, 95 percent entrepreneurs are possessing minimum level of education i.e., upto Metric, Degree and P.G. & professionals are 4 percent category wise also the same trend is there.
Majority of the entrepreneurs of the sample units in Chittoor region are from the family of business/trade houses (36 percent) followed by agriculture family (25 percent) both in estate as well as industry wise. In Anantapur region also majority of the entrepreneurs are from the houses of business/trade (58 percent) followed by agriculture family (33 percent). Most of the entrepreneurs in Chittoor region are in the age group between 51-60 years (65 percent) indicates maturity-in age plays an important role in operating the organization successfully. In Anantapur region also both in estate as well as category wise majority entrepreneurs are between age group of 51-60 years followed by 41-50 years age group. Self interest i.e., to lead independent life, to gain social status and to provide employment to others is prime motivating factor for majority of the in entrepreneurs in Chittoor region estate as well as category wise followed by unemployment factors. In case of Anantapur region 86 percent of the entrepreneurs on the whole motivated by self interest; incentives system played an important role in motivating the entrepreneurs in rural estate (Thumkunta).

In Chittoor region, 49 percent entrepreneurs are engaged in business activities before starting their venture, 19 percent are engaged in agriculture. In Anantapur region 53 percent of the entrepreneurs are engaged in business/trade related activities previously, 14 percent were unemploye and 16 percent are employees previously. In Chittoor region 53 percent of the entrepreneurs are trained and experienced practically before starting their venture and 41 percent of the entrepreneurs got knowledge, information from friends and relatives previously. In Anantapur region 47 percent of the entrepreneurs are trained and experienced before starting their venture, 30 percent of the entrepreneurs obtained/gathered information from friends/relatives before starting their operations, shows one way or the other entrepreneurs had information about the business before starting their operations in both the regions.

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Structure and category of employment

While observing the category of employment 51 percent in the total work force are permanent in nature in Chittoor region. Temporary workers are more in semi urban areas, units in these estates are mostly engaged in job work activities and provides job cards only when there is heavy demand. Category wise also between 49 to 63 percent workers are permanent in nature in all category. In Anantapur region permanent workers consists 64 percent in the total, it is more in rural; temporary workers are more in urban estates. Category wise analysis also shows permanent workers are more in almost all the categories, seems that estate units are providing more permanent opportunities to its workers. Male workers constitute 68 percent in the total work force in Chittoor region and in all the estates (except semi urban) and category wise analysis (except chemicals & plastics) male work force is more. In Anantapur region male workers accounts 81 percent in total work force. Estate as well as category wise (except food & agro based) male workers are more.

In Chittoor region, skilled and semi skilled workers consists 60 percent; unskilled and others accounts 29 percent, management & administrative cadre accounts 10 percent in the total work force. In Anantapur region skilled and semi skilled accounts 68 percent; unskilled and others consists 23 percent management and administrative cadre account 9 percent, seems that in both the region structure of workforce is moderately employed by the estate units. While analysing the size of the employment in the Chittoor region, 59 percent units engaging work force between 11-20 persons and 19 percent between 21-40 persons, seems that estate units are considerably employing labour force; category wise analysis shows 56 to 86 percent units in all category providing job opportunities between 11-20 persons. In Anantapur region 53 percent of the units in the total, engaging work force between 11-20 persons, 21 percent between 21-40 persons and 4 percent units engaging 61 and above work force.
Capacity utilization of the units

In Chittoor region of the total, 65 percent of the units are in the age group of 11-15 years. Age of the sample units in the Anantapur region shows 15 percent of the units 16 years and above age group and 60 percent units are 11-15 years of existence. In Chittoor region majority units (50 percent) running into two shifts basis 9 percent is in three shifts, 41 percent in one shift and in all the estates 40 to 61 percent units engaging in two shifts. Between 43 to 58 percent units in all categories engaging in two shifts basis and 19 percent in ceramics & minerals engaging in three shifts. In Anantapur region 22 percent of units are running in two shifts, 8 percent in three shifts and 69 percent of the units are running in one shift only raw materials, labour problems, competitions etc., are the causes, between 61 to 78 percent units in all categories running under one shift only.

In Chittoor of the total, 66 percent units operating between 51-75 percent capacity utilization, 26 to 50 percent of the units between 26-50 percent capacity utilization. Category wise also 43 to 67 percent of the units are engaging in 51-75 percent capacity. In Anantapur region 40 percent of the units operating between 51-75 percent capacity, 50 percent between 26-50 percent capacity shows that the capacity utilization in the estates units are satisfactory. In Chittoor region between 51-75 percent capacity utilization, units in the age of 16 years and above are more, seems that age of the units related to capacity utilisation, 26-50 percent capacity utilization units in the age group of 11-15 years are more. In Anantapur region also 51-75 capacity utilization, 16 years and above units are more, 26-50 percent capacity utilization, units in the age group of 11-15 years are more.

Production and sales aspects

While analysing the production range of sample units in Chittoor region, 45 percent units production value between Rs. 21 to 60 lakh, 14 percent production value Rs. 61 lakh and above; 40 percent in rural estate units is the
production value Rs. 61 lakh and above seems that rural estates also faring well in production aspects. In Anantapur region, 47 percent units production value between Rs. 21 to 60 lakh, 9 percent production value Rs. 60 lakh and above, 18 percent in rural estate units production value Rs. 61 lakh and above. While analyzing the sales range of sample units in Chittoor region on the whole, 28 percent units having sales value Rs. 60 lakh and above, 48 percent of the units between Rs. 21-60 lakh sales turnover per annum, 47 percent in rural units sales value Rs. 61 lakh and above; 50 percent of ceramics & mineral industries having sales value Rs. 61 lakh above. While analyzing the sales range in sample units of Anantapur, 16 percent units having sales value Rs. 61 lakh and above, 51 percent between of Rs. 21-60 lakh, 28 percent in rural estate units sales value Rs. 61 lakh and above and 25 percent each in electricals & electronics and chemicals & plastics having sales value Rs. 61 lakh and above.

**Capital Position and sources of capital**

Investment in fixed capital in the sample units of Chittoor shows that, 13 percent units investment value Rs. 60 lakhs and above, 39 percent fixed capital range between Rs. 21-40 lakh shows fixed capital has been moderately employed in all the estate units; 47 percent units in the rural estates fixed capital Rs. 61 lakh and above and no units in rural less than Rs. 10 lakh in fixed capital investment. In Anantapur region on the whole, 12 percent units fixed capital Rs. 61 lakh and above, 3 percent between Rs. 41-60 lakh, 18 percent units in rural fixed capital Rs. 61 lakh and above. Category wise analysis shows that, 19 percent in food & agro based, 15 percent in engineering & allied, fixed capital Rs. 60 lakh and above. In chittoor region 59 percent of finance drawn from external sources for their fixed capital requirements and in all estates borrowings from financial institutions accounts 55 percent. While analyzing the sources of finance for fixed capital in Anantapur region, borrowed from external sources accounting 58 percent i.e., from financial institutions 53 percent and from indigenous sources consists 5 percent.
While observing the working capital range in sample units in Chittoor region, 13 percent units working capital requirement Rs. 20 lakh and above, 5 percent between Rs. 16-20 lakh, 47 percent units in rural working capital requirements Rs. 20 lakh and above. Category wise analysis shows that working capital requirements Rs. 20 lakh and above are more in electrical & electronics industries (14 percent units). Working capital range in the sample units of Anantapur region shows 6 percent units working capital requirements Rs. 20 lakh and above, 6 percent units between Rs. 16-20 lakh, 13 percent units in rural working capital requirement of Rs. 20 lakh and above; 6 percent each in chemicals & plastics and ceramics & minerals working capital requirements Rs. 20 lakh and above.

In Chittoor region of the total, 51 percent of amount borrowed from financial institutions, 16 percent from indigenous sources and own sources accounts 33 percent for their working capital requirements. Borrowed from financial institutions more in rural estates (58 percent). In all categories 47 to 58 percent in the total amount borrowed from the financial institutions. Whereas in Anantapur region, 84 percent of finances came from external sources and 16 percent are own sources of finance, shows estate units depended mostly financial institutions for there working capital requirements. Borrowed from financial institutions are more in rural estates (86 percent) followed by urban (73 percent) and in category wise it is more in engineering & allied industries (58 percent).

Capital position of the sample units in Chittoor region shows, average total capital per unit consists Rs. 52.84 lakh, fixed capital per unit accounts Rs. 38.84 lakh, average working capital unit accounts Rs. 14.00 lakh. Working capital to fixed capital and to total capital ratio are more in urban estates (45 and 31 percent respectively), shows the working capital employment in the estate units. Capital position in the Anantapur region shows, average fixed capital per unit is Rs. 44.56 lakh, average total fixed capital unit is 35.78 lakh, average working capital per unit is Rs. 8.77 lakh. Working capital to fixed capital ratio is 25 percent and to total capital is 20 percent. Average total capital per unit, fixed capital per unit and working capital per unit are more in rural estates.
Satisfaction with the present operations

While examining the satisfaction of the entrepreneurs with their present occupations in Chittoor region, 65 percent expressed their satisfaction over present occupations, category wise analysis shows except in electricals & electronics in remaining categories between 64 to 73 percent entrepreneurs satisfied over their present occupations, and not satisfied entrepreneurs are more in electricals & electronics (71 percent), increase in raw material costs, wage payments, distance factors and competitions etc., are causes for their dissatisfaction. In Anantapur region 59 percent entrepreneurs expressed their satisfaction over present occupation, 95 percent entrepreneurs in rural are satisfied and not satisfied entrepreneurs are more in semi urban (74 percent). In Chittoor region 65 percent entrepreneurs expressed their intention to expand their operations in future, they mean, they are satisfied with their present operations and enjoying sufficient accommodation. 38 percent expressed no idea to expand their operations in future. While assessing the entrepreneurs opinion about their future plan in Anantapur region 55 percent entrepreneurs expressed their plan to expand the activity in future. Category wise analysis shows no idea to expand their business are more in food & agro based (75 percent) followed by ceramics & minerals (61 percent).

ECONOMIC IMPACT AND VIABILITY OF THE PROGRAMME

Origin of entrepreneurial force

While observing the origin of the entrepreneurs in Chittoor region, 45 percent entrepreneurs are local, 40 percent from within the district and other states entrepreneurs accounts 15 percent, seems that nearly 55 percent of the entrepreneurs are other than local, indicates if proper inputs are available the programme can able to attract the entrepreneurs from other parts also, entrepreneurs from other states more in chemicals & plastics (24 percent). Origin of the entrepreneurship in Anantapur shows local entrepreneurs constitutes 49 percent and 51 percent are other than local; other state

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entrepreneurs are more in rural estates (48 percent). Thummukunta, rural estate is strategically located very near to Bangalore city and bordering just 2 kms from Karnataka state attracted more number of entrepreneurs from Bangalore especially in engineering industry.

Origin of work force

Of the total work force in Chittoor region, local workers accounts 45 percent and 55 percent workers are other than local / district / state seems that, the programme by accommodating units in the estates attracted the work force from the other places also. Local workers are more in semi urban (54 percent), workers from outside the state are more in rural estate (27 percent), Gajulamandyam, rural estate 20 km from Tirupati also strategically located attracted considerable extent of workers from other states.

Local workers in Anantapur region consists 36 percent in total, it means nearly 64 percent workers are from other than local seems that the programme has created an impact on employment generation by dragging the work force from other places in this region also. Local workers are more in semi urban and urban estates, workers from within district are also more in urban, other state workers are more in rural estate particularly engineering industries are engaging labours from other states to avoid the complicated situations arising in hazardous working conditions.

Forward and backward linkages in the sample units

While observing the sales pattern in the sample units in Chittoor region, local sales are meagre it means no inter industry linkages between the estate units are there, sales within district accounts 18 percent and sales outside the states accounts 62 percent. It is quite obvious that sales in local and other than local depends upon nature of the products to be manufactured for example, large number of granite factories located in the urban estates, since they can not expect local sales they should depend the other way, outside the sales are more in engineering & allied (81 percent), followed by ceramics & minerals
(62 percent). While observing the sales pattern in sample units in Anantapur region, local sales accounts 10 percent and are mostly in rural estates since large number of small scale engineering units located in this estates getting orders from WIPRO Company located in this estate; outside the sales accounts 48 percent and are more in ceramics & minerals industry.

While observing the purchase of inputs in the sample units in the Chittoor region, local purchase are meagre (0.16 percent) and all the purchases by the units are other than local only i.e., purchases from within district accounts 31 percent (more in semi urban), from outside district / within state accounts 34 percent (more in urban), other state purchases accounts 35 percent (more in rural) and all the rural estates are getting their inputs from outside the estates only; outside the state purchases are more in chemicals & plastics industries. While observing the purchase of inputs in sample units in Anantapur region, local purchases constitutes 10 percent, more in rural estates. Within district purchase accounts 25 percent, more in semi urban followed by urban; outside the district/within state purchases accounts 22 percent more in semi urban; outside the state purchase accounts 43 percent more in rural estates. Categories wise analysis shows local purchases are more in engineering & allied industries; within district are more in food & agro based industries; outside district/within state purchases are more in ceramics & minerals and other state purchases more in engineering & allied followed by chemicals & plastics industries. In Chittoor region 81 percent units are newly started in the estates seems that, programme has attracted new generation of units more and 19 percent of the entrepreneurs shifted their operation into estates with a view to increase their operational efficiency, the corporation has to play a key role in keeping up their expectations. In all the estates between 78-93 percent units are newly started and in rural 93 percent units are newly started. In Anantapur region also on the whole 92 percent units are newly started in the estates viz., 100 percent units in urban and 98 percent units in rural are newly started.
Operational efficiency of the sample units

While assessing the operational efficiency of the units in Chittoor region, gross profit to sales accounts 20 percent on the whole whereas, net profit to sales is only 8 percent it seems that estates units are meeting more operating expenses. Average gross profit to sales and net profit to sales is slightly higher in rural estates, it is advisable for the estate units to increase this ratio and the corporation also should play a role in that aspects by diagnosing problems of entrepreneurs with regard to locational aspects. Average sales per unit accounts Rs. 74.21 lakh, more in urban estates followed by rural. Average net profit of estate units is Rs. 6.00 lakh more in urban followed by rural. Average net profit per employee consists Rs. 30,000 shows the contribution by employee to the organization. Capital turnover ratio on the whole is 1.4 times it should be increased, return on capital employed is 11 percent and it should also be increased. Average gross profit to sales are more in food & agro based industries. Average sales per unit and net profit per unit more in engineering & allied. Capital turnover and return on capital employed are all more in engineering & allied industries. While analysing the operational performance of the units in Anantapur region, gross profit to sales accounts 20 percent whereas net profit to sales is only 7 percent. Average sales per unit is Rs 37.42 lakh, more in rural estates followed by urban. Average net profit per unit is Rs 2.72 lakh more in rural followed by urban. Average net profit per employee consists Rs 13,000 more in urban. Capital turnover ratio accounts 0.84 times more in semi urban, return on capital employed is 6 percent also more in semi urban, hence it is suggested, estate units should improve their operational efficiency.

Production and productivity factors

In Chittoor region on the whole average production per unit consist Rs. 60.00 lakh, more in urban, average productivity per employee consists Rs. 2.95 lakh and more in urban. Average employment per unit is 20 persons more in rural; average emoluments per unit Rs. 27 lakh more in urban followed rural
seems that estates units are paying reasonable remuneration to its workers and average emoluments per employee consists Rs 1.35 lakh more in urban. While observing the production and productivity factors in Anantapur region average production per unit consists 30.05 lakh more in rural estates, average productivity per employee accounts Rs 1.41 lakh, more in urban; average employment per unit is 21 percent more in rural estates. Average emoluments per unit is Rs 11.10 lakh more in rural estates and average emoluments per employee consist Rs 52,000 more in urban. Average production per unit is more in electricals & electronics, average productivity per employee is more in chemical & plastics, average employment per unit is more in engineering & allied and average emoluments per employee is more in chemicals & plastics.

Financial solvency positions of units

While assessing the financial indicators in sample units in Chittoor region, borrowed capital to owned capital accounts 1.57 times shows the borrowing capacity of the units and more in urban. Owned capital to total capital consists 39 percent more in rural. Borrowed capital to total capital is 61 percent more in urban. Fixed assets to share holders funds consists 1.89, more in semi urban and fixed assets to long term funds are 1.20 times, more in rural. Average owned capital per unit Rs. 20.54 lakhs, more in rural shows financial solvency position of the estate units in the region. While analysing the financial indicators in the sample units in Anantapur region, borrowed capital to owned capital consists 1.49 times, more in rural. Owned capital to total capital accounts 40 percent, more in semi urban. Borrowed capital total capital accounts 60 percent more in rural. Fixed assets to share holders funds consists 2 times, more in rural, indicates financial solvency position of estate entrepreneurs. Fixed assets to long term funds accounts 1.34 times, more in urban. Average owned capital per unit Rs.17.87 lakh, more in rural. Average borrowed capital per unit Rs.27 lakh, more in rural. Average borrowed capital to owned capital is more in electrical & electronics industries. Owned capital total capital are more in chemical’s & plastics, borrowed capital to total capital is more in electricals & electronics, fixed assets to share holders funds are more in engineering & allied and average owned capital per unit and also borrowed capital per unit more in engineering & allied.
Growth potentiality of the units

While assessing the growth potentiality in operational performance of sample estate units in Chittoor region over the base period in all aspects there is an over all increase it can be observed that production, sales, gross profit, net profit and also emoluments increased by 30 percent, 31 percent, 38 percent, 76 percent, 68 percent respectively further in all aspects urban estates fared well followed by Semi urban and rural estates While assessing the operational performances estate units in Anantapur region, total production, sales, gross profit, net profit and employment are increased considerably over the base period, shows an increase of 39 percent, 41 percent, 59 percent, 62 percent, 57 percent respectively, in this region also urban estates fared well followed by semi urban and rural.

While observing the growth potentiality in financial indicators in estate units in Chittoor region, total assets increased by 36 percent, owned funds by 54 percent, borrowed funds by 26 percent, fixed assets by 32 percent and total no.s of employees by 41 percent. whereas in Anantapur region on the whole, total assets increased by 79 percent, owned funds by 88 percent, borrowed funds by 74 percent, fixed assets by 85 percent and in employees by 41 percent, shows the satisfactory position in financial parameters and employment aspects, it can be concluded that estates units are financially viable in all regions wherever it is located.

Entrepreneurs Reactions

While assessing the entrepreneurs expectation from the corporation in Chittoor as well as Anantapur region majority of the entrepreneurs are expected developed lands/plots followed by infrastructure facilities, and assistance in getting licenses, loans subsidies etc., and it can be observed that corporation has satisfied the expectations of the entrepreneurs by providing developed lands/plots along with infrastructure facilities to some extent only in remaining factors the role of the corporation is not satisfactory.
While evaluating the response from corporation in respect to entrepreneurs enquiries in Chittoor region, 11 percent entrepreneurs expressed the corporation is fully responding and cooperative, 88 percent expressed the corporation is responding partially but not fully in all aspects hence the corporation should play more role in providing additional infrastructure facilities and in other aspects like assistance in getting licenses, subsidies, loans etc., in order to satisfy partially satisfied entrepreneurs into fully. In Anantapur region only 12 percent entrepreneurs expressed the corporation is fully co-operative and responding immediately, 86 percent expressed the response from the corporation is partial but not fully; 44 percent entrepreneurs in Chittoor region and 26 percent in Anantapur region satisfied with facilities provided by the corporation.

Majority of the entrepreneurs in Chittoor and Anantapur estates region as well as estate wise expressed availability of developed plots/lands followed by infrastructure facilities are motivational factors and causes for preferring estates/areas. Enjoying sufficient lands, accommodation, infrastructure facilities, improvement in production aspects are major locational advantages expressed by the majority estate entrepreneurs in Chittoor as well as Anantapur region. Problems / difficulties in getting raw materials, heavy transportation costs, getting labours into work spots, problems in marketing are major locational problems expressed by the capital below Rs 20 lakh investment units in Chittoor as well as Anantapur but not in other capital range units. Majority of the entrepreneurs in chittoor as well as Anantapur region expressed that they are satisfied with the present location and no idea to shift their operation from this places since they are enjoying good location shows the significance of the programme in keeping up the confident among estate entrepreneurs.
CONCLUSION AND SUGGESTIONS

It has been observed that industrial development areas are attracting much as compared with industrial estates. Most of the entrepreneurs are preferring only developed plots. They are not preferring sheds due to heavy establishment costs. Moreover, the sheds constructed in ready-to-use sizes are not suited for their requirements and involve much modifications later. It is suggested that once industrial pattern is visualised for an estate based on pre-planning studies, sizes and types of sheds to be constructed can be gauged. Based on this, factory buildings can be constructed to meet the needs of entrepreneurs. Provision of open space for future expansion is to be made. Caution has to be exercised in minimizing the overheads at each stage to enable the entrepreneurs to benefit from the low rent charged to them. Prudence can be effected on items like the size of the administrative building, expenditure on common facility services, economy in the construction of buildings and proper planning regarding the utilisation of the available space.

The study reveals that to get success in the programme sheds should not be allotted to the units whose project cost is below Rs. 40.00 lakhs. As the shed cost is more and the small entrepreneurs forced to invest much of their capital on sheds. The corporation should allot only developed plots to the entrepreneurs because for development of undeveloped plots the entrepreneurs have to incur much expenditure. Considerable number of the sheds remain unoccupied in Gotty, mini industrial estate at Sadlapalle in Anantapur region and mini industrial estate at Tirupati in Chittoor region attempts should be made to utilize the vacant sheds either by removing the handicaps through provision of proper facilities or by finding alternative use for the sheds. Concrete steps should be taken to overcome these bottlenecks. While developing industrial estates and development areas first the corporation has to take necessary steps to provide basic infrastructure facilities before the plots/sheds are allotted. It has been observed that once the plots/sheds are allotted the corporation thinks that its entire task is over. Instead the corporation should create a congenial atmosphere and should convene a
meeting at least once in a month to discuss and analyse the problems of the estate entrepreneurs. It is advised that right from the allotment till commercial production starts the corporation should assist the entrepreneurs wherever its helps are needed. It is advised rational urban and regional analysis techniques should be employed at each stage to prepare the urban inventories like size of the existing population, rate of growth of population, nature and extent of available infrastructural facilities and social overheads, existing industrial base of the centre, location and accessibility of the town or the city, availability of skilled labour and availability entrepreneurs etc., and a list of cities and towns, ranking their suitability for locating industrial estates. This assessment will serve as a useful purpose by providing guidelines for deciding the location of estates and also the phasing of the development in future.

The study reveals that there are no proper infrastructure facilities in all industrial estates especially in Madanapalle, Palamaner and Srikalahasti in Chittoor district; Guntakal, Gooty and Tadipatri estates in Anantapur region, the entrepreneurial workers in the Guntakal estate facing innumerable problems in transportation. The location of Thummkunta and Gollapuram estates in Anantapur district is strategic one and the infrastructure facilities in these estates should be strengthened further, so as to enable to attract more entrepreneurs from other parts since there is growth potentiality in these areas. The infrastructure facilities at Tirupati and Chittoor estates in chittoor district, Sadlapalle and Anantapur estates in Anantapur district should be further strengthened, since most of the units are operating at less than 50 percent capacity due to lack of proper infrastructure facilities like power shortage, lack of raw material, finance etc. The corporation should take the responsibility of development and maintenance of roads in the estates instead of entrusting it to Panchayat / Municipal authorities. In the all estates both in Chittoor and Ananthapur considerable units are in sick, hence the corporation should take these steps to identify their problems with regard to locational /infrastructure aspects and try to solve it by their possible end. The corporation while developing the lands/plots should earmark certain areas for accommodating banks and other institutions concerned with industrial development.

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It is advised that for the time being instead of establishing new estates the corporation should consolidate the estates by providing additional infrastructure facilities. It is suggested that corporation has to think in terms of establishing industrial estate by acquiring at least 200 acres of land so as to accommodate and attract large units, there by inter unit linkages and external economics may be created. It is also observed that in Chittoor and Tirupati autonagars are located far way from the town and as a result the entrepreneurs have not shown much interest in the initial states due to fear of losing their business opportunities if they shift their activities, as such in future while selecting sites for such autonagars care must be taken. Shortage of the working capital has been one of the serious problems of the small scale industries located in the estates hence there is need for re-orientation of lending policies of financial institutions/banks so as to ensure the availability of finance on a preferential basis and at concessional rate of interest to industries to be set up in the industrial estates/areas.

The success of the corporation depends upon eliciting the co-operation of various agencies of the government like, District Industries Center, APSEB and other authorities, otherwise the entrepreneurs have to go round different agencies/authorities to start their ventures and it becomes a vexing problem for them. The authorities should provide certain privileges to units to be located in these estates. Moreover the corporation should be free from the clutches of bureaucrats so as to discharge its functions effectively/independently. The government should give certain priorities to the units located in the estates like exemption from excise duty, sales tax and provision of power at concession rate etc. If these suggestions are implemented the corporation would be in a position to discharge its functions more effectively and the programme can be more viable.

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