

PROBLEMS OF BURN-LIME INDUSTRY IN KURNOOL DISTRICT- AN EMPIRICAL STUDY

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Abstract

Small industrial sector plays a key role in the industrialization of developing countries. This is because of the fact that small industries provide immediate large-scale employment and have a comparatively higher labour-capital ratio, need a shorter gestation period and relatively smaller markets to be economic; need lower investments, offer a method of ensuring a more equitable distribution of national income and facilitate an effective mobilization of resources of capital and skill which might otherwise remain unutilized. Small business enterprises stimulate the growth of industrial entrepreneurship and promote a more diffused pattern of ownership and location. Small industries have also been viewed as an effective way of fostering the private sector's contribution to both the growth and equity objectives of development. An entrepreneur in economic sense is a leader, almost like the director of the film, possessing the ability to recognize opportunities for successful introduction of new commodities, new techniques and new resources of supply to assemble the necessity machinery, equipment and labour force and to manage and organize things into a running concerned. The present study highlights the problems of burn-lime industry in Kurnool district of Andhra Pradesh.

Introduction

Small-scale industries have a low capital intensity and high potential for employment generation. Besides, they possess locational flexibility which serves as an effective instrument for achieving a wide dispersal of industries. Small-scale industrial units also serve as an instrument in achieving a wide dispersal of industries. Further, small-scale units serve as a means of bringing for the indigenous entrepreneurship and savings lying dormant, particularly in semi-urban and rural areas. The small –scale sector has a high potential for employment, dispersal of industries, promoting entrepreneurship and earning foreign exchange to the country. The following points further demonstrate the importance of small business enterprises.

Small industrial units are considered to be the most suitable instrument for the overall economic development of the country. What required is that the assistance, which should be provided by the government through various measures, which help in accelerating the economic growth and development of the economy.

Objectives of the study

1. To study the small Industries in India
2. To analyse the problems of burn lime industries

Methodology

The data collected from both in primary and secondary sources. The primary data have been collected through structure interview schedule. The secondary data have been collected from records of the District Industries Centre (DIC), planning and statistics department, Kurnool. The information from Kurnool district gazetteer, reports of mining and geology department, magazines books, journals, dailies, published and unpublished theses, related web sites and various university libraries.

Collection of Data

Based on the objectives of the study, the questionnaire has been designed to collect information and data from the burnt lime units of the Kurnool district, personal discussions were made with the entrepreneurs and officials of the Government and its agencies to collect full information.

Problem of Burnt Lime Industry

After the analysis of the various economic aspects of the burnt lime industry, it is necessary to focus attention to identify the problems of these units. The growth of the industry is limited by these problems. The units have created employment opportunities to the people of Kurnool enabling them to earn better income. The income and employment in turn contribute to the development of the region industrially, economically and socially. But the growth of the units is not smooth and straight shooting up; there have been hindrances in their functioning and growth. They are facing several problems such as the problems of finance, marketing, coal, labour, raw material and such other which hamper their smooth functioning.

These problems may be serious or light, exert impact on the productivity of the units carrying less profits. Some of the problems which are detrimental to the healthy functions of the units are dealt with in the following paragraphs.

Financial problems

The major problem faced by the units is that of finance. The development of units mainly depends on their financial stability. For the smooth functioning of units, finance is required timely. The following table 1 shows the various problems of finance faced by the units.

Table 1, Financial Problems of Burnt Lime Units

S.No	Type of the problem	No. of Units responded	Percentage to total
1	Inadequate fixed capital	72	60.00
2	Inadequate working capital	12	10.00
3	Delay in realisation of bills	9	7.5
4	Higher interest rates/ increased costs	4	3.33
5	Problems of official fears	8	6.66
6	No problems	15	12.6
	Total	120	100.00

Source: Field study

The table 1 reveals that 72 units have expressed the shortage of fixed capital and 12 units have suffered with inadequate working capital. Parties who purchase the product of the units do not pay the accounts in time and this causes inconvenience to the units. This type of problem i.e., the delay in realisation of bills was expressed by nine units. Four units are facing much more interested rates to and remaining 15 units in this study, these units are not facing any type of problem with regard to finance.

Problem of Coal

One of the important inputs required for the production of burnt lime is coal. Coal is used to burn limestone in kilns to produce lime. The fuel is not locally available and forced to get from other places of the country. Most of the fuel used in the units is brought from Singareni Collaries which is far away from the units. This coal is supplied to the units as per the quotas fixed by way of an agreement with the state government. If more coal is required than the allotted quota, it has to be brought from private parties by paying abnormal prices. The major part of the expenditure born by the units is for the procurement of coal. Since the supply of coal is a very important factor to produce lime either a strike in singareni collaries or the on setoff rainy season brings the activity of the units to a standstill position. There are, two types of kilns one is country made kiln and other is modern vertical kiln. More wastage is found in the country made kilns and no wastage in vertical kilns. More wastage is found in country made kilns compared to modern vertical kilns. Keeping in view, the government is discouraging the country made kilns by stopping coal supply. Hence, modern vertical kilns are getting advantages

in the production of lime. Government is supplying coal and encouraging production. The problem faced by different units in regard to supply of coal is presented in the table 2.

It is observed from the table 2 that 75.84 per cent of units are facing a lot of inconveniences because of limited supply of coal. Owing to this inadequate supply of coal, the units are not able to produce enough lime to meet the demand. Uneven supply of coal is adversely affecting the work of 12 units. If the coal is not available in time the labour like ideal. As a result the entrepreneurs are forced to procure coal from the private parties to avoid the troubles and to continue the production activity. Seven units are facing untimely supply of coal, four units are facing higher price per unit. There are 85.84 per cent of the units facing the first two problems.

Table 2,Coal Problems Faced by the Selected Lime Units

S.No	Type of problem	No. of Units responded	Percentage to total
1	Limited supply	91	75.84
2	Uneven supply	12	10.00
3	Un-timely supply	7	8.83
4	Higher price per unit	4	3.33
5	No problem	6	5.00
	Total	120	100.00

Source: Field study

Raw Material

The raw material used for production of lime is lime stone. The stone is available in plenty in Kurnool district. Therefore, there has been a gradual increase of the number of burnt lime units in the district. When mines of the lime stones in a particular area are exhausted, new mines are opened to supply the raw material. The lime stone available in different mines is not of the same quality. There are different grades of stone. Procurement of the required grade of stone is again a problem to the nits. The problems of procurement of raw material are shown in the table 3.

Table 3, Raw Material Problems Faced by the Selected Units

S.No	Type of problem	No. of Units responded	Percentage to total
1	Non availability of required quality grade	82	68.33
2	Available at higher price	22	18.34
3	No problem	16	13.33
	Total	120	100.00

Source: Field study

It is clear from the table 3 that 82 units i.e., 68.33 per cent of units are facing the problems of non-availability of required quality grade of lime stone. It is found that 18.34 per cent of units have the problem of getting raw material due to higher prices. Though the required grade lime stone is available. Units which have no problem regarding the procurement of raw material account to 13.33 per cent. The quality of lime produced depends on the quality of raw material.

Problem of Labour

Small industries are labour oriented and therefore, their functioning depends on labour. The burnt lime units too being small industries, depend on labour. Added to this, there is no machinery in the units and as a result more and more labour are required, dependency on them is indispensable. Though agricultural labour are more in the

Kurnool district and also scope to step into the burnt lime industry still the units have the problem of shortage of labour. The units facing this problem are presented in the following table 4.

Table 4, Labour Problem Faced by the Lime Units

S.No	Type of problem	No. of Units responded	Percentage to total
1	Inadequate casual problem	52	43.33
2	Skilled labour not available	59	49.17
3	Higher wages for skilled/unskilled labour	3	2.50
4	Demanding more facilities	2	1.67
5	No problem	4	3.33
	Total	120	100.00

Source: Field study

It is shows from the table 4 that 52 units i.e., 43.33 per cent units have the problem of getting casual labour. The person having the knowledge on the process of burning the limestone are not available, this problem was expressed by 59 units. As a result of the problem, production of lime gets a setback leading to the loss of business. The workers demand for enhancement of wages for better facilities. It is found that, three units are facing higher wages for skilled labours, two units are facing the problems from their undesirable facilities. There are 3.33 per cent of the units have no problem regarding the labour.

Marketing Problem

Marketing of the product is one of the important problems of burnt lime industry. These units which withstand in the competition market their product with reasonable profits. It has a good market in Andhra Pradesh, besides this, Kerala and Madhya Pradesh. The following table 5 present the problems of marketing faced by the units.

Table 5, Marketing Problems Faced by the Selected Units

S.No	Type of problem	No. of Units responded	Percentage to total
1	Lack of proper agents	07	5.83
2	Distant market centres	13	10.84
3	High level taxes	22	18.33
4	No problem	78	65.00
	Total	120	100.00

Source: Field study

It is observed from the table 5 that 18.33 per cent of the units have the problem of high taxation and 13 units are suffering with the problem of distant market centres which causes delay in realisations of bills. Only seven units have expressed the problem of lack of proper agents for marketing the product. It is noticed that majority of the nits have no market problem or any inconvenience related to the marketing.

Conclusion

In is concluded that 72 units have expressed the shortage of fixed capital and 12 units have suffered with inadequate working capital. Parties who purchase the product of the units do not pay the accounts in time and this causes inconvenience to the units. This type of problem i.e., the delay in realisation of bills was expressed by nine units. Four units are facing much more interested rates to and remaining 15 units in this study, these units are not facing any type of problem with regard to finance. As a result the entrepreneurs are forced to procure coal from the private parties to avoid the troubles and to continue the production activity. Seven units are facing untimely supply of coal, four units are facing higher price per unit. There are 85.84 per cent of the units facing the first two

problems. It is clear from the study that 82 units i.e., 68.33 per cent of units are facing the problems of non-availability of required quality grade of lime stone. It is found that 18.34 per cent of units have the problem of getting raw material due to higher prices. Though the required grade lime stone is available. Units which have no problem regarding the procurement of raw material account to 13.33 per cent. The quality of lime produced depends on the quality of raw material. The person having the knowledge on the process of burning the limestone are not available, this problem was expressed by 59 units. As a result of the problem, production of lime gets a setback leading to the loss of business. The workers demand for enhancement of wages for better facilities. It is found that, three units are facing higher wages for skilled labours, two units are facing the problems from their undesirable facilities. There are 3.33 per cent of the units have no problem regarding the labour.

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