



**PROBLEMS AND PROSPECTS OF SMALL SCALE INDUSTRIES IN ARIYALUR
DISTRICT**

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Abstract

In Ariyalur district of Tamil Nadu there exists a desperate need to recognize different empowering factors, restricting elements and forthcoming components which limits/urges small scale industries to seek after their entrepreneurial dreams. This article aims at problems and prospects of the small scale industries with special reference to Ariyalur.

Keywords - SSI, interview schedule, self control, proprietor.

I. INTRODUCTION

In the writing history of small scale industries particularly in Ariyalur, there is absence of state wide investigation led with exceptional spotlight on issues and prospects of business people. This investigation is one of its sorts of study which will shape a reason for some future looks into which try to additionally contemplate the status of issues and prospects of business people to effectively run and support in their entrepreneurial wander. As a recommendation a calculated model for Entrepreneurship has been proposed by the specialist.



II. BRIEF DESCRIPTION ON THE STATE OF THE ART OF THE RESEARCH TOPIC

Table 1 BLOCK-WISE DETAILS OF MSMES, REGISTERED IN ARIYALUR DISTRICT 2015-2016.

Block-wise details of micro and small industries					
MICRO AND SMALL INDUSTRIES					
	Name of	Units	Investment (Rs.In lakhs) (L&B)	Investment (Rs.In lakhs)(P&M)	Employment
Sl.No	Block	Registered			Generated
1	Ariyalur	607	382	417.79	1606
2	Tirumanur	199	290.52	154.11	331
3	Jayankondam	612	839.57	496.41	2396
4	T. Palur	179	191.91	93.78	415
5	Andimadam	184	197.32	283.96	413
6	Sendurai	364	179.83	139.15	1258

Source: BLOCK-WISE DETAILS OF MSMES, REGISTERED

The table mentioned above shows that the number of Small Scale Industries registered in Ariyalur. It is evident that the highest number of Small Scale Industries are in Jayankondam block followed by Ariyalur Block. Sendurai block forms the third in terms of registered units. Other blocks are having lesser than 200 small scale industries.

Naidu (2009) advocates that India has 300 million youth and against this number she (India) has just 100 million employments that are being made. This prompts a work hole of 200 million. According to Census 2011 information, there has been a considerable increment in joblessness rate from 6.8 for each penny in 2001 to 9.6 for every penny in 2011 (Punj, 2016).

In a nation like India, where because of its taking off populace Okun's law (K noteck, 2007) is suitably appropriate which recommends development log jam concurs with rising joblessness, critical thinking to joblessness is of most extreme significance so the monetary development can be adjusted.

Various contentions bolster that joblessness can be one of the significant reasons which make policymakers to complement the significance of small scale industries and make endeavors to empower bigger segment of the general public including youth, SC, S T, and resigned representatives to take up small scale industries as an occupation by presenting various late



plans like Start-up India, Make in India, and so forth. Other than joblessness being the most critical main impetus for the policymakers to contemplate manners by which the idea of enterprise can be imparted among the bigger segment of the general public, there are numerous different components which have prompted this.

Definition of SSI

As per the MSME definition, a small scale endeavor is where the yearly turnover does not surpass Rs. 5 crore, a little undertaking is one where yearly turnover is between Rs. 5 crore and Rs 75 crore, and a medium undertakings is the place the turnover is more than Rs 75 crore yet does not surpass Rs 250 crore.

Meanings of Micro, Small and Medium Enterprises In understanding with the arrangement of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are characterized in two Classes:

1. Assembling Enterprises- the ventures occupied with the make or generation of merchandise relating to any industry determined in the main calendar to the businesses (Development and direction) Act, 1951) or utilizing plant and hardware during the time spent esteem expansion to the last item having a particular name or character or utilize. The Manufacturing Enterprise are characterized as far as interest in Plant and Machinery.
2. Administration Enterprises:- The ventures occupied with giving or rendering of administrations and are characterized as far as interest in gear..

The farthest point for interest in plant and hardware/gear for assembling/benefit undertakings, as notified, vide S.O. 1642(E) dtd.29-09-2006 are as under

Assembling Sector

- Endeavors Investment in plant and hardware
- Miniaturized scale - Enterprises does not surpass twenty five lakh rupees
- Little Enterprises - More than twenty five lakh rupees however does not surpass five crore rupees
- Medium Enterprises - More than five crore rupees however does not surpass ten crore rupees

Administration Sector

Ventures Investment in types of gear

Smaller scale - Enterprises does not surpass ten lakh rupees:

Little Enterprises - More than ten lakh rupees yet does not surpass two crore rupees

Medium Enterprises - More than two crore rupees yet does not surpass five crore rupees



III. INTRODUCTION TO PROBLEMS AND PROSPECTUS OF SMALL SCALE INDUSTRIES

Various organizations have been set up by the Central and State governments and banks to support the development of the small scale enterprises . The main organizations are as follows :

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1. Central Government
 - National Board for Micro, Small and Medium Enterprises.
 - Small Industries Development Organization (SIDO).
 - Micro, Small and Medium Industries Services Institute.
 - National Small Industries Corporation Limited. (NSIC).
 - National Institute for Micro, Small and Medium Enterprises (NIMSME).
 - Entrepreneurship Development Institute of India .
2. State Government
 - District Industries Centers (DIC)
 - State Financial Corporation's (SFCs)
 - State Industrial Development Corporations/ State Industrial Investment Corporations (SIDC/SIIC)
 - State Small Industries Development Corporation (SSIDC)
 - Khadi and Village Industries Commission (KVIC).
3. Financial Institutions / Banks
 - Small Industries Development Bank of India (SIDBI)
 - Commercial Banks .
 - Regional Rural Banks
 - Cooperative Banks
 - National Bank for Agriculture and Rural Development (NABARD)
4. Organizations promoted by the Government/ Banks/ Financial Institutions
 - Technical Consultancy Organization in various states.
 - India SME Technology Services Ltd.
 - SIDBI Venture Capital Ltd.
 - Credit Guarantee Fund Trust for Micro and Small Industries
 - India SME Asset Reconstructing Company (ISARC).

IV. REVIEW OF LITERATURE

SSI's are assuming an essential part in economy advancement and furthermore for development of India's economy. The SSI area comprising of 36 million units gives work to more than 80 million people. The part through in excess of 6000 items contributes around 8% to GDP other



than 45% to the aggregate assembling yield and 40% to the fares from the nation. SSI's commitment towards Indian economy improvement is on the loose. Indian are characterized by Micro Small and Medium Enterprise (MSME) Act 2006 considering speculation apportionments for assembling segments and administration divisions both it thinks about interest in plant and hardware. Legislature of India has initiated numerous modern domains, mechanical parks, extraordinary financial zones for improving SME's status. They by numerous affiliations, chambers and supporting exchange associations were framed for talking about and comprehending SME's issues and difficulties. This thesis features these issues and difficulties looked by SSI's in Ariyalur district. This thesis additionally builds up an assemblage lattice for accumulated audit of writing, consequently settling the factors for building up a reasonable model. Consequently from the investigation it is distinguished that SME's are confronting challenges identifying with absence of back, absence of framework, absence of system, absence of data, absence of creation offices, absence of advertising abilities and so forth.

K,Vasanth,Majumdar M., K. Krishna (2012) in their paper have stated that since several successful models of the sustainable SME are gradually evolving, networks of SMEs would become essential for addressing the systemic problems under lying the industrial ecology, enterprise resilience, and global supply chain sustainability.

Small Medium Enterprises (SMEs) play a significant role in promoting economic growth of countries Mahmood and Norshahafizah (2013). SME's also contribute for employment and economic growth of a country Turner and Ledwith (2009), European Commission (2008). The external environment is the actions performed outside the company that has the possible potential to affect the company Chuck Williams (2001). Hoskisson and Hitt (2011: 33), the external environment divides into three main components, namely, the general environment, industrial environment, and the competitive environment. Naira project hypothesized to find relationship between external environment with performance and increased productivity with socio cultural factors. Measurement of company performance is grouped into two, namely the non-financial performance measurement and financial performance measurement (Morse and Davis, 1996 in Hiro Tugiman, 2000: 96; Hirsch 1994: 594-607).

V. OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To identify the problems and prospects of Small Scale Industries in Ariyalur district.

Data Analysis and Interpretation

Table 1 Frequency Distribution of Small Scale Industries Personnel at Ariyalur district based on the Socio Demographic Characteristics

It is inferred that the above mentioned table shows the socio economic characteristics of the SSI personnel having their own units at Ariyalur district. The gender wise distribution shows that 75% of the respondents are male and the rest of them are female. The highest numbers of SSI owners are in the age group of 31-35 and 27 to 30 as their age group. The highest number of age group of SSI owners is having professional qualification followed by the diploma holders are SSI owners. It is evident from the table that the highest SSI owners are having UG,PG as



their qualification. Further from the table it evident that the most of the SSI owners are married. Similarly it is evident that the SSI owners are having dependents in large in their family. Further the place of residence shows that the majority of them are having their SSI units in rural areas of Ariyalur and semi urban areas of Ariyalur district.

Hypotheses

Hypothesis	Test Applied	Chi-square value & p-value	Finding
H10 - Size of the business and age of Small Scale Enterprises are independent.	Chi-square test of	$\chi^2= 23.73,$	Null hypothesis is rejected
	independence	$p < 0.05$	
H20 - Size of the business and education level of Small Scale Enterprises are independent.	Chi-square test of	$\chi^2= 21.85,$	Null hypothesis is rejected
	independence	$p < 0.05$	
H30 - Size of the business and Marketing problems of small scale Enterprises are independent.	Chi-square test of	$\chi^2= 16.14,$	Null hypothesis is not rejected
	independence	$p > 0.05$	
H40 - A belief of 'Education' as an enabling factor is independent of Lack of Technological Skills as a problem of SSI in Ariyalur.	Chi-square test of	$\chi^2= 9.586,$	Null hypothesis is rejected
	independence	$p < 0.05$	



H50 – Dual problem of Lack of finance and non availability of market is independent of their age as an effectual variable.	Chi-square test of	$\chi^2= 10.52,$	Null hypothesis is rejected
	independence	$p < 0.05$	
H60 – Poor knowledge of Government Schemes is independent of ignorance towards banking procedures and formalities among SSI in the Ariyalur.	Chi-square test of	$\chi^2= 4.99,$	Null hypothesis is rejected
	independence	$p < 0.05$	

VI. FINDINGS

- The finding of the study is as follows:
- The Small Scale Enterprises operating Ariyalur District are facing marketing oriented problems like non availability of market ,competition in the field,Non availability of readymade market are highly problematic.
- Poor knowledge of Government Schemes is independent of ignorance towards banking procedures and formalities among SSI in the Ariyalur district.
- A belief of 'Education' as an enabling factor is independent of Lack of Technological Skills as a problem in SSI spread all over the Ariyalur district.
- Dual problem of Lack of finance and non availability of market is independent of their age as an effectual variable.
- Size of the business and Marketing problems of small scale Enterprises are independent.

VII. CONCLUSION

Even though the Government is providing all essential support to the small scale enterprises in Ariyalur district, the business people who are running the small scale units are facing large problems in sourcing the finance, marketing of products or services.



The SSI units should be more viable for the unit owners as well as the employees depending on these units. Therefore the constant support and help from the Government to be extended to the SSI in Ariyalur District.

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