



## A STUDY ON CHALLENGES TO ESTABLISHED MICRO AND SMALL SCALE INDUSTRIES IN SERAIKELLA – KHARSAWAN

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### ABSTRACT :

In this current study Saraikela – kharsawan is the largest industrial area (AIDA). It is one of the biggest industrial belts not only in eastern region but the entire India. Prior to Noida it was the biggest industrial belt of the country. Micro and small scale industry plays a dominating role in economic development of both developed C developing countries. In developing countries small scale industries are specially important in context of employment, production, per capita income, balance regional growth and development of rural and semi – urban areas Saraikela – kharsawan is a good place to established small scale industries in context of business environment, manpower, transportation, electricity, water and material. Indian and Jharkhand government taken a step to establish more industry i.e. momentum Jharkhand, Vocal for Local. This is a good opportunity for local entrepreneurs to making there own brand.

**Key words** :- AIADA, Small scale industries, Regional growth, Manpower.

### Introduction :

In most of the developing countries including India, small scale industries (SSI) constitutes and important and critical segment of the industrial sector. They play an important role in employment creation comma resource utilisation and income generation and helping to promote changes in a gradual and face manner. They have been given an important place in the framework to industrial planning both for economic and ideological reasons. Small scale enterprises are generally more labour intensive then larger organisations. As a matter of fact small scale sector has now emerged as a dynamic and vibrant sector for the Indian economy in recent years. It has attracted so much economist but also from sociologist, administrator and politicians.

### Meaning of small scale industry ?

Small scale industries are those industries in which manufacturing, providing services, production are done on a small or micro scale. Small scale industries place and important role in social and economic development of India. This industries do one time investment in machinery plants and industries which could be one and ownership basis higher purchase or lease basis.

**Investment In P s M.**

Org. Type	Manufacturing sector	Service sector
Micro	0 < 25 L	10 L < 2 cr
Small	25 L < 5 cr	2 cr < 5 cr
Large	5 cr	2 cr < 5 cr

### Why established small scale industries and why in Saraikela - kharsawan?

Small scale industries place a domain and role in the economic development of both developed and developing countries. In a developing countries small scale industries are specially important in a context of employment, improving financial status of people, development of rural areas and decrease regional imbalance.

1. Livelihood system transferred into business / SSI
2. Creating a job opportunity in village areas.
3. It help to progress industrialisation in rural areas.

4. To fulfill Large/Medium scale companies demand.

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### Objective of the study :

- General objective
- Increase No of SSI operating by local people.
- Public welfare
- Reduce unemployment
- Develop rural areas
- To know the concept of SSI

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### Specific objectives :

- Increase per capita income
- Overall development of Kolhan
- Reduce regional imbalance
- Stop moving to another state for work
- Objective new opportunities and challenges faced SSI in Seraikella – Kharsawan

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### Research Methodology :

The basis of the research work is descriptive research. It aims to learn and gain new insight in to policies affecting small scale industries. The study is based on primary and secondary data, collected from many sources door to door survey, asking question through form filling, magazine, Newspaper, internet etc.

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### Problem Statement :

- Access finance
- Marketing
- Infrastructure
- Lack of management skill
- Technology
- Lack of knowledge import/ export products

Seraikella – Kharsawan district is in a growing estate. There are many medium and large scale industries these companies import products from other state/ countries to fulfill there demand . Seraikella – Kharsawan district or Kolhan rich of natural products/ resources. In Seraikella - Kharsawan nearly 1400 small scale industries which is working on agro, soda water, readymade garments, wooden based, paper products, leather, chemicals etc.

There are not a single industry working on Tasar, Laha silk, cotton textile, artificial thread based clothes, jute and jute based manufacturing sector. Kolhan is lead to export Laha, Tasar and Silk, unfortunately there are not a single company working on it.

### AIADA

Adityapur Industrial area developing Authority (AIADA) is committed for developing of industrial area and promotion of Industries. Adityapur Industrial area Development Authority needs of Industries set – up in its controlled area in Adityapur. User can get information of product of Minerals In Jharkhand reserves of important minerals in Jharkhand, training centres Industrial Policy Including entrepreneurship development.

### YEAR WISE TREND OF UNITS REGISTERED

Year	Number of registered units	Employment	Investment (Lakh RS.)
2000 -2001	196	802	48.5
2001 -2002	198	717	278.4
2002 -2003	224	455	158.46
2003 – 2004	121	239	48.91
2004 -2005	108	234	69.62
2005 -2006	114	305	133.60
2006 -2007	108	366	236.502

2007 - 2008	14	211	740.06
2008 – 2009	15	210	499.17
2009 - 2010	12	107	257.73
2010 - 2011	14	138	150.60
2011 - 2012	5	46	45.15
2012 – 2013	2	17	27.20
Total	1131	3847	2693.902

Source DIC, Seraikella – Kharsawan

#### **DETAILS OF EXISTING MICRO s SMALL ENTERPRISES AND ARTISAN UNITS IN THE DISTRICT**

NIC code no.	Type of industry	Number of units	Investment (Lakh RS.)	Employment
20	Agro based	125	190.75	488
22	Soda water		200.10	278
23	Cotton textile			
24	Wooden, silk Cartificial thread based clothes	NA	NA	NA
25	Jute C jute based	NA	NA	NA
26	Readymade garments C embroidery	53	42.10	196
27	Wood C wooden based furniture	185	200.45	589
28	Paper and paper products	48	100.21	300
29	Leather based	42	50.32	73
31	Chemical based	060	1301.65	800
30	Rubber, plastic C petro based	051	69.70	250
32	Mineral based	043	90.01	378
33	Metal based	097	98.75	273
35	Engineering units	568	800.73	3000
36	Transport equipments	031	87.93	1200
37	Repairing C servicing	025	65	234
38	Others	123	300.63	759

Source DIC, Seraikella – Kharsawan

#### **CHALLENGES FACED BY SSI**

- **Financial constraints**

Ability of credit facilities are the major cause of this problem. Firstly adequate phones are not available and secondly entrepreneurs due to work economic base, have lower credit worthiness. Night today are having their own resource not our other prepared to land them. Enterprise are forced to borrow money from money lenders at exorbitant rate of interest and this upsets all these calculations. Small scale Industries open struggle to secure funding from financial institution due to their size and limited collateral.

Maintaining a healthy cash law can be a content challenge, Impacting their ability to pay suppliers and employees on time

- **Marketing and sales**

Small scale industries are also exposed to marketing problems. They are not in a position to get first hand information about the market, i.e. about the competition, liking, dis liking of the consumers and prevalent fashion.

With the result they are not in a position to upgrade their products keeping in mind market requirements. They are producing less inferior quality and that too at higher costs. Therefore in competition with seller equipped large scale units they are placed in a relatively disadvantageous position.

- **Infrastructure**

Infrastructure aspects adversely affect the functioning of small scale units. There is inadequate availability of transportation, communication, power and other facilities in the backward areas. Entrepreneurs are faced with the problems of getting power connection and even when they are lucky enough to get these they are exposed to unscheduled long power cuts. Inadequate and inappropriate transportation and communication network will make the working of various units all the more difficult. All these factors are going to adversely affect the quantity, quality and production schedule of the enterprises operating in these areas. Does their operation will become uneconomical and unviable.

- **Lack of management skill**

Managerial inadequacies pose another serious problem for small scale units. Modern business demands regions knowledge, scale aptitude and whole hearted devotion.

Competence of the entrepreneur is vital for the success of any venture. Entrepreneur is a pivot around whom the entire enterprise revolves. Many small scale units have turned sick due to lack of managerial competence of the part of entrepreneurs. And

entrepreneur who is required to undergo training and counselling for developing his managerial skill will add to the problems of entrepreneurs. The small scale entrepreneurs have to encounter new various problems relating to over dependence on institutional agencies for fund and consultancy services, lack of credit – worthiness

education, training, lower profitability and loss of marketing and other problems. The government of India has initiated various schemes aimed at improving the overall function of these units.

- **Global competition**

International competition :

Small scale industries may struggle to compete with low cost import and larger international competitors, impacting their market share and profitability.

- **Operational issue**

United technology adoption:

Small scale industries mainly struggle to adopt advanced technology due to cost constraints, impacting their efficiency and competitiveness.

Skilled labour:

Finding and retaining skilled employees can be a challenge especially when competing with large firms that can offer better compensation and benefits.

## **HYPOTHESIS :**

There are significant changes in Livelihood, Per capita Income, Employment, Education and Financial Status and development of Jharkhand.

## **EXPECTED RESULT :**

Every village of Kolhan has two or three small scale industries. It is run by mahila samiti or any other organisation or any person. We are aware him/her about government schemes and how to open/operate SSI. 1148 villages in Saraikela

kharsawan, minimum 2000 SSI will be established, and result will be employment will be available, people will stop moving to another state for work, decrease no. of person who live below poverty line, per capita income will increase, financial state of Kolhan will be strong.

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