

Chapter 1
Introduction of small scale industries

Introduction

The term " Small Scale Industry " has many synonyms, such as, "Small enterprise", Small undertaking ", " Small unit ", " Small scale sector, Small industrial enterprise ", "Small industry " etc. In fact, these terms are used by different authors to convey the same meaning.

The definition of " Small Scale Industry is not a universal one. Different countries of the world, at different times, have defined the term in different ways to meet the needs of time and pace. In fact, it is the outcome of a process of evolution, pragmatic to the circumstance of each country. In India, prior to independence, the British rulers were almost indifferent to the development of this sector for obvious reasons. The term commonly used during those days was " Cottage and Small Scale Industries." They were indigenous by nature and flourished spontaneously out of the historical background of the days; - in a very humble way without any nursing by the State. But after attainment of political independence, the national Government "started taking active interest in the of small scale industries from 1947, when the conference on Industrial Development took note on the necessity of development in this field. Following its recommendation he Cottage Industries Board was set up as an Advisory Body. "But soon the Board realized the diverse problems confronted by the various groups of industries of the sector and advised the Government of India to set - up separate organizations to look after the interest of each group of industry. " Accordingly, five Boards were set up during 1952-53 for Handloom, Handicrafts, Coir, Silk and village Industries."

Meaning

Small scale industries (SSI) are those industries in which manufacturing, providing services, productions are done on a small scale or micro scale. For example, these are the ideas of Small scale industries: Napkins, tissues, chocolates, toothpick, water bottles, small toys, papers, pens. Small scale industries play an important role in social and economic development of India. These industries do a one-time investment in machinery, plants, and industries which could be on an ownership basis, hire purchase or lease basis. But it does not exceed Rs. 1 Crore.

Definition

The criterion of defining MSME enterprises was based on the MSMED Act, 2006. It was different for manufacturing and services units. It was also very low in terms of financial limits (i.e. Investment amount). Since then, the economy has undergone significant changes.

A new composite formula of classification for manufacturing and service units has been notified. Now, there is no difference between the manufacturing and service sectors.

The government of India made a proposal to redefine MSMEs by the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018, to classify them as manufacturing or service-providing enterprises. Under this bill, there would be no need for frequent inspections to check the required investments needed to be made in the plant and machinery needed. Also, the operations of MSMEs would be allowed to continue in a transparent, non-discriminatory, and objective manner.

New MSME definition based on investment and turnover (2020)

On 1st June, Monday, 2020, the Union Cabinet headed by Prime Minister Narendra Modi officially revised the MSME definition. The recent changes in the definition of micro, small, and medium-sized enterprises made as a part of the Atmanirbhar Bharat Abhiyaan relief package were approved.

The investment and turnover figures were changed to larger values, thereby resulting in a larger number of medium-sized enterprises.

Updated MSME Definition

The new criterion is based on the Investment Amount and Turnover of the enterprise.

Category	Investment limit (in Rs.)	Turnover limit (in Rs.)
Micro	1 core	5 core
Small	10 core	50 core
Medium	50 core	250 core

Objectives of small scale industries

The objectives of small scale industries are:

1. To create more employment opportunities with less investment.

The Government increases its spending and in turns increases the aggregate demand of the economics. Hence, the social output level rises and more employment opportunities are created.

2. To reduce regional imbalances.

Regional imbalances or disparities means wide differences in per capita income, literacy rates, health and education services, levels of industrialization, etc. between different regions. Regions may be either States or regions within a State. In India there are enormous imbalances on various accounts. The exploitative nature of British colonial rule either created or accentuated regional disparities.

3. To mobilize and ensure optimum utilization of unexploited resources of the country.

They use local and readily available resources which helps the economy fully utilize natural resources with minimum wastage.

4. To improve standard of living of people.

A large number of poor and marginalized sections of the population depend on them for their sustenance. These industries not only reduce poverty and income inequality but they also raise standards of living of poor people. Furthermore, they enable people to make a living with dignity.

5. To ensure equitable distribution of income and wealth.

A good short-run solution would be a progressive tax system with transfer payments, such as subsidies, unemployment benefits and disability benefits. By taxing higher income groups more than lower-income groups, the income can be redistributed from the rich to the poor.

6. To solve unemployment problem.

A good short-run solution would be a progressive tax system with transfer payments, such as subsidies, unemployment benefits and disability benefits. By taxing higher income groups more than lower-income groups, the income can be redistributed from the rich to the poor.

7. To adopt latest technology aimed at producing better quality products at lower costs.

These industries often adopt the implementation of technology that can help to produce quality products at lower costs. India's export industry is largely dependent on these small-scale enterprises.

8. To remove economic backwardness of rural and less developed regions of the economy.

Small-scale businesses have been considered as a major propeller for the acceleration of economic growth and as an employment generator, particularly in the rural and backward areas of India.

Advantages of small scale industries

1. Potential for large employment

Small Scale Industries have potential to create employment opportunities on a massive scale. They are labor intensive in character. They use more labor than other factors of production. They can be

set up in short time and can provide employment opportunities to more number of people. This is important for a labor abundant country like India

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2. Requirement of less capital

Small Scale Industries require less capital when compared to large scale industries. India is a capital scarce country and therefore Small Scale Industries are more suitable in the Indian context. They can be started and run by small entrepreneurs who have limited capital resources

3. Contribution to industrial output

Products manufactured by Small Scale Industries form a significant portion of the industrial output of the country. They produce a number of consumer goods as well as industrial components in large quantities and satisfy the needs of consumers. The consumer goods produced by Small Scale Industries are cheaper and satisfy the requirements of the poorer sections.

4. Contribution to exports

Small Scale Industries contribute nearly 40 per cent to the industrial exports of the country. Products such as hosiery, knitwear, hand loom, gems and jewelry, handicrafts, coir products, textiles, sports goods, finished leather, leather products, woolen garments, processed food, chemicals and allied products and a large number of engineering goods produced by the SSI sector contribute substantially to India's exports. Further products produced by Small Scale Industries are used in the manufacture of products manufactured and exported by large scale industries. Therefore they contribute both directly and indirectly to exports and earn valuable foreign exchange.

5. Earning foreign exchange

Small Scale Industries earn valuable foreign exchange for the country by exporting products to different countries of the world. At the same time, their imports are very little and so there is less foreign exchange outgo. Therefore Small Scale Industries are net foreign exchange earners. For

e.g. Small Scale Industries is contribute to a substantial portion of India's textile exports and earn valuable foreign exchange for the country.

6. Equitable distribution

Large scale industries lead to inequalities in income distribution and concentration of economic power. But small scale industries distribute resources and wealth more equitably. It is because income is distributed among more number of workers since it is labor intensive. This results in both economic and social welfare.

7. Use of domestic resources

Small Scale Industries use locally available resources in a productive manner which would have otherwise gone waste. Small amounts of savings which would have remained idle is channelized into setting up of small enterprises. This increases capital formation and investment in the economy.

8. Opportunities for entrepreneurship

Small Scale Industries provide opportunities for entrepreneurs with limited capital. Setting up of an SSI requires less capital and lower investment in technology and machines when compared to large scale enterprises. Therefore small entrepreneurs can start Small Scale Industries easily and succeed. Japan which was devastated by the Second World War became a major economic power because of many small entrepreneurs, who contributed greatly to the nation's development.

9. Cost efficiency

Small scale units can adopt lean production method. which offer better quality and more variety at a lower cost. They can be more cost efficient when compared to large scale units because their expenses are lower.

10. Reducing migration

Migration happens when people living in rural areas are not able to find employment and therefore migrate to urban areas seeking employment. Large scale migration puts tremendous pressure on

land, water and other resources in urban areas leading to poor quality of life. Small Scale Industries use the skills and talents of rural craftsmen, artisans etc. They provide gainful employment to those with inherited skills resulting in their economic uplift. Thus Small Scale Industries help in reducing migration.

11. Suitable for non-standardized products

Large scale enterprises are suitable for manufacturing standardized products on a large scale whereas Small Scale Industries are more suitable for manufacturing non-standardized products.

12. Flexibility in operation

Small scale enterprises are more flexible. They can adapt themselves to changing market requirements very fast and benefit from new opportunities.

13. Quick decisions

Since the enterprise is small and there is not much hierarchy, quick decisions can be taken. Quick decisions are helpful in solving problems in the initial stages and also to exploit market opportunities.

Disadvantages of small scale industries

1. Lack economies of scale:

SSI's produce in small quantities. Therefore they do not enjoy economies of scale in purchases, production and marketing. Their costs are consequently higher and they are not able to compete with large scale units. They were able to survive when many of the items were reserved for production by SSI's. But after the economic liberalization policy followed by the government, many of the items have been De-reserved. Therefore large scale units can also produce products which were earlier produced only by small scale units. Many of the SSI's have closed down unable to compete with large scale producers and cheap imports from other countries, especially China.

2. Low wages:

Though SSI's are labor intensive, the wages paid in SSI's are low when compared to those paid in large scale industries. In many SSI's because of lack of safety measures and proper training to workers, accidents and injuries are common occurrences.

3. Lack of modernization:

Due to their small scale of operations and limited capital resources, SSI's are not able to invest in modernization. They do not have access to latest technology and therefore cannot improve their efficiency of operations.

4. Inefficiency:

Due to lack of scale economies, low skilled and poorly trained workers and usage of outdated technology, small scale industry suffers from inefficiency of operations. Their productivity is low when compared to large scale industries.

5. Overcrowding:

It is quite easy to set up an SSI. The capital requirement is less and procedural formalities are simple. This leads to intense competition and overcrowding. It may lead to cut-throat competition affecting their survival.

6. Sickness:

Due to the ease of setting up and because of the incentives available, many unemployed youth set up SSI's with very little business knowledge and skills. They find it difficult to survive in the business and close down their operations. Further because of the problems of procuring finance, use of outdated technology and lack of marketing expertise many SSI's incur losses and are forced to close down.

7. Less innovation capacity:

SSI's have limited financial resources, therefore they are not able to invest adequately in research and development (R&D) or acquire technology. As a result their technological up-gradation is less and they continue with outdated processes and techniques. This hinders their competitiveness and capacity to come out with new products, processes etc.

8. Low competitiveness:

Due to their small scale, lack of modern technology and poorly trained workers, SSI's lack the competitiveness to compete with large scale industries. Now, many items which were reserved for production by SSI's have been De-reserved. Therefore SSI's face increasing competition from large scale Indian enterprises as well as foreign competitors.

9. Low capacity utilization:

In many SSI's, capacity utilization is low and productive capacity remains idle. Small firms are unable to utilize their full capacity due to problems related to finance, marketing, technology, skills etc.

10. Lack of pollution control:

Large scale enterprises which are polluting in nature, are able to set up pollution control equipment such as effluent treatment plants. SSI's are not able to set up such facilities because of lack of finance, technology, skills etc.

11. Low labor productivity:

The productivity of labor in small scale industries is low. The reason is workers employed in SSI's are unskilled, lack proper training and work on outdated technology. Their wages are less and therefore motivation levels of workers is also quite low. Poor labor productivity results in lower output, increasing the cost of production and problems in meeting demand schedules

CHAPTER 2
RESEARCH DESIGN

Introduction

The small scale sector forms a dominant part of Indian industry and contributes to a significant proportion of production, exports and employment. The present paper analyzes the impact of globalization on Indian Small Scale Industries. . The main aim is to evaluate the performance of SSI, before and after liberalization.

Small scale industry development has been one of the major planks of India's economic development strategy since independence. Today, small scale industry occupies a place of strategic importance in Indian economic structure due to its considerable contribution in terms of output, exports and employment.

Need for study

- To know more about employment opportunities
- To understand that how the manufacturing process taking place in the SSI.
- To understand how SSI's contributes to economic development.

Statement of problem

The small scale industries of India faced many problems in this sector through finance, technical, marketing, infrastructure and all. Through this problem there will be changes in the Indian economy. In this way the SSI 's development will be decreased in the society and in the economy sector also. So it becomes necessary to study SSI's for its development and wellbeing so it can continue to contribute towards development of the economy.

Scope of the study

The scope of small-scale industries is quite vast covering a wide range of activities. These activities are characterized by labour intensive, need less capital and require less sophisticated technology. The activities which are found particularly amenable can be successfully operated in small scale are too many to mention. Among them the important ones are:

- Manufacturing activities
- Servicing/repairing activities
- Retailing activities

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- Financial activities
- Whole-sale business
- Construction activities
- Infrastructural activities like transportation, communication etc.

Methodology

The research methodology of the project consists of collection of primary and secondary data. The primary data is collected through observation method, interview method and through questionnaires. The secondary data of the study is collected through books and websites.

Tools for Data Collecting Data

The tools used for collection of primary data are questionnaire and interview.

Sample Techniques

The sampling technique chosen for this study is based on Random Sampling.

Sample Frame

Infra market,, a small scale industry in Manipal.

Sample Size

The sample size is 1.

Collection of Data

Primary Data : Survey

Secondary Data : Websites

Limitations of The Study

1. Some workers co-operated while conducting the study whereas few of them did not.
2. The proprietor was busy with their work. So sufficient information is not
3. The industry was somewhat resistant to provide necessary information as per my requirement to fulfill this project.

CHAPTER 3
PROFILE OF THE FIRM

History of the Firm

Infra market was started in the year of 2022, with capital 1 core capital at Manipal, industrial road, Karnataka by Mr. Danush The present turnover of the firm is 3 core per month. The main branch of infra market is Delhi only and It was start in the year of 2016. In Udupi and Mangalore also is there Infra Market. In all over in India is there like Bangalore, Hyderabad, Chennai, Goa, Kochi, Kolkata, Mohali, Nagpur, Pune, Noida, Raipur.

Infra market is a small scale industry which is located at urban town of the city Manipal in Karnataka state. Infra market is established in the month of February, 2022 and manager of this firm is Mr. Danush. Infra Market has been begun with 12 workers and now there 40 workers is there in it and they were working 8 hour per day.



Infra market is a construction solution company with a vision of creating India's largest multi-product construction materials brand and transform the entire supply chain, not only in India, but also globally. We are changing the way the construction ecosystem operates and are one of the fastest growing and profitable start-ups in India.

Construction & infrastructure is one of the industries with complex problems in the value chain and we are fundamentally re-engineering the way the construction materials and services ecosystem operates from manufacturing to distribution.

Vision of the firm

Be the leader in construction solution

Mission of the firm

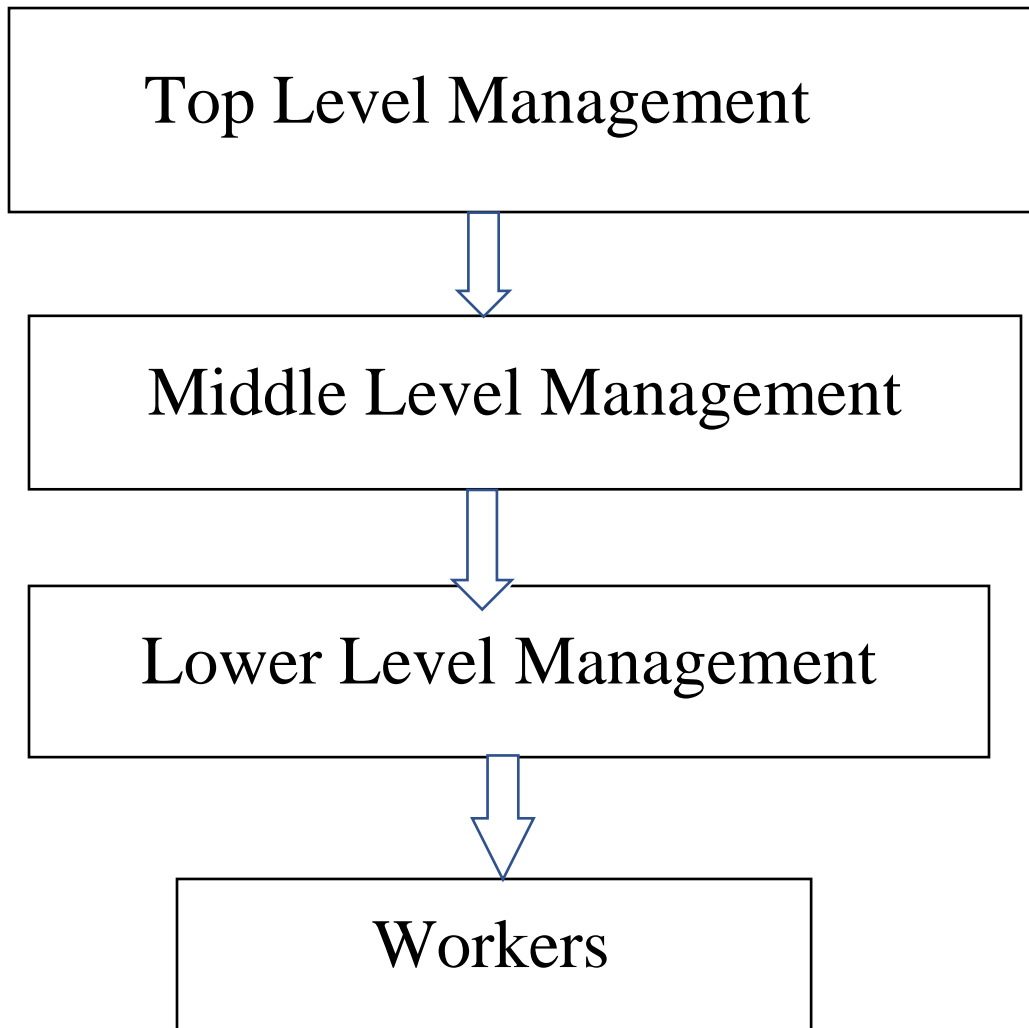
To strengthen our position as a market leader in Infrastructure Construction & Real Estate Development Projects.

PROFILE OF THE FIRM

Name of the firm	: Infra Market
Industry location	: Manipal, industrial Area
Establishment	:2022
Proprietor	: Mr. Danush
Total capital investment.	: 5 core
Nature of business.	: Joint stock company
Category	: small scale industry
Main product	: Remix concrete
Number of employees.	: 40
Annual profit	: 1 core
Number of units Produced per day.	:30 Ton

ORGANIZATION STRUCTURE

In every industry will be have a good organization structure. In this different level of organization structure is there in the Infra market also



Departments

Sales Department :

In this department we can see that the selling and distribution in the infra market that is maintained by the sales department only. So the sales person only going to the customers and talking about the product so this is the department for the sales department in the firm.

Quality Department :

The Quality department is the department which is to check the quality of the product in the organization. This is used to check whether there is any problem is the quality of the product the quality department will be solve it. After checking the quality and then only should sell and distribute to the customers.

Finance Department:

In this we can see that the finance department is the department for accounting purposes only. The day to day expenses and wages all were in finance department. The account of the budget the company and every transaction is recorded by the finance department only. The product selling and distribution transactions and whether profit or loss were everything is maintained by this department itself. So there is no problem at the end of the year while calculating the account whether profit or loss in the firm.

Human resource Department :

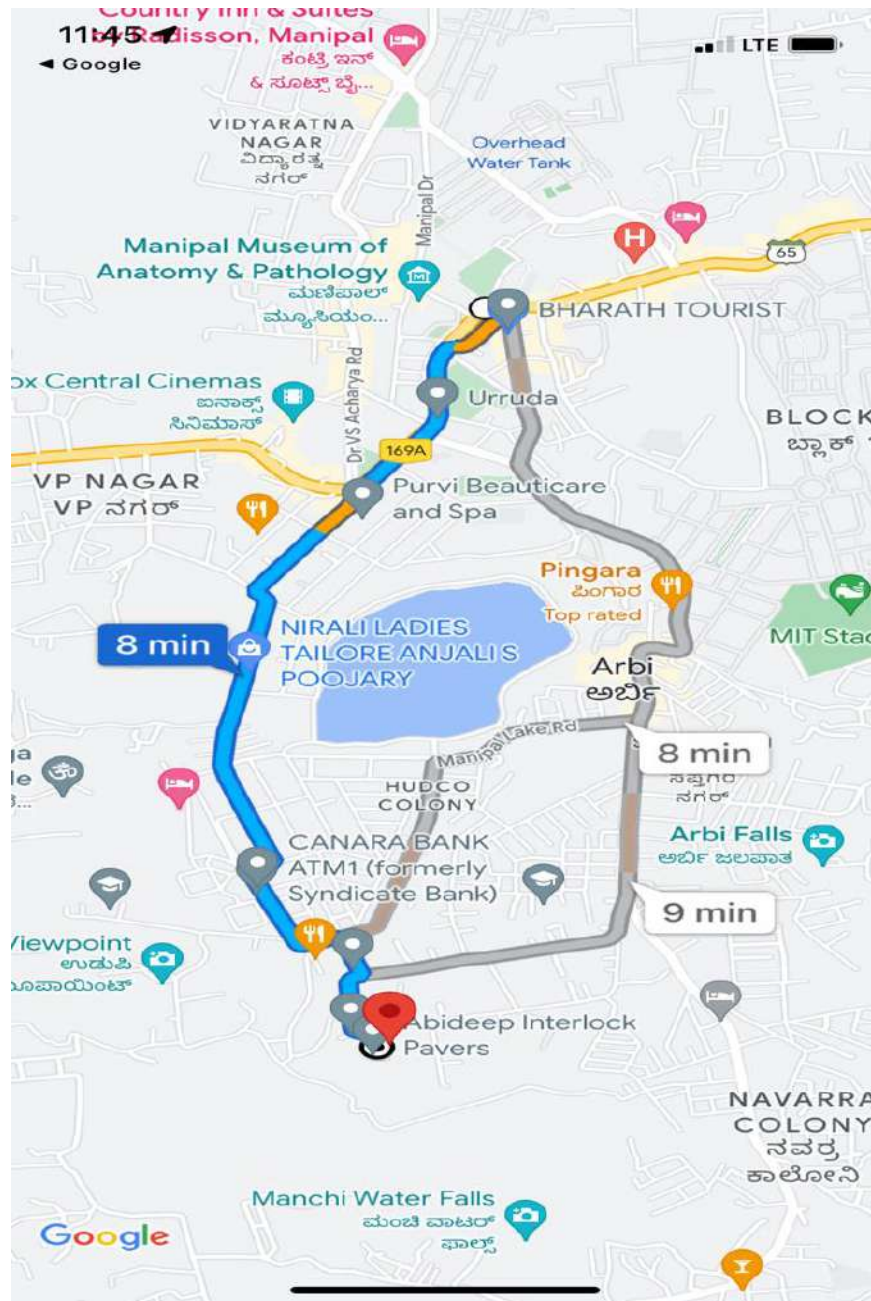
The Human resource department which is personal management is that fields of management which has to do with planning, organizing, and controlling various operative activities of procuring, developing, maintaining and utilizing a labor force in order that the objectives and interest for which the company is established are attained as effectively and economically are served to the highest degree. It also included areas like motivation and development of the entire work face with an organization. It develops the skills and knowledge of people and also aims to bring about a change in

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the attitudes of people, with a view to extract the best in them. workers are recruited on the basic of the direct appointment.

Location/Root Map

Infra Market is located at Industrial area,, Manipal



PRODUCTION PROCESS

The general structure of remix concrete is composed of three steps

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A. The first step:

For making red mix concrete, first upon there should be a raw materials only. The raw materials must be very important for making red mix concrete. If there is no raw material there is no production in the firm. So raw materials is very important in the firm. Raw materials which included Cement, M sand, M40 and M45



B. The second step:

In this the raw material were taken through JCB and it will go through the machine only. The below picture we can see that the machine way the raw materials is going through it.



C. The Third step:

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Through the second step the raw material is going into it and mixing in it . Then the ready mix concrete goes directly into the truck. The big tank will be contains cement and then at the time it will be used.



Problems faced by the firm

- There is problem with electricity. So the work will not be done properly
- When the machine is damaged, the production stops and there is loss.
- The working environment is not very clean which gives a negative impact to the workers.

CONCLUSION

A study on working of Small Scale Industries

In this project I have learnt and understood and know more about the small scale industries, I know more about the product and manufacturing process of the SSI's. Through this project I have studied what are the needs and wants of the small scale industries and the various purpose of the industry. Through this project I have learned that how the Manager and employees communication understand each other. In this visit I understood that how it is useful to the economic growth of our country.

SUGGESTIONS

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- The firm must use generators while electricity shortage time.
- There must be a technician or a mechanical group who will repair the machine as soon as possible.
- The management must develop their infrastructure and keep the working environment clean.

GALLERY

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QUESTIONNAIRE

Dear Respondents,

I Mr. Amal sunny pursuing my Ill B A degree from Crossland College, Brahmavar, Udupi. As per the course schedule of Final year; I am undertaking the project study on working of SSIs. I would like to study the working of your organization to complete my project work. I Request you to respond the below questions. The collected details are only used for the completion of this project.

Thanking you.

1.Name

2. Designation

3. Qualification and Experience

4. Name and Address of the Organization

5. Year of establishment

6. Type of Organization

- a) Private Company
- b) Partnership
- c) Sole Proprietorship
- d) Public Company
- e) Subsidiary of large company
- f) Others

7. Nature of Activity

- a) Manufacturing and Selling Own Products
- b) Manufacturing under Contract
- c) Selling goods made by others
- d) Providing Service [Such as repairing]
- e) Consultancy
- f) Others

8. Type of Product manufactured.

9. In your opinion is the quantity of below mentioned material coming to your organization.

- a) About right
- b) Too little
- c) Too much

10. From where you brought raw materials ?

11. Problem associated with raw materials.

12. On which of the following topics your organization needs information regularly and occasionally.

- a) Production Problems
- b) About the activities of the competitors
- c) Relevant technological innovations
- d) Market trends
- e) Product diversification
- f) Record management
- g) Tenders and contracts
- h) Managing employees
- i) Office and factory equipment
- j) Prevention of accidents
- k) Government policies and other regulatory information
- l) Others please specify

13. If you are a member of trade or technical association when you have queries do you normally.

- a) Find answer in the printed information that has been sent out by the organization.
- b) Telephone the trade or business association.
- c) Contact someone else not connected with your trade or business association

14. In which of the following source do you locate the useful information.

- a) Books
- b) Journals [Trade, Technical, etc]
- c) Newspaper
- d) Advertisement brochures

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- e) Standards
 - f) Trade, Professionals, Commercial associations and their meetings and publications.
 - g) Hand books
 - h) Research institutes
 - i) Work manual
 - j) Consultants
 - k) Banks and Financial institution
 - l) Other people engaged in similar type of business
 - m) Others please specify.
15. How do you do your budget allocation on each department.
- a) Machinery
 - b) Office maintenance
 - c) Salary
 - d) Production
 - e) Welfare
16. Financial information
- a) Initial investment
 - b) Growth of the firm
 - c) Present capital investment
 - d) Loans, Government assistance
 - e) How do you plan for your loan repayment
17. Could you give the numbers of employees in each of the following department.
- a) Administration
 - b) Production
 - c) Research and development
 - d) Marketing and Sales personnel
 - e) Others
 - f) Total employees
18. What are the HR facilities you provided to your workers.
- a) Rest Room
 - b) Wash Room

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- c) Canteen
 - d) Paid holidays
 - e) ESI
 - f) EPF.
19. How can you sell your products ?
- a) Wholesaler
 - b) Retailer
 - c) Direct selling.
20. What are problems that you face at the time of marketing your product other than competition?
21. Could you give an outline of problems, which remain unsolved in your business?
- a) Technical
 - b) Marketing
 - c) Productivity
 - d) Finding sources of supply of raw materials/machinery and equipment
 - e) . e. Diversification or new product line
 - f) Regulatory information
 - g) Others.
22. Problems related to manufacturing process
- a) Break down of machines
 - b) Power problem
 - c) Skilled worker
 - d) Other problems
23. Problems related to marketing activities.
- a) Transportation
 - b) Infrastructure
 - c) Other problems.
24. Problems of financial Department.
- a) Problems in capital raising
 - b) Problems in accessing government assistance
 - c) Other problems.

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Thank you

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Abstract

The future of the industrial development of this country depends to a large extent on the growth and development of the potential of small scale industries. Small scale industries play a considerable role in the employment of manpower and productivity, distribution of income across the country through increased investment and profits. In fact, small scale industries are termed as “Nation developing motors”. This research project is to explore on the study on working of small scale industries.

The data for research is derived from a survey conducted on “Rainbow Polymers”. This project gives information on both the challenges and opportunities before SSI’s .The information on the sample size and scope of the research is also provided. The data collection made detailed analysis and interpretation of the data obtained from the survey questionnaire, interview and observation. As part of the research to understand the SSI’s sector in India reference has been made to secondary data.

The barriers to SSI’s are defined while supportive measures are mentioned.

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CHAPTER 1

**INTRODUCTION TO SMALL
SCALE INDUSTRIES**

INTRODUCTION

Small scale industries India or SSIs are known as the lifeline of an economy. It is very significant for a country like India. Being a labour-intensive industry still requires small capital. This is very effective in generating job openings.

However, from a developing country like India, small-scale industries export approximately half of the products (45-55%). Some small-scale industries are created because of the need for vendors for multinational companies.

Generally, small-scale industries are composed of those industries which manufacture, produce, and render services. These enterprises must fall under the regulations, set by the Government of India.

MEANING

Small Scale Industries (SSI) are those industries in which the manufacturing, production and rendering of services are done on a small or micro scale. These industries make a one-time investment in machinery, plant, and equipment, but it does not exceed Rs.10 crore and annual turnover does not exceed Rs.50 crore.

DEFINITION

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OBJECTIVES OF SMALL SCALE INDUSTRIES

1. To create more employment opportunities:

Since small scale industries are labour intensive, they require efficient amount of manpower to operate, which opens up a pool of employment opportunities even for people with mere educational qualification.

2. To help develop the rural and less developed region of the economy:

Small scale industries generate employment, which not only solves the problem of unemployment in rural and less developed region of the economy, but also provide workers; means to earn livelihood which eventually improve the standard of living of people and helps them to attain self reliance, and this maintains equal distribution of income in the society.

3. To minimise regional imbalances:

Workers when migrate from rural to urban areas seeking jobs, often the urban areas result to become more crowded, which also results in excessive consumption of natural resources which harms the environment. This issue can be eliminated and moreover be minimised through initiation of small scale industries in underdeveloped regions which indeed generates employment.

4. To assist large scale industries to grow:

Small scale industries also involved in the production of ancillary products for the large scale industries which helps them to focus on the core operation of their business.

5. To ensure optimum utilization of unexploited resources of the region:

When a small scale industry is set up in a particular region, it eventually leads to utilization of unexploited resources of that region. May it be in the form of manpower or raw materials (Natural resources).

ADVANTAGES OF SMALL SCALE INDUSTRIES

Small Scale Industries have always played an important role in the economic development of the country.

1. Potential for large employment:

Small Scale Industries have potential to create employment opportunities on a massive scale. They are labour intensive in character. They use more labour than other factors of production. They can be set up in short time and can provide employment opportunities to more number of people. This is important for a labour abundant country like India.

2. Requirement of less capital:

Small Scale Industries require less capital when compared to large scale industries. India is a capital scarce country and therefore Small Scale Industries are more suitable in the Indian context. They can be started and run by small entrepreneurs who have limited capital resources.

3. Contribution to industrial output:

Products manufactured by Small Scale Industries form a significant portion of the industrial output of the country. They produce a number of consumer goods as well as industrial components in large quantities and satisfy the needs of consumers. The consumer goods produced by Small Scale Industries are cheaper and satisfy the requirements of the poorer sections.

4. Contribution to exports:

Small Scale Industries contribute nearly 40% to the industrial exports of the country. Products such as hosiery, knitwear, hand loom, gems and jewellery, handicrafts, coir products, textiles, sports goods, finished leather, leather products, woollen garments, processed food, chemicals and allied products and a large number of engineering goods produced by the SSI sector contribute substantially to India's exports. Further products produced by Small Scale Industries are used in the manufacture of products manufactured and exported by large scale industries. Therefore they contribute both directly and indirectly to exports and earn valuable foreign exchange.

5. Earning foreign exchange:

Small Scale Industries earn valuable foreign exchange for the country by exporting products to different countries of the world. At the same time, their imports are very little and so there is less foreign exchange outgo. Therefore Small Scale Industries are net foreign exchange earners.

6. Opportunities for entrepreneurship:

Small Scale Industries provide opportunities for entrepreneurs with limited capital. Setting up of an SSI requires less capital and lower investment in technology and machines when compared to large scale enterprises.

7. Cost efficiency:

Small scale units can adopt lean production method. Which offer better quality and more variety at a lower cost, they can be more cost efficient when compared to large scale units because their expenses are lower.

8. Suitable for non-standardized products:

Large scale enterprises are suitable for manufacturing standardized products on a large scale whereas Small Scale Industries are more suitable for manufacturing non-standardized products.

9. Flexibility in operation:

Small scale enterprises are more flexible. They can adapt themselves to changing market requirements very fast and benefit from new opportunities.

10. Quick decisions:

Since the enterprise is small and there is not much hierarchy, quick decisions. Can be taken. Quick decisions are helpful in solving problems in the initial stages and also to exploit market opportunities.

11. Adaptability to change:

Small Scale Industries can understand the changing requirements of the customers and adapt themselves much quickly. They can change their procedures, methods and techniques faster and cater to new requirements of their customers.

12. Small market size:

In case the market size is small, producing products on a large scale would not be feasible. In such cases, Small Scale Industries are more suitable since they produce limited quantities.

13. Customization:

Today customers prefer products tailored to their specific needs. They demand unique products. In such cases where products have to be customized to individual customer needs large scale production would not be suitable. Small Scale Industries are better suited in case products have to be customized.

DISADVANTAGES OF SMALL SCALE INDUSTRIES

The small-scale production cannot reap those economies which are available to a big concern.

1. Less Scope for Machinery:

There is less scope for the use of modern machinery and labour-saving devices. The cost per unit, therefore, of the small-scale producer is generally higher.

2. Less Scope for Division of Labour:

There is little scope for division of labour. The advantages of division of labour are, therefore, lost to the small producer. He cannot put the right man in the right place. Goods are not, therefore, made by experts. They are, thus, inferior in quality and higher in cost.

3. Disadvantages in Purchases and Sales:

The small-scale producer is at a disadvantage both in the purchase of raw materials and other accessories and in the sale of his finished goods. This also raises his cost of production and marketing.

4. No Research and Experimentation:

A small businessman cannot afford to spend large sums of money on research and experiments. He cannot, therefore, discover new processes or new materials. He treads the beaten path and is soon overtaken by rivals.

5. Higher Overhead Costs:

Cost of rent, interest, advertisement, etc., per unit of the output is higher. A small-scale producer has, therefore, higher overhead charges.

6. Inability to Face Misfortunes:

With his limited resources the small-scale producer cannot meet bad times. The business may, therefore, collapse at the slightest touch of adversity. A small business is financially weak.

7. High Cost of Credit:

A small-scale producer cannot secure cheap- credit because the credit of a small business is not generally as high as that of a big business. Since he has to pay high rate of interest, his cost of production is higher.

8. By-products Wasted:

By-products have to be thrown away as so much waste. A small-scale producer cannot have the equipment to m also raises his cost of production.

CHAPTER 2

RESEARCH DESIGN

INTRODUCTION

Small Scale Industries in India: Small Scale Industries are those industries and services in a small scale basis. They do not have separate departments but at the least have finance and production department, all other operations are performed by the management directly or indirectly.

NEED FOR THE STUDY

1. To learn and get a better knowledge about the working of small scale industries.
2. To get a clear picture of manufacturing and production process step by step.
3. To know about the risks that is being faced by Small Scale Industries.
4. To understand how SSI's are meeting the needs of the society.

STATEMENT OF PROBLEM

The Small Scale Industries play a vital role in the development of an economy, therefore it becomes necessary to understand their operating process and analyse their risks and limitations so that they can perform not only well but also can sustain in the market and keep contributing towards the economy and the society.

SCOPE OF THE STUDY

1. The study shows how SSI's operate in India.
2. It displays the emerging role of SSI's in the contribution towards Indian economy.
3. Reflects implication of entrepreneurial skills in action.
4. This report demonstrates how SSI's are flexible in managing their operations.

METHODOLOGY

The research methodology of the project consists of collection of primary and secondary data. The primary data is collected through observation method, interview method and through questionnaires. The secondary data of the study is collected through books and websites.

TOOLS USED FOR COLLECTING DATA

The tools used for collection of primary data are questionnaire and interview.

SAMPLING TECHNIQUES

The sampling technique chosen for this study is based on Random Sampling.

SAMPLING FRAME

Rainbow Polymers, a small scale industry located in Manipal.

SAMPLING SIZE

The sample size is 1.

COLLECTION OF DATA

Primary Data: Survey

Secondary Data: Websites

LIMITATION OF THE STUDY

1. Small size of the sample.
2. Time constraints.
3. The method of observation does not suffice precise conclusion.

CHAPTER 3

PROFILE OF THE FIRM

HISTORY OF THE FIRM

The company was established in 2011 as a step to expand their existing business which involves manufacturing and selling UPVC and PVC pipes. Mr. Ajaz Ahamed and his partners having more than a decade long experience in producing pipes decided to establish Rainbow Polymers to manufacture water storage tanks due to its simple production process which doesn't require massive manpower due to its capital intensive technique of production.



Rainbow Polymers is established as a trustworthy manufacturer, supplier and exporter of Water Storage Tanks. The range of tanks offered by them consists of Double Layer & Triple Layer Water Storage Tanks. All these tanks are manufactured under the guidance of experts according to the norms and guidelines laid by the industry.

VISION OF THE FIRM

To demonstrate excellent performance at all business levels to become a well-recognized market leader in polymer tanks manufacturing Industries. We have nurtured a destination to become world class by adopting best world class practices.

MISSION OF THE FIRM

To embrace a standard for satisfying the needs and expectations of our customers by supplying on-time, high quality products and services, with competitive pricing and long term consistent value.

PROFILE OF THE FIRM

<u>Name of the firm:</u>	Rainbow Polymers.
<u>Industry location:</u>	Plot No - 6A 2, Shivally Industrial Area, Manipal - 576104
<u>Establishment:</u>	2011
<u>Proprietor:</u>	Mr.Ajaz Ahamed & Brothers
<u>Total capital investment:</u>	7 crore
<u>Nature of business category:</u>	Partnership
<u>Main product:</u>	Water tank.
<u>Number of employees:</u>	12
<u>Annual turnover:</u>	4-5 crore
<u>Number of units produced per day:</u>	25-35.

ORGANIZATION STRUCTURE



DEPARTMENTS

1. Management & Administration:

The Partners by themselves manage and administer the firm. They take care of making raw materials available, research and development, marketing, planning, quality control and maintenance etc. There is no strict level of hierarchy between the workers and the management and the organisation structure can be said to pertain formal and informal components.

Functions performed by the management of Rainbow Polymers

a. Planning:

The management has taken up the responsibility of making all the plans related to the functions and operations of their business. They allocate budgets, decide where and how to sell; solve problems, and other major decisions.

b. Research and development:

The partners themselves perform research and development through their experience as mechanical engineers and business knowledge of their activity.

c. Human Resource Management:

The workers and employees have a friendly relationship with the management. The management provides enough facilities to the eligible workers like canteen, quarters to live and other financial benefits. The partners act as a HR manager to eliminate the problems of the workers, if any.

d. Marketing:

Marketing is solely done by the management through word of mouth, since they have established solid ground of reputation through the production of UPVC and PVC pipes, they have maintained good relationship with the dealers, retailers and wholesalers. They also market their product through their friends with a promise of giving them commission on sales.

e. Supervision:

The partners supervise the work randomly and not on a daily basis. They do so because the production process doesn't require human perfection but mere handling of machinery because the machine does the majority of the task.

f. Selling:

The management decides where the product must be sold and whether to sell on credit or not. They don't sell directly to customers unless it is a bulk order, and they do sell to their dealers, retailers and wholesalers.

2. Finance:

The finance department consists of 4 employees who are graduates of B.com & M.com and are well versed with accounting. All of them are working for more than 3 years with the firm. Their job is to maintain the records and make sure the payments are made and received on time, and if not report to their boss.

3. Production:

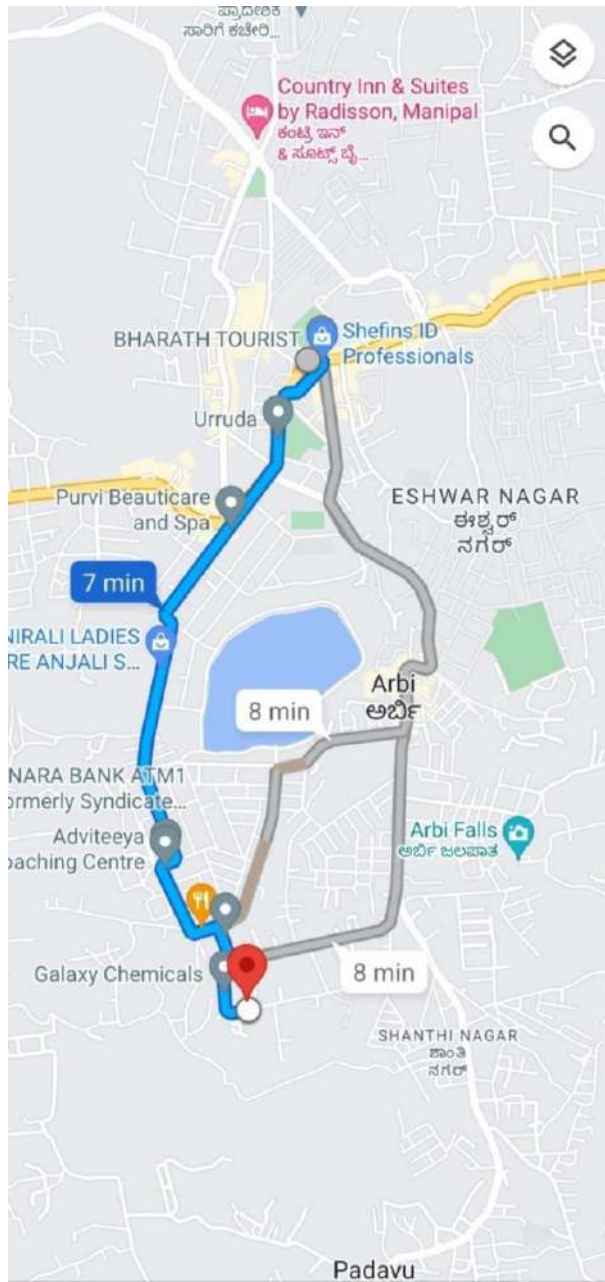
The production department is the key area where the manufacturing takes place, there are 8 workers who carryout their tasks of production. Their job is to put the raw materials in the funnel through which it goes to the machine, and when after the production process is complete they are required to take the product from the mould and pack it in huge polythene bags so it doesn't get dirty.

LOCATION OF THE FIRM

Plot No – 6A 2

Shivalli Industrial Area,

Manipal – 576104



PRODUCTION PROCESS

Raw materials used:

Layer one: LLDPE

Layer two: LLDPE – Food grade

Layer three: LLDPE – Food grade

1. Step 1:

In this step the first layer is made and the raw materials are taken from the packed sacks and put in a container according to the size of the tank, as size varies the quantity of raw material also varies.



2. Step 2:

Then the raw materials in the container are transferred to the funnel through a conveyor pipe to the tank manufacturing machine.

3. Step 3:

The tank manufacturing machine then takes the raw materials inside the steel moulds.

4. Step 4:

The machine then starts heating up and rotates in a 360° motion so that the plastic beads (raw materials) starts melting and because of the rotation spreads everywhere inside the steel mould. With this the production of first layer is completed.

5. Step 5:

Now the heating and rotation doesn't stop, but for the second layer the raw material of the second layer is put through the same steps from step 1 to step 4, which is taking place inside the first layer.



6. Step 6:

Now again the heating and rotation doesn't stop, but for the second layer the raw material of the third layer is put through the same steps from step 1 to step 4, which is taking place inside the second layer. With this the production of the complete tank is accomplished.

7. Step 7:

After the production is complete, then the machine is shut down and fans are put on to cool the moulds but not entirely.

8. Step 8:

Now the steel mould is opened up by the workers very carefully with gloves and other safety guards because the steel mould is still hot and then the opening of the tank is cut with a knife since it's easy to cut when the plastic is warm or hot (the mould is designed in such a way that after cutting the opening, it becomes a cap with two minute attachments with the tank)

9. Step 9:

After the production process is complete and the tank is completely in normal temperature, then the tank is removed from the mould and stored in the desired place carefully.

PROBLEMS FACED BY THE FIRM

There is no firm or entity that hasn't and doesn't face any problem throughout their functioning and operating. The problems might be major or like in this case minor.

- The firm faces a problem in the production process, which is, if the tanks are not handled carefully while it's still hot or warm, then the shape and durability of the tank differs if there is caused any defect.
- When the machine faces any problem, then the production activity is suspended till it's repaired.
- Though the firm has no problem in getting the workers because of their connections, but few employees from the finance department have left due to lack of opportunity for growth.

CONCLUSION

The Small Scale Industries make a significant contribution towards the development of an economy, though SSI's are vulnerable to the risks of business environment, they somehow strive to sustain in the market with the support of government policies and entrepreneurial skills that they perceive. Rainbow Polymers is well established in terms of manufacturing and operating capacity, they have an efficient and effective management, which through this study helped me to understand the significance of the management in an organization. I could also learn how through informal channel of communication they were able to motivate and guide their workers. The SSI's in India need to be aware of the technological world which throws lot of business opportunities in their basket.

SUGGESTIONS TO OVERCOME THE PROBLEMS

- The workers must be strictly and clearly instructed about carefully handling the tank while it's still warm/hot.
- There must be proper maintenance and a technician must be employed for it and as well as for timely repairing the machine if any deviation.
- The firm should try to provide career opportunities to the employees of financial department at the most. The employer mentioned if they are able grow their organisation structure, they will surely focus on providing career opportunities to their workers.

GALLERY



QUESTIONNAIRE

Dear Respondents,

I Mr. Daniel Mohuriya pursuing my III B.A degree from Crossland College, Brahmavar, Udupi. As per the course schedule of Final year; I am undertaking the project study on working of SSIs. I would like to study the working of your organization to complete my project work. I Request you to respond the below questions. The collected details are only used for the completion of this project.

Thanking you.

1. Name
2. Designation
3. Qualification and Experience
4. Name and Address of the Organization
5. Year of establishment
6. Type of Organization
 - a. Private Company
 - b. Partnership
 - c. Sole Proprietorship
 - d. Public Company
 - e. Subsidiary of Large Company
 - f. Others
7. Nature of Activity
 - a. Manufacturing and Selling Own Products
 - b. Manufacturing under Contract
 - c. Selling goods made by others
 - d. Providing Service [Such as repairing]
 - e. Consultancy
 - f. Others
8. Type of Product manufactured.

9. From where do you buy your raw materials?
10. Problem associated with raw materials.
11. On which of the following topics your organization needs information regularly and occasionally.
 - a. Production Problems
 - b. About the activities of the competitors
 - c. Relevant technological innovations
 - d. Market trends
 - e. Product diversification
 - f. Record management
 - g. Tenders and contracts
 - h. Managing employees
 - i. Office and factory equipment
 - j. Prevention of accidents
 - k. Government policies and other regulatory information
 - l. Others please specify
12. If you are a member of trade or technical association when you have queries do you normally.
 - a. Find answer in the printed information that has been sent out by the organization.
 - b. Telephone the trade or business association.
 - c. Contact someone else not connected with your trade or business association
13. In which of the following source do you locate the useful information.
 - a. Books
 - b. Journals [Trade, Technical, etc]
 - c. Newspaper
 - d. Advertisement brochures
 - e. Standards
 - f. Trade, Professionals, Commercial associations and their meetings and publications.
 - g. Hand books
 - h. Research institutes
 - i. Work manual
 - j. Consultants

A study on working of Small Scale Industries

- k. Banks and Financial institution
 - l. Other people engaged in similar type of business
 - m. Others please specify.
14. How do you do your budget allocation on each department.
- a. Machinery
 - b. Office maintenance
 - c. Salary
 - d. Production
 - e. Welfare
15. Financial information
- a. Initial investment
 - b. Growth of the firm
 - c. Present capital investment
 - d. Loans, Government assistance
 - e. How do you plan for your loan repayment
16. Could you give the numbers of employees in each of the following department.
- a. Administration
 - b. Production
 - c. Research and development
 - d. Marketing and Sales personnel
 - e. Others
17. Total number of Employees.
18. What are the HR facilities you provided to your workers.
- a. Rest Room
 - b. Wash Room
 - c. Canteen
 - d. Paid holidays
 - e. ESI
 - f. EPF.
19. How do you sell your products?
- a. Wholesaler

A study on working of Small Scale Industries

- b. Retailer
- c. Direct selling.

20. What are problems that you face at the time of marketing your product other than competition?

21. Could you give an outline of problems, which remain unsolved in your business?

- a. Technical
- b. Marketing
- c. Productivity
- d. Finding sources of supply of raw materials/machinery and equipment.
- e. Diversification or new product line
- f. Regulatory information
- g. Others.

22. Problems related to manufacturing process

- a. Break down of machines
- b. Power problem
- c. Skilled worker
- d. Other problems

23. Problems related to marketing activities.

- a. Transportation
- b. Infrastructure
- c. Other problems.

24. Problems of financial Department.

- a. Problems in capital raising
- b. Problems in accessing government assistance
- c. Other problems.

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Introduction

The small-scale sector; the world over, is playing a vital role in the growth of the national economies. Small and medium Enterprises(SMIs) have been rightly considered as the engine of growth in most countries. They enhance balanced regional industrial development; and they act as a nursery for entrepreneurship.

The small scale industry is a significant segment of the Indian economy. The basic objectives underlying the development of small and medium-scale industries are: increase in the supply of manufactured goods, promotion of capital formation, the development of indigenous entrepreneurial talents and skills and the creation of employment opportunities. In addition, they include such socio-economic goals as decentralisation and dispersal of manufacturing activities from the metropolitan to the non-metropolitan and rural areas, the reduction of regional economic entrepreneurial and managerial abilities and skills as well as of technology on a broader canvas.

Small-scale industries constitute a key link in the process of socio-economic transformations of underdeveloped social structures. It is, no doubt, true that in the case of the dominantly rural countries, processes of transformation either germinating within the rural segment or bringing the latter within its orbit of influence will play a crucial role and should, therefore, occupy an important position in their development strategy. It is, however, equally true that both rural and urban processes are inseparably interwoven in the socio-economic fabric of the country and strategies of rural development cannot be operationalised outside that total developmental process, thus, straddling the rural-urban continuum.

Small-scale industries likewise permit the tapping of resources which otherwise would remain idle including entrepreneurship, capital, labour and raw materials. With proper orientation and support, these industries may attract people who,

because of lack of technological and managerial know-how and ignorance of prospects offered by industry, would remain in their present occupations or engaged in less risky activities such as commerce and the real estate. Small-scale industries most often mobilise family as well as other savings which may otherwise be spent on luxuries or channelled to non-productive ventures. They may also utilise materials available in small concentrations, low-grade materials as well as by-products. It may be mentioned further that small-scale factories are more capable than large-scale plants of taking advantage of semi-skilled labour, including traditional skills. As such, they are much less dependent on highly skilled workers.

Meaning and Concept of Small Scale Industry:

In most of the developing countries like India, Small Scale Industries (SSI) constitute an important and crucial segment of the industrial sector. They play an important role in employment creation, resource utilisation and income generation and helping to promote changes in a gradual and phased manner. They have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. The reasons are obvious.

The scarcity of capital in India severely limits the number of non-farm jobs that can be created because investment costs per job are high in large and medium industries. An effective development policy has to attempt to increase the use of labour, relative to capital to the extent that it is economically efficient.

Definition of SSI

Conventional Definition: cottage and handicraft industries that employ conventional labour-oriented methods to produce conventional products, mainly in the rural areas. Some examples are handloom and handicrafts.

Operational definition: "all the undertakings having investment in fixed assets in plant and machinery, whether held on ownership terms or by lease or hire-purpose, not exceeding Rs. 60 lakhs"

National Income Accounting: A unit engaged in manufacturing in manufacturing servicing, processing, servicing and preservation of goods having investment in plant and machinery, at an original cost not exceeding Rs.60 lakhs"

Advantages Of Small-Scale Industry

Small enterprises have distinct advantages: both economic and social. Some of these are:

- (a) Some small-scale industries do not require a high level of technology
- (b) They are generally labour-intensive and do not require a large amount of capital. The energy of unemployed and underemployed people may be used for productive purposes in an economy in which capital is scarce.
- (c) Projects related to these industries can be undertaken in a short period and hence can increase production both in the short and the long run.

(d) Most developing countries are rich in certain agricultural, forest and mineral resources; and small-scale enterprises can be based on the processing of locally-produced raw materials.

(e) It is possible both to save and to earn foreign exchange by producing and exporting goods from local resources (Small-scale industrial enterprises are the training ground for local entrepreneurs on decision-making. From small-scale industrial enterprises, knowledge and skills can be transferred to other enterprises; and small enterprises may grow into medium-sized enterprises.

(g) By creating opportunities for the small businesses, small industrial enterprises can bring about a more equitable distribution of income which is socially necessary and desirable

Importance Of Small Scale Industry

In a labour abundant and capital-scarce country like India, small-scale industries have come to occupy a significant position in the planned industrialisation of the economy, Most small-scale industries have a low capital intensity and high potential for employment generation Besides, they possess location flexibility, which serves as an effective instrument for achieving a wide dispersal of industries Further, small scale units serve as means of bringing forth 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 and bringing foreign exchange into the country. The following points further demonstrate the importance of Small Scale industries:

(1) Small Is Beautiful: Small is beautiful said E.F Schumacher He maintains that man's current pursuit of profit and progress, which promotes giant organisations and increased specialisation, has in fact resulted in gross inefficiency, environmental pollution and inhuman working conditions. Schumacher emphasised on small working units, communal ownership and regional workplaces, utilising local labour and resources For him. emphasis should be on a person and not on products

(2) Innovative and Productive: It is the small units which are highly innovative though they do not maintain their own research and development wings a disproportionate share of innovation success in business seems to come from skunk works tiny groups that tend to out-perform the much larger labs that often have a cast of hundreds

(3) Individual Tastes Fashions and Personalised Service: Small firms are quick in studying changes in tastes and fashions of consumers and In adjusting the production process and subsequent production accordingly Small firms seem to have an edge in industries that call for personalised service, attention to detail and the flexibility to adapt quickly to changes in the business or technological .

(4) Symbols of National Identity: Small enterprises are almost always locally owned and controlled, and they can strengthen rather than destroy the extended family and other social systems and cultural traditions that are perceived as valuable in their own right as well as symbols of national identity.

(5) Happier in Work: People who work in small enterprises are happier in their work rather than those who work in large ones in spite

of lower wages and inadequate standards of safety, comfort and welfare facilities

(6) Always Winners of the Game: Small enterprises and new entrepreneurs were at the forefront of practically every business boom of the last decade, whether it was computers, consumer electronics (television, fridge, etc.), garments, diamond exports or advertising. And they frequently put the established large industrial house in the shade with the quality of their performance, their ability.

Limitations of Small Scale Industry:

The following are the demerits of small scale production:

1. High Cost of Production:

The cost of production per unit increases because there is a high cost of labour, a very little scope for division of labour and lesser use of machinery.

2. Wastage of By-products:

In the small scale production, it is not possible to make economic use of the by-products, as in the large scale production. By-products of the small producers generally go waste.

3. Less Use of Machines:

In the small scale production, there is less scope for the use of machines. As a result, these firms cannot take advantages of the use of the machinery.

4. Lack of Division of Labour:

In the small scale industries, the size of production is small, and there is lack of division of labour and less profits to the entrepreneurs.

5. Difficulty in Getting Loans:

It cannot enjoy the financial economies. Funds are either not available and if available, they have to pay higher rate of interest.

6. Difficult to Face Economic Crisis:

Because of the limited resources and financial weakness, the small scale producers cannot face economic crisis. The producers do not have the capacity to bear losses for long. In fact, under a small economic crisis, many small factories are closed down.

7. Costly Raw Materials:

In the small scale production, raw materials are purchased in small quantities which are available to the small producer at higher prices.

8. Lack of Standardised Goods:

The quality of goods is not standardised or upto the mark in the small scale production. It is difficult to sell goods because of their low standard and inferior quality.

9. Old Techniques:

In the small scale industries, the production is undertaken with the help of old techniques or old and obsolete machines. It is not within their capacity to bear the risk of installing new machinery.

NEED FOR THE STUDY

An industry is a small domestic plant. Where changes always occur what happened during past will not be same as present and present will not be same as it is and in future changes may occur in industry. To know how the small scale industry able to tackle with the changes.

Objectives of the study

1. To know Production activities of industry.
2. To know about marketing strategy.
3. To know the employee and employer relationship.
4. To know the problems faced by the industry.
5. To know how the industries work.
6. To get practical knowledge about the industry.
7. To know HR production of industry.

Methodology

The study is divided into two parts. One is primary data collection and the other is secondary data collection.

Primary data collection:

The data is collected by interviewing various employers and workers in the industry. The data is collected by observing the various production processes and marketing process and finance management of the industry. I had the opportunity to be at S.P.Bricks for a couple of days in having the study over the industry where the owner Mr. S.Vincent had been kind in providing the needed information.

Secondary data collection:

The data is collected by referring various standard books by different authors on Small Scale Industry. Data is collected by referring to various blogs and websites. Data is collected by referring to various magazines and books published by various publications.

Firm History & Development

Introduction To S.P. Bricks Industry

S.P. Bricks Industries, a small scale industry located in Pethri in Udupi district in Karnataka state. S.P. Bricks industry is established in the month of September, 2006 by the Proprietor S.Vincent.

S.P. Bricks industry, a clay burnt bricks manufacturing industry has begun with 3 employees in it and works 9 hours per day.

S.P. Bricks has been a good quality based industry and has gained many customers with its goodwill.

History Of The Company

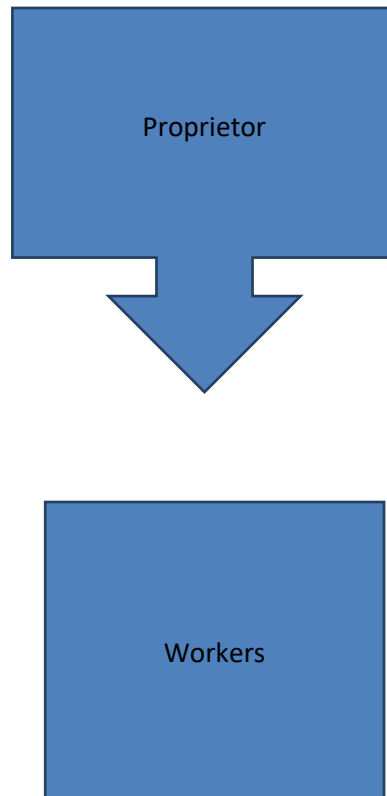
In 2006 ,S. Vincent started S.P. Bricks. He was born in Pethri in Udupi district.The capital requirement was found through personal assets and bank loan. He had to face some hardships before he started his business

Glance Of The Firm

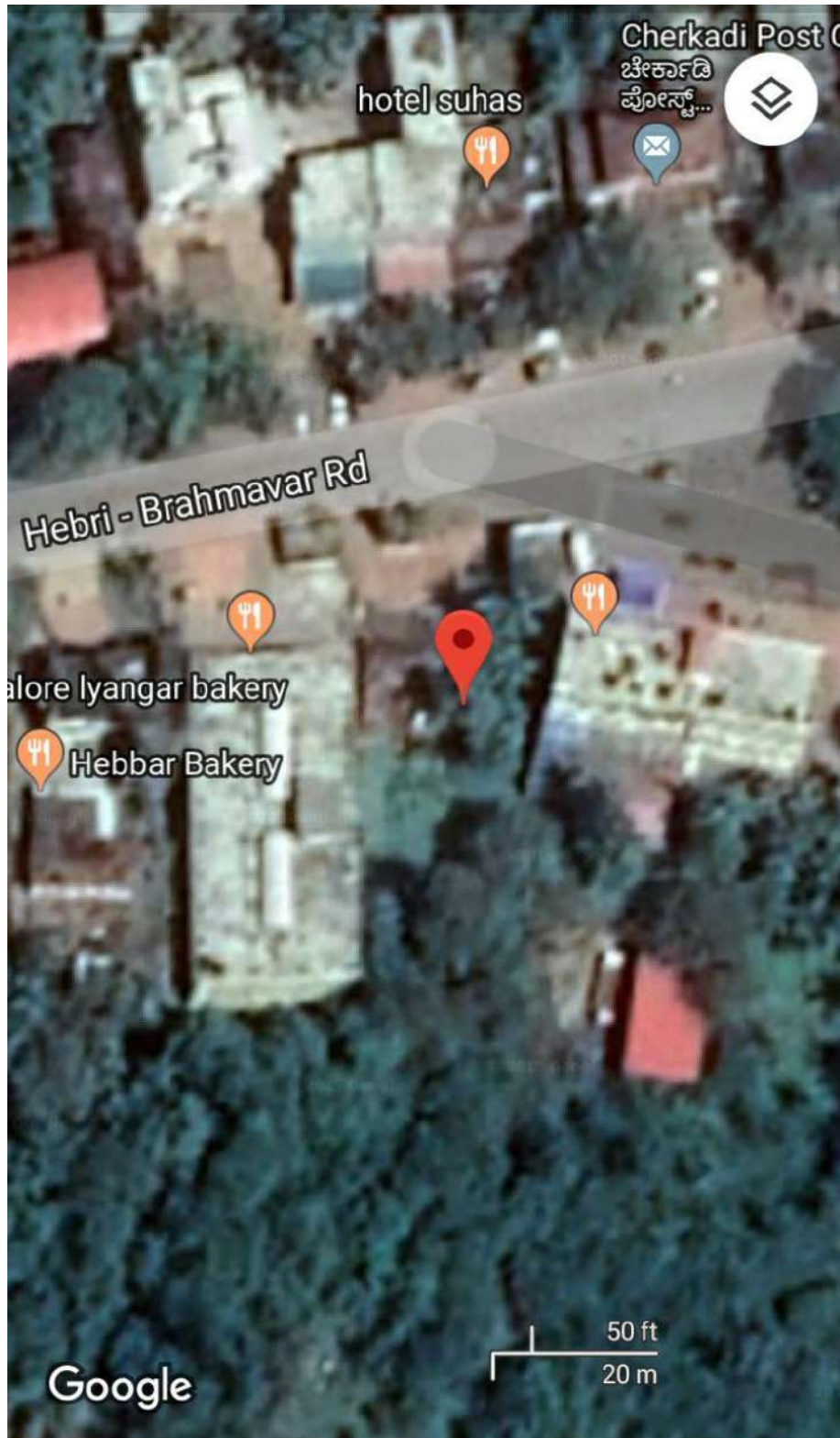
Name of the firm	S.P. BRICKS
Address of the firm	Near Agricultural Society Pethri, Cherkady-576215, Udupi Tq.&Dist, Karnataka.
Date of Establishment	2006
Type of the firm	CLAYBRICKS
Sector	Small Scale Industry
Capital of the firm	50 Lakh
Raw materials	Clay, Sand, Water
Number of workers	9
GSTNO	29BDPPP0104N322
Working Hours	07:30AM to 05:00PM

Organization Structure:

The organizational structure consists of proprietor & workers



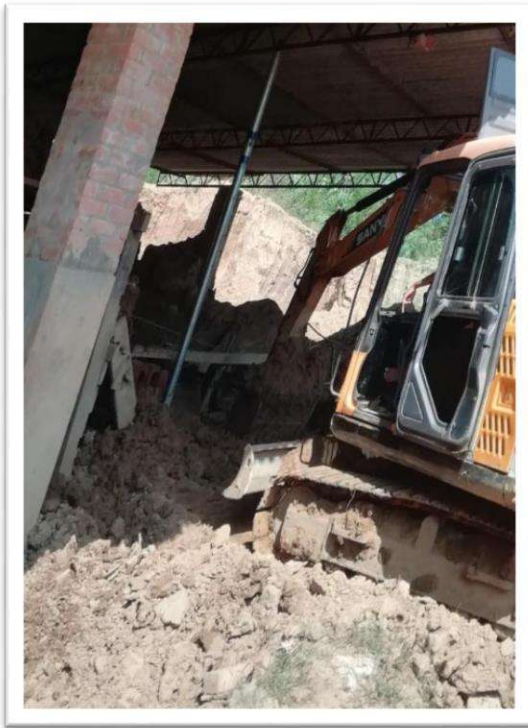
Location Of The Firm:



Manufacturing Process

Mining and Storage.

Surface clays, shales and some fire clays are mined in open pits with power equipment. Then the clay or shale mixtures are transported to plant storage areas.



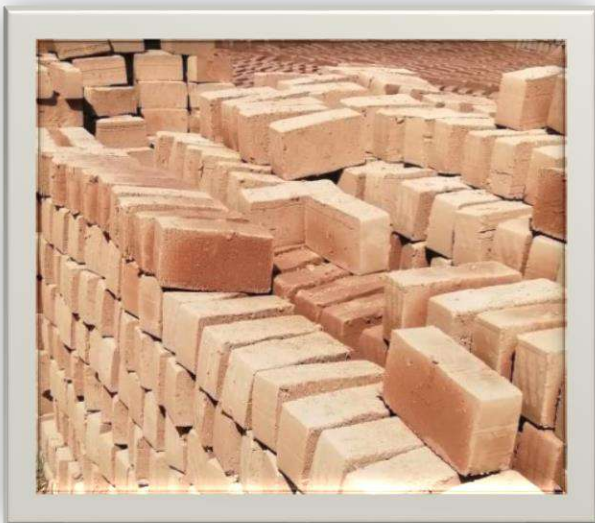
Preparation.

To break up large clay lumps and stones, the material is processed through size-reduction machines before mixing the raw material. Usually the material is processed through inclined vibrating screens to control particle size.



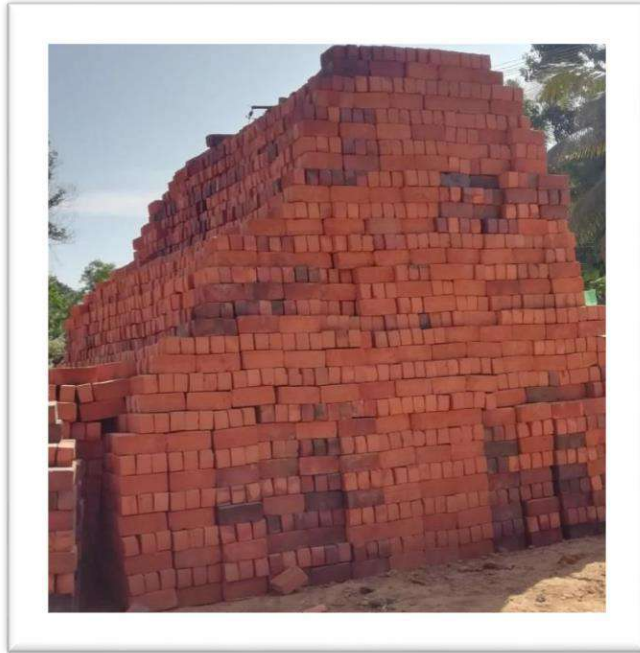
Forming.

Tempering, the first step in the forming process, produces a homogeneous, plastic clay mass. Usually, this is achieved by adding water to the clay in a pug mill a mixing chamber with one or more revolving shafts with blade extensions. After pugging, the plastic clay mass principal processes for forming brick: stiff-mud, soft-mud and dry-press. ready for forming.



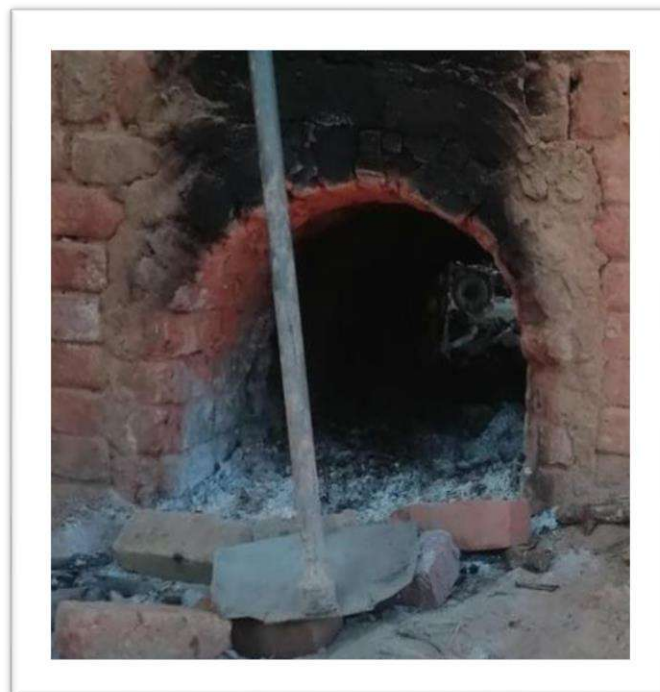
Drying.

Wet brick from molding or cutting machines contain 7 to 30 percent moisture, depending upon the forming method. Before the firing process begins, most of this water is evaporated in dryer chambers at temperatures ranging from about 100 °F to 400 °F (38 °C to 204 °C). The extent of drying time, which varies with different clays, usually is between 24 to 48 hours.



Firing.

Brick are fired between 10 and 40 hours. It is fired through the tunnels made in that place.



Marketing Management

Any time one tries to persuade somebody to something-to buy his product donate for some charitable purpose or vote for some candidate or attend domestic show, or accept a social date with him-both of them are said to engage in marketing. Marketing requires that existence of two or more persons or groups each having certain wants, and also possessing certain products. Each believes that his total satisfaction will be increased if he exchanges some of the products of the other party. Exchange is therefore, the process of satisfying human wants via trade. However satisfaction can also be achieved through any of these means available.

The marketing is the process of creating and delivering desired goods and services to customers.

Marketing	Industrial marketing is Direct marketing
Marketed In	Mangalore, Udupi.
Products	Bricks
Price	Reasonable and common prices
Marketing	Direct marketing.
Other Marketing Strategies	Quality Products,.

Financial Management

It is true that finance is the basic requirement of all kind of business activities. However, efficient functioning of every business is dependent, not on the more availability of finance, but on the efficient utilization of finance. It is said that money helps a concern to get more money only when it is efficiently managed.

Financial management is a managerial activity concerning the finance of the firm. It deals with planning, control and management of financial resources of the firm. It is not enough to only raise the finance for in industrial activity: it is necessary to manage it properly as well.

There exists an inspirable relationship between finance function in the one hand and the production, marketing and other function on other. Finance is at the root of any business activity. Therefore, there is a need to properly manage it.

Production capacity per month

Capacity **2,50,0000**
Selling price **Rs 8 Per Brick**

Description	Amount in Rs
Fixed Capital	5000000
Total project cost	5000000

Machinery and Equipments:

Description	Qty	Rate	Amount in Rs
Machines and Equipment	2	1,00,000	2,00,000
Total			2,00,000

Salaries & wages (Per month):

Sl.No	Description	Nos.	Salary per month	Amount in Rs
1.	Operators	3	10000	30000
2.	Workers	6	6000	36000
	Total			66000

Utilities (Per month):

Sl.No	Description	Unit	Amount in Rs
1.	Power	Ls	15000
	Total		15000

Total Working Capital (Per month):

Sl.No	Description	Amount in Rs
1.	Salary & wages	66000
3.	Utilities	15000
4.	Other Expenses	2000
	Total	103000

Turnover (Per year):

Sl.No	Description	Qty	Rate Rs	Amount Rs
1.	Bricks	2,50,000	8.00	2000000
	Total			2000000

Profit Analysis: Net profit per month

Rs 63,667

Human Resource Management

Personnel management is that fields of management which has to do with planning , organizing , and controlling various operative activities of procuring, developing , maintaining and utilizing a labour force in order that the objectives and interest for which the company is established are attained as effectively and economically are served to the highest degree.

HRM is the multi faceted process involving various areas like selection, placement, performance, inductions, carrier planning, and potential development. It also included areas like motivation and development of the entire workforce with an organization. It develops the skills and knowledge of people and also aims to bring about a change in the attitudes of people, with a view to extract the best in them.

Working Hours

1 st shift	07: 30 AM	To	10: AM	Working Hours
	10:00 AM	To	10:30 AM	Break
2 st shift	10.30: AM	To	2:00 PM	Working Hours
	02:00 PM	To	03:00 PM	Break
3 rd shift	03:00 PM	To	05:00 PM	Working Hours

- Bonus is given to the workers on festivals.
- Holidays given on public holidays.
- Leave will be granted in case of sickness, functions and other personal engagements.

Limitations Of The Firm

Every company has a number of problems. The S.P.BRICKS also faces several problems. Below are some of the main problems addressed by the problem:

- Competition
- Financial crisis
- Rain

Conclusion

S.P Bricks is one of the manufacturing industry in Pethri. Mr. S.Vincent, proprietor of this firm is one of best positive people I have met. He is very genuine in his duties and has a heart to learn and teach to anyone who comes to him. His competitive spirit made the industry to stand when other industries have come down.

From this project I came to know how a small scale industry work and how it produces its products and how it markets its products. I also came to know the some of the problems faced by the industry and how they overcome the problems. I also came to know how in small scale industry the workers work and how the modern technology is used in these industries and how new and different kinds of machines are used for different purposes and I learnt to take be strong and positive when there is too much of risks before.

I'm so glad in visiting this industry and learn more and useful things that would equip me for my future.

Suggestion

- The firm should use generators when there is a power cut.
- The firm should have a spacious arena.
- The management should use local labour for better results.
- The firm should provide better working conditions.

Questionnaire:

- a) Which type of firm it is?
- b) What is the history of the firm?
- c) What is the structure of your organization?
- d) What is the main product of the firm?
- e) How many employees and workers are working in the firm?
- f) What is the salary or wage structure of the firm?
- g) What is the leave structure of the firm?
- h) What is the marketing strategy of the firm?
- i) Are you GST registered firm?
- j) What is the GST rate of your product?
- k) How much is the total capital investment of the firm?
- l) Is there any loan liability on your firm?
- m) How much loan is taken and which from which bank and how much the interest rate is?
- n) What is the production capacity of our firm?
- o) What is the turnover or sales of the firm?
- p) What are the problems faced by the firm?
- q) How much the working hours of the firm?
- r) In which way the products are sold?
- s) What are the assets of the firm?
- t) What are the liabilities of the firm?
- u) How much raw materials are required by the firm?
- v) What are the steps involved in production or manufacturing process?

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