



Brief Analysis of Financing to Small Scale Industries

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ABSTRACT:

The present study is an attempt to signify the inflation of economic growth of India through the small scale industries. Small scale industries are very important because they help to increase employment and economic growth. They support development of both urban and rural areas. Main role of small scale industries is to grow production, increase export, improve productivity, and improve the employment rate, open new opportunities and advance welfare. Small scale industries not only reduce poverty and income inequality but they also raise standard of living of poor people. They enable people to make a living with dignity.

KEYWORD: Role Of Small Scale Industres, Importance, Economic Growth, Characteristics.

Definition of SSI: Small scale industries are the industries for which the investment in plant and machinery is between Rs 25 lakhs to Rs 5 crores.

INTRODUCTION:

Small scale industries are the back bone of economic growth. It is important for both purposes developed and developing process. Small scale industries always represent the model of economic growth which emphasized high contribution to domestic production, signification export earning low investment. The contribution has been remarkable of small scale industries on growth of economic growth. Small scale industries introduce high opportunities of employment next to agriculture.

Four Government loan schemes for small scale industries in India

- Pradhan mantri mudra loan yojana (PMMY).
- Credit guarantee fund scheme for small scale industries.
- Credit linked capital subsidy scheme for technology upgradation (CLCSS).
- MSME business loan in 59 minutes (micro, small and medium enterprises).

SCOPE OF STUDY:

- To study government schemes of government.
- To study role of small scale industries.
- To study importance of small scale industries.
- Deep study about small scale industries .

ROLE OF SMALL SCALE INDUSTRES:

Industries play vital role in economic growth. They provide many goods which fulfils our wants. They increase national income and per capital incomes. Industries require raw materials from agriculture sectors to produce their goods. Some of the roles of small scale industries are:

- **INCREASE IN EMPLOYMENT OPPORTUNITY:**
Small scale industries play important role to increase the employment opportunity of our nation.
- **CONTRIBUTION TO EXPORT:**
Maximum goods which supply other country are manufacture by small scale industries. Approx 35% of direct export and 15% of indirect exports are from small scale industries.
- **WELFARE OF PUBLIC:**
Small scale industries participate in economic growth of India as well as also participate in social development (public welfare) programme they are important for both growth and development of social life. These industries can be organized by lower or middle class person.

CHARACTERSTICS OF SMALL SCALE INDUSTRES :

- **OWNERSHIP:**
Small scale industries generally work under single ownerships. This is sole proprietors or some time it can be also be partnership.
- **LIMITED REACH:**

- Such unit have restricted area of operation, so they can coordinate with local and regional demand.
- **MANAGEMENT:**
Both management and control generally is with owner or owner's hand. So the owner is actively involved with daily running of the industries.
- **FLEXIBILITY:**
Small scale industries are more adoptable to the changes of business environment. They can adopt all the changes very easily.
- **LABOUR INTENSIVE :**
This type of units requires more men power therefore their dependence of technology is limited. They complete the entire target through the men powers.
- **RESOURCES:**
They use limited and local available resources. In small scale industries wastage of resources is also less.

CONCLUSION:

According to my research development of small scale industries is participate strongly in under developed and developing country like India. They improve the standard of living of people and introduced more employment opportunities.

Small scale industries and medium scale industries helps government in increasing of infrastructures and manufacturing industries reduces the problems pollution, poverty, and many more development acts. Small scale industries are those in which manufacturing, providing service, production are done in the small unit or micro scale, for example are napkins, tissues, chocolates, water bottle, pen , pencils, handmade toys and many more ideas of small scale industries.

Direct exports from SSI units accounts nearly 35% of total exports, numbers of SSI that undertake direct exports would be more than 5000. The major advantage of units is its employment potential at low capital cost.

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