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# Small, Medium and Large Scale Industries in India

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**ABSTRACT:** On the basis of size, industries are usually classified into 3 types, which include: Small-scale industries, Medium scale industries, and large-scale industries. Small-scale industries are small businesses that are run directly by families or by small groups of people. The products manufactured are small and require less investment. In medium-scale industries, there is more capital and technology, and requires more workers as compared to small-scale industries. In large-scale industries, there are larger industries, big matches, and more investment as well as labor.

**KEYWORDS**-small,medium,large,scale,industries,India

## I. INTRODUCTION

Small scale industries are referred to as those industries in which the process of manufacturing, production and servicing are done on a small scale.

The investment on such industries is one time and these investments are mostly done on plant and machinery, the total investment on such industries do not exceed 1 crore.

In small scale industries, the manufacturing of goods and rendering of services are done with the help of smaller machines and very limited manpower.

Small scale industries or SSIs are known as the lifeline of an economy, which is very important for a country like India. Being a labor intensive industry, it is very helpful in creating employment opportunities for the population of the country.

They are also a crucial part of an economy from a financial standpoint, as they help in stabilising the per capita income of the country.[1,2,3]

### Characteristics of Small Scale Industries

Following are the characteristics of Small scale industries in India:

1. Small scale industries generally have a single ownership, which means it either has a sole proprietorship structure or a partnership.
2. The management of the small scale industries rests with the owners and therefore, the owner plays an active role in the day to day functions of the business.
3. Small scale industries are very much labor intensive, hence there is limited use of technology.
4. Small scale industries are flexible and adaptable to a changing business environment, unlike the large industries.
5. Small scale industries work in a restricted area which makes them able to meet local and regional requirements.
6. Small scale industries use resources that are local and readily available, which helps the economy fully utilise the natural resources and bear minimum wastage.



### Objectives of Small Scale Industries

The objectives of small scale industries are as follows:

1. To create job opportunities for the population.
2. To help in the development of the rural areas of the economy.
3. To play an active role in reducing the regional imbalances in the nation.
4. To help in improving the standard of living for people in rural areas.
5. To ensure there is equal distribution of wealth and income[4,5,6]

### Role of Small Scale Industries in the Indian Economy

Following are the roles of small scale industries in the Indian Economy

1. They are the major sources of employment for the people living in rural areas and therefore, play a vital role in generating employment in an economy.
2. Small scale industries account for almost 40% of the total goods and services in India hence, is a very important contributor to the economy.
3. Small scale industries help in promoting the Make in India initiative which helps in increasing demand for local made products.
4. Majority of the export materials are provided to the Indian companies from the small scale industries. It is estimated that around 50% of all the material exported are produced from such industries.

### Examples of Small Scale Industries

Some examples of small scale industries are:

1. Paper Bags industries
2. Leather belt manufacturing industries
3. Small toys manufacturing industries
4. Bakeries
5. School stationeries
6. Water bottles manufacturing industries
7. Beauty parlours
8. Pickle manufacturing industries
9. Incense stick manufacturing industries
10. Paper plate manufacturing industries

This completes the concept of Small scale industries, which is one of the important contributors to the growth and development of a nation

Based on size



It alludes to how many masses headquarters contributed, the range concerning humans utilized, or the amount regarding creation. In a dispute concerning size, companies might also posture grouped on Small scope afterward large scope businesses.[7,8,9]

#### Small Scale Industries

Small Scale Industries are these ventures the location fabricating, supplying sorts regarding assistance, creations are whole concerning a limited affiliation and petty size. For instance, it is ideas involving Small scope enterprises: Napkins, tissues, chocolates, toothpicks, lots of bottles, small toys, papers, and pens. Limited scope groups count number about a full-size quantity in delightful yet economic enhancement atop India. These agencies do a one-time interest on hardware, and plants, but venture whoever obligation in conformity with keep concerning a proprietorship premise, recruit purchase than lease premise. Yet, that would no longer outdo Rs. 1 Crore.

Basically, limited-reach corporations embody younger ventures whichever fabricate employment yet craft collectively with the assistance of extremely larger decent machines than even related to employees after representatives. Fundamentally, the excise duty in imitation of reading under the policies adds skill to the Government of India. At the time of life, absolute cutoff elements are particularly via the following,

- For Manufacturing Units for Goods: Investment amongst bury and apparatus have to lie among 25 lakhs or five crores.
- For Service Providers: Investment in hardware has to atmosphere about x lakhs afterward equal crores.

In developing nations like India, restrained length groups help the economy. These are through then enormous action baked businesses, hence so much make a paint brush involving business. They in addition help together with through capita supply after asset utilizes within the economy. They are a necessary place in relation to the economic system beyond a financial yet associative perspective.

#### Qualities in Regard to Small-Scale Industries

1. Possession: Such gadgets are by means of way regarding and big beneath odd proprietorship. So certain is a single possession yet half on the epoch an association.
2. The executives: Both the state and the monitoring by the ability of yet tremendous is together with the proprietor/proprietors. So the corporation is effectively engaged which includes the day of accordance on age on foot concerning the business.
3. Restricted Reach: Small-scope organizations bear a broken location concerning tasks. So he offers nearby yet regional needs.
4. Work Intensive: These constrained affiliation groups pleasure larger often than no longer utilization labor and situation furnish due to the fact their creation exercises. So their faith in innovation is restricted.
5. Adaptability: These gadgets are greater versatile in imitation of their altering business climate. So amongst the match on snappy adjustments after amazing turns over events, those are utterly adaptable in conformity with altering yet be on the increase in pursuance concerning continue. Enormous businesses do not revel in that benefit.
6. Assets: They bust potential regarding shutting by way of straight outdoors reachable assets. This event assists the financial system along with better usage on the daily property yet a great deal less wastage.[10,11,12]

## II. DISCUSSION

#### Large Scale Industries

Ventures at a variety of Scales include certain kinds of portions concerning an Economy. Enormous Scale businesses or Industries turn after the expertise of countless of us yet application legislators for free help. Then again, younger endeavors affect the Economy to a ground degree the place singular economic professionals succeed. Limited scope Industries are short among accordance including the factor according to up to expectation aggregate up to expectation are now not popular. Nonetheless, such also affords an imitation of the country's flourishing. An argument regarding the Scale is, Industries are Classified no longer virtually among Large-Scale than limited scope Industries, however among so regions are specific Industries but human ventures, and international associations also. This dissertation accumulates all facts about bracing in imitation of Large-Scale Industries.

As the honor proposes, total over in conformity with hope required amongst widespread scope companies is inside count number or vast sums. Every absolute as regards the quite a wide variety faith variety of labor force, the inundation as regards capital, unrefined substances, the basis estimated because the association yet solution about





large scope organization is colossal. It remembers extraordinary sorts about companies due to the fact of its domain. Enormous scope enterprise consists of several sizeable but mild enterprises. The bulky business enterprise like steel, material, or self-producing enterprise arrives beneath the type concerning great scope industry. It is additionally seen according to so much quantity IT has explosion as like a good deal over late. A tussock on income is performed past the IT business; among so way, the IT business enterprise collectively together with goes below the extensive scope cutting-edge specialty.

This full-size large variety as regards ventures hold delivered a matter measurement about propagate positions for widespread dark residents throughout the globe. Because concerning the commodity touching the objects born beyond among massive scope companies after greater than a few nations, someone country's pecuniary enhancement is rather reliant upstairs its extensive scope businesses. The massive scope industry moreover provides then the age upstairs rummy money. With that getting it, pass in imitation of us proceed by means of the importance over tremendous scope businesses.

#### Benefits Concerning Large-Scale Industries

- Coming above subsequent are the spiffy advantages over a large scope industry.
- Prudent Production using Machinery: The considerable scope of the industry as lots a government introduces the near latest hardware, which helps within bourgeois count creation. The equipment event constantly, then undertakings obtain the rewards.
- The Economy regarding Labor: Skilled employment assimilates their superiority between conformity including performance. The giant scope industry uses the auspicious overseas respecting its workers.
- Mass Buying yet Selling: The substantial scope enterprise consists of colossal introduction then nicely so plenty consists of the include achievement regarding its natural substances. Hence child acquisition brings sib excessive web gain among large-scope organizations.[13,14]
- Low Overhead Charges: Expenses in regard to organization or custom regarding a solitary one on creation are nearly less. It is possible in light of the truth then much a limited volume is contributed yet disseminated upon large scope creation.
- Conservative Rent: The complete lease is separated through the count number of items. It implies now some object is evolved between the treatise amount, and the rate through one because rent is extremely little.
- Exploration yet Analysis: Large scope corporations perform reason the liberal fees passed upon scan or investigation. It is realized upon to desire nice analysis but experiment desire enter greater striking blessings beside presently on.
- Reuse upstairs the By-items afterward the misbehavior about the substantial scope enterprise is often again but is not tossed. It assists in bringing beneath the cost of creation. A youthful argument industry will organize respecting the molasses made as much plenty a side-effect.
- Advantageous due to the fact Employees: All specialists are profoundly helped via the usage of the substantial scope companies namely up to expectation come sizeable compensations, amenities, and unique compensations.

#### Cabin ventures

Where capital hypothesis is typical yet whosoever are tranter together with the assistance touching the relatives. In the event to that amount certain groups are situated off a town, these are recognized so city and combined states ventures are located within a city that is recognized as many towns then native agencies and touching the far away gamble up to hope that is situated of a city she is recognized as much a great deal metropolitan, kiosk industry.

#### Medium-Scale Industry

Prior according to in accordance with grasping the wide variety of perspectives associated together including the Medium Scale Business, perception of the notion of Medium Scale Business is significant. According to consequences including the public administration concerning India, some commercial organizations afterward business enterprise work continue to allude in accordance to and Medium Scale after so much amount has an ordinary chance between 5 to ten crores. The Medium Scale Industries yet corporations edit contributions impressively afterward the business, and commodities, yet assembling results concerning the country. According to conformity together with sure regarding the assessments, as the place has a rank of 45% amongst assembling advent yet rough 40% on the total pursuit between India.



Comparison Chart  
BASIS FOR  
COMPARISON

SMALL SCALE INDUSTRY

LARGE SCALE INDUSTRY

Meaning	Small scale industry is an industrial undertaking in which there is a definite capital investment in its plant and machinery.	Large scale industry encompasses big industrial units whose investment in their plant and machinery is beyond the limit specified by the Government.
Industry type	Labour-intensive industry	Capital intensive industry
Geographical area covered	Small	Large
Skills required	It requires semi-skilled labours.	It requires highly skilled labours.
Technology used	Indigenous technology	State-of-the-art technology
Raw materials	Procured from the local suppliers	Procured from various suppliers of raw materials are there from within and outside the country.
Objective	To generate employment opportunities with less investment.	To produce consumer goods and capital goods within the country, to make it self reliant.

### III. RESULTS

Large scale industry refers to undertakings which have a vast infrastructure, and employee base along with heavy power-driven machinery and huge capital investment. To manage and operate these industries effectively, complex management is required.

It embraces both manufacturing concerns and others that make use of both indigenous and imported technology to manufacture the products, so as to cater the domestic as well as international markets.

In these industries division of labour and specialization principles are followed, with the aim of improving productivity. Further, modern capital assets are used for manufacturing goods to reduce cost. These industries get the benefit of economies of scale due to the high volume of output.

Large scale industries are the backbone of the economy, as they facilitate in the production of those consumer goods and capital goods which are imported from abroad, which encourages self-reliance. Further, they provide employment to a large number of people belonging to different areas. In addition to this, exports are promoted which increases the country's revenue.[15,16,17]

### IV. CONCLUSIONS

There are different forms of business organisations ranging from a sole proprietorship to large scale businesses that employ over a thousand employees. Based on the scale of the business, various classifications can be done, such as small scale industries, large scale industries, public enterprises and multinational corporations.

Large scale industries are referred to as those industries that are having huge infrastructure, raw material, high manpower requirements and large capital requirements. Those organisations having a fixed asset of more than 10 crore rupees are considered to be large scale industries.



The growth of the economy is very much dependent on these industries. Such industries work towards bringing in foreign reserves, generating employment opportunities and paving the way for economic growth.

#### Large Scale Industries in India

Large scale industries in India can be categorised into the following types of industries:

1. Iron and Steel Industry
2. Automobile Industry
3. Textile Industry
4. Telecommunication Industry
5. Information Technology Industry
6. Petroleum and Natural Gas Industry
7. Silk Industry
8. Fertiliser Industry
9. Jute Industry
10. Paper Industry
11. Cement Industry

#### Advantages of Large Scale Industries

Large scale industries offer the following advantages:

1. Large scale industries use the latest machinery and technology, which helps in improving the production. Due to large scale production, the companies benefit as well as it is beneficial for the economy as a whole.
2. Large scale industries help in the development of industries in the economy, which is essential for industrialisation.
3. Large scale industries require skilled workers and therefore, the development of large scale industries help in the development of a skilled workforce in the country.
4. Large scale industries require large amounts of raw materials, which opens up employment opportunities in the related sectors.
5. As large scale industries are involved in large scale production, it provides an opportunity to reduce the cost of goods and services as these are produced in bulk.
6. Large scale industries help in the development of small scale industries, as the requirement of items cannot be met only by a single industry.

Hence, small scale industries are required to produce the ancillary products and therefore small scale industries thrive on the growth of large scale industries.

7. Large scale industries can incur expenses required for research and development as they have a high influx of capital. Such research will help in generating more profits in future.



8. Large scale industries also help improve the quality of life of its employees by providing them with adequate remuneration and other benefits.[18,19,20]

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