

SMALL SCALES AND LARGE SCALE INDUSTRIES IN INDIA : AN OVERVIEW

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***Abstract:** An industry is the place where the production of goods are completed. Industry development and running requires capital investment, manpower, technical skills, managerial skills etc. India is underdevelopment country and to be a part of developed country, it needs to go for the development of both kinds of study. Indian government is always trying to motivate the Indian for entrepreneurship. Banks are providing loan scams, they are giving training to prepare DPR for business proposal and so on. The current paper aims to study the small scale industry, its features, large scale industries, its features and comparison between small and large scale industries.*

***Key Words:** Industry, production, goods, India, small scale, large scale etc.*

Introduction: India is agriculture base nation. In such countries, small scale industries can run at large numbers. It can be starts from home production such as mango pickles. Lemon pickles, chilli pickles, Milk dairy, Papad Gruh Udyog etc. When capital is at large scale and there is the scope to open and run middle or large scale industry, it will also useful to neither by location for the employment of people.

Origin of the Industry:

The origin of industries found in the 1700s after the Industrial revolution. Basically, we can say it is started by Britain. They have started manufacturing and invention of machineries etc.

Definition of an Organization: An organization is a mechanism which is divided in several part of working style with defining several policies with the profit motif. There are several inter-dependent part of people working under a roof. Dimmock in his book Public Administration defined the term organization as, "An organization is the systematic bringing together of interdependent parts to form a united whole through which authority, coordinator and control may be exercised to achieve a given purpose. To try to deal with organization as merely a framework without considering the people who make it up and those for whom its services are intended would be wholly unrealistic."

This means organization is the foundation of management. In the management there are numerous tasks encouraging specializing skill to ensure higher productivity, proper direction, motivation, co-ordination controlling technical improvement, manpower management, decentralization etc.

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Industries in India

In 1851, the first railway was introduced in India. After that first industry was introduced. In 1854, the first cotton textile mill was opened in India. First large scale industry was introduced. Before that India had different skill of handicraft which they used for their routine and fine life.

First Attempt 1955: To develop and improve the industrial sector in India, Small Scale Industrial Board was established and in the first meeting of this board on 5th and 6th January 1955, and this board adopted first definition of small scale industry as:

Small Scale industry is a unit which has employees less than 50 persons if using power or less than 100 if not using power. There is not capital investment greater than 5lacs.”

Definition of Small Scale Industries 1960: After the first attempt of 1955, in a short span of time, it was felt that the working definition of small scale industry did not serve the purpose, especially from the point of view of maximum utilization of equipment and of capital outlay. Therefore, under the aegis of the Central Small Industrial Organization, there felt a need of modifying the definition of small scale industries. The New definition as per Ministry of Commerce and Industries letter No. 12SSI (A), (136)/57, dt. January, 1960, was:

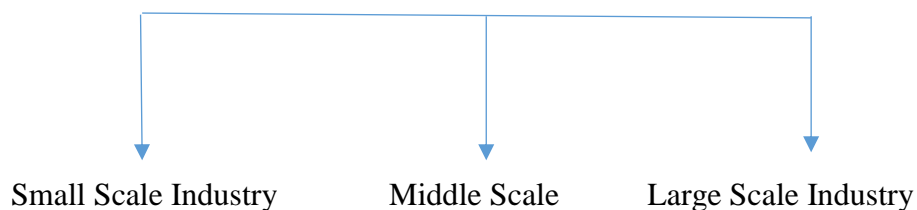
“Small Scale industries will include all industrial units with a special capital investment of not more than Rs.5lakhs, irrespective of the number of person employed.”

Later, there found changes as per need in the definition of 1962, 1966, 1974, 1977, 1980 etc. In the definition of 1980, the investment ratio is increased from 5lac to 10lacs. Ten lacs to 20 lacs. Enhancement of investment limit to increase the number of small scale industries, there found the upgradation in the definition of small scale industry. After independence of India, nine times modification is found in the small scale industries.

As industrial growth increased worldwide, India too started to develop industrial sectors in the nation. Now it is working worldwide. Business may be classified into major four broad categories as:

- a. Agriculture
- b. Industries
- c. Commerce
- d. Professional.

Out of these, Industrial sectors are divided into three parts and these three are given in below tree diagram:



Small Scale Industries

Micro-level production in small scale industries is the part of small scale industries e.g. toys, napkins, towels, pens, diaries, books etc. are the part of small scale industries. Such industries plays a vital role in the socio-economic growth of India. Small scale industries are classified into four major heads as:

- a. Modern Small Scale Industries
- b. Cottage
- c. Village
- d. Ancillary

Small scale industrial units are, by and large started by person who value independence and are desirous of obtaining the highest rewards for their initiatives, innovation, technical skills, business acumen and experiences.

The features of small scale industries are given below:

Features of Small Scale Industries:

a. Individual Investment:

In small scale industries investment is not high. There is less investment so it is possible for individual person. One person can invest easily for small scale industries. Mostly, these are owned by sole proprietors.

b. One Time Investment:

In small scale industries, there is the necessity of one time investment to open and run the business. This one time investment is for purchasing machines, plants and industries. This investment may be based on hired condition, lease base or owned. Enterprises can starts with smaller investment and smaller employment.

c. Easy Management:

Small scale industries requires less investment, less space and less manpower. Therefore with limited manpower, the management can easily assessed. As work increases, the management becomes hard. Limited work- limited management. When things are limited easy and proper management can be possible.

d. Less Remuneration for Labour Intensives:

In Small scale industries, there are limited requirement of manpower. Limited manpower requirement means limited labour intensives. Moreover, owner can work himself/herself for the welfare and more benefits of his industries. For example, if industries of Milk product and owner has its own source of milk in his farm, he/she can collect the milk, prepare the product with the help of family members and can sell by self.

e. Sudden Decision Making:

In small scale industries, there are chances of sole owner of rarely of partner. Hence, wherever required, he/she can take sudden decision which are essential timely to be taken by owners. It is useful for the industries because late decision may be a cause of loss in industry.

f. Flexibility:

Strict norms may be a part of loss in organization. If limited work responsibilities are there in an organization, limited chance of high level management. Hence, flexibility at workplace in small scale industries are found. Sudden changes are not acceptable in industries but flexibility can work as a profit gain in small scale industries.

g. Use of Local Resources:

As the work in small scale industries is limited and required few skills or sometimes no skills is required. Anyone can do the task who are from the nearby location. Therefore with the use of local resources, small scale industries are run smoothly.

h. Welfare of the Rural Public:

Small Scale Industries in India are mostly depend of the agriculture base. Raw material, manpower of rural background can be utilized from villages and country sides. Even, it can be possible to run simultaneously with developing the farming. Therefore, small scale industries are called as the welfare sector for the rural man.

i. Secrecy is Maintained:

In Small Scale, mostly, there is sole owner. Single owner never shares his/her secret of organization or business. Therefore, secrecy is maintained in small scale industries.

j. Unlimited Risk:

As there is less capital investment, soul owner are the basic features of small scale industries, risk can be taken by concern person. Therefore, unlimited risk is the feature of Small Scale industries.

k. No Government Regulations:

Small Scale industries are owned by soul person, or may be several person from one family, therefore, there requires license only. No more government regulations and rules are there.

Large Scale Industries

With high investment and large scale outcome based product by soul of group investment is the part of large scale industries. In large scale industries high capital investment is required which may be from one hundred million rupees to ten corer. In India, such industries are given high quantity job opportunities to those who are qualified and skilled.

Features of large Scale Industries**a. High Capital Investment:**

In large scale industries, high capital investment is the main feature. It needs to invest large amount on land, building and machines. Due to high capital investment, it needs more investors or the support from other people for investment or sometimes need to add shareholders.

b. High Level Management:

Large Scale industry is the part of high level manpower, high-level infrastructure and high cost as well as advance machineries are required. Therefore, it needs high level management structure. Proper planning, proper cooperation, proper work distribution, skilled person etc. are the part of high level management.

c. Decision Making:

In large Scale industries, there is managing body which has some specific rules and norms. According to these norms the procedure should be followed. The procedure takes time as it is lengthy. Therefore, as compare to small scale industries, the decision making takes more time. But where there are more heads than one- there meets more options. So in large scale industries, decision making takes time but able to get more option.

d. Lack of Secrecy Maintenance:

In large scale industries, there is managing body of defined number of persons. One person may be a part of managing body in different organizations or industries. So, it may be possible that good policies can be shared by one person in his another organization. There are many secret policies which are beneficial for industries. in small scale industries where sole trades are there no chance to out the secret of company. But in large scale industries, these chances are there.

e. Scope for Multi- Production:

In large scale industries, there are chances to manufacture the multi-product and other goods. This can be possible due to high capital investment of large scale industries. High-level capital investment, legal formalities and increasing number of share-holders, in large scale industries numbers of products can be manufactured.

f. Hard To Manage:

Large Scale management is the part of more people, different level of management as upper level management, upper middle level management, middle level management, lower level management, supervisor, employees etc. Managing the work to all these levels is very hard in large scale industries. Even, it is very hard to manage and account of these management.

Conclusion

Thus, there are many differences between small scale industries and large scale Industries. There are changes in the rules and norms of small scale industries. There are changes in the condition of capital investment of small and large scale industries. There are changes in the management, product, and policies of small and large scale industries. Small scale industries mostly depend of the product of agriculture in India and best suitable to rural sectors of Indian society. The village industries, the rural artisans, handloom, handicraft, coir, sericulture, power loom and khadi are the parts of the production of small scale industries in India. Small scale industries can be converted into middle scale industries, large scale industries. It is found that small scale industries may not be beautiful as compare to large scale beautiful but it may be tend to be economically more efficient than large scale industries in those industries in which the nature of the technologies or the characteristics of the market put small firms at an advantage over their large competitors.

In industrial revolution, there is change in technical scenario and it has found that increasing the privatization is giving good opportunities to business and industrial sectors.

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