

-Shri Hurkadi Ajja Shikshana Samiti's

Smt. Kallawwa Shivappa Jigalur Arts and Dr.(Smt.) Sushila
Murigeppa Sheshgiri Commerce College for Women,
Dharwad



MICRO PROJECT REPORT ON

**PROBLEMS AND PROSPECTS OF SMALL-SCALE
INDUSTRIES: A CASE STUDY OF DHARWAD.**

Dr. G.M. Yabannavar.

Principal & HoD
Dept of Economics

GUIDED BY

Miss.Nirmala Devadiga
Guest Faculty
Dept of Economics

SUBMITTED BY

1.Chaitra Hatalgeri B.Com. III
2. Ashwini Guddadmth B.Com. III
3. Bharati.Dastikoppa B.Com. III
4. Gangamma.B.Kenganur B.Com. III
5. Soundarya.B.Chalami B.Com. III

6. Mahadevi Gouri B.A. III
7.Bibiaisha Hattiholi B.A. III
8.Ranjeeta.M.Gudihal B.A. III
9.Sudha.Talawar B.A. III
10.Yallamma.Byali B.A. III

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Egeef

AISHE Code : C-8679

Shri Hurakadli Ajja Shikshan Samiti's

Phone : 0836-2436182



**Smt. Kallawwa Shivappanna Jigalur Arts &
Dr. (Smt.) Sushila Murigeppa Sheshgiri Commerce
College for Women,**



Near R. N. Shetty Stadium, Behind Sahitya Bhavan, DHARWAD-580 008

E-mail : shasswcd@gmail.com

Web : shasswcd.org

No. WCD 2020-2021/271CA

Date 06-01-2021

To,
The proprietor
Group of Rukmini Gruha Udyog,
Dharwad

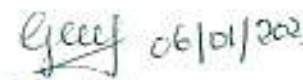
Sir,

The Faculty and Final Year Students of Department of Economics wish to visit the Group of Rukmini Gruha Udyog, Dharwad to know the working of Small Scale and Cottage Industries. It enables the students to understand the problems and prospects of Small Scale and Cottage Industries which is a part of the syllabus. It will help them to gain practical knowledge through this project work.

Kindly consider our request and permit them to visit your Gruha Udyog and provide them necessary information.

Thanking You


RUKMINI GENERALS
#10, Azad Park Road
DHARWAD-01


Principal
S.H.A.S. Samiti's
Smt. K. S. Jigalur Arts and
Dr. (Smt.) S. M. Sheshgiri Commerce
College for Women, Dharwad

Group of Rukmini Gruha Udyog,

Azad Park Road, Dharwad

Cell:9743148535

Ref:

Date:

To,
The Principal,
Smt. K.S. Jigalur Arts and Dr, (Smt.) S.M. Sheshgiri
Commerce College for Women,
Dharwad

Sub: Regarding the Visit for Study Purpose

Respected Madam,

With reference to the above cited subject, we would like to inform you that due to COVID-19 Pandemic situation, we are not able to give permission to anybody to visit our group of industries. But we will provide necessary information to your students by consulting the owners of Small Scale and Cottage Industries over phone to complete the project for study purpose.

Thanking you,

Yours faithfully

RUKMINI GENERALS
#10, Azad Park Road
DHARWAD-01

RUKMINI GENERALS


Proprietor

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PROBLEMES AND PROSPECTES OF SMALL-SCALE INDUSTRY: A CASE STUDY IN DHARWAD DISTRICT

INTRODUCTION:

The small-scale industrial sector constitutes the back bone of developing countries like India. The contribution of small scale sectors to the Indian economy in terms of employment generation, reducing regional imbalances, promoting inter-sectoral linkages, exports, achieving economic growth has been quite impressive. This sector has witnessed a high growth rate since 1947 regardless of heavy competition from the large-scale industrial sector. The rapid growth of the small-scale industries has a great influence in our national economic policies. The expansion of the small scale sector has also enhanced the production of non-durable consumer goods of mass consumption. The yielding period or the development period is faster in the small-scale industrial units. Small unit can be established with relatively less capital and offers more employment opportunities to those who are skilled, semi-skilled and unskilled. This sector is producing more than 6000 products by employing 80 million persons. Its contribution to the country's GDP is more than 8 percent. We have undertaken a study on the "Problems and Prospects of Small industry: A case study in Dharwad district.

DEFINITION OF SSI:

Prior to the enactment of Micro, Small and Medium Enterprises Development (MSMED) Act 2006, SSIs in India comprised Tiny, Cottage, Traditional, Village and Modern Small Industries. These Industries were fragmented across various Ministries/Departments of the Government of India for the purpose of development schemes and concessions. A small scale industry refers to those small entrepreneurs who are engaged in production, manufacturing or service at micro level. These industries are defined and redefined on the basis of investment limit.

REVIEW OF LITERATURE:

G.D.Sharma: (1984), 'How to Start Your Own Small Scale Industry', Vision Books Pvt. Ltd. Delhi. He has observed that, money is the power that turns the wheels of industry. No industry can function for a longer period without the aid of industrial credit.

R.M.Srivastava, (1986): 'Essentials of Business Finance', Himalaya Publishing House, Bombay. He has completed a work to highlight the basic problems which an organization generally a small scale undertakings has to encounter in the field of finance are in respect of the selection of most profitable assortment, assessment of financial needs of the enterprise and the choosing of the best and cheapest means of financing these requirements

B.R.Bhandwale, (1986): 'Role of Maharashtra State Financial Corporation in Financing Small Scale Industries with Special References to Sangli District'. He has attempted to study on Small Scale Industries for their labour intensive, capital saving character coupled with an appropriate technology and institutional support have played less significant role in the process of industrialization.

Vasant Desai, (1989): 'Management of Small Scale industries', Himalaya publishing house, Bombay, an attempt was made to study the problems of regional imbalances and widening unemployment and poverty and development of SSI sector

OBJECTIVES OF THE STUDY:

- To understand the working of Small-scale industries
- To gain knowledge about the advantages and disadvantages of small entrepreneur
- To suggest measures to solve the problems of small entrepreneur

METHODOLOGY

Sampling Size is 20

DATA COLLECTION

- Primary Data: Survey
- Tools : Questionnaire
- Secondary Data: Articles and Website

WHY WE NEED SMALL SCALE INDUSTRIES:

- For Employment Generation
- For Balanced Regional Growth
- For Mobilization of Local Resource
- For Export Promotion
- For Consumer Surplus
- For Development of Entrepreneurship
- For Large Scale Employment with low Investment

PROBLEMS FACED BY SMALL SCALE INDUSTRIES:

Internal Problems

- Faculty Planning
- Poor Project Implementation
- Poor Management
- Inadequate Finance Problems
- Labour Problems

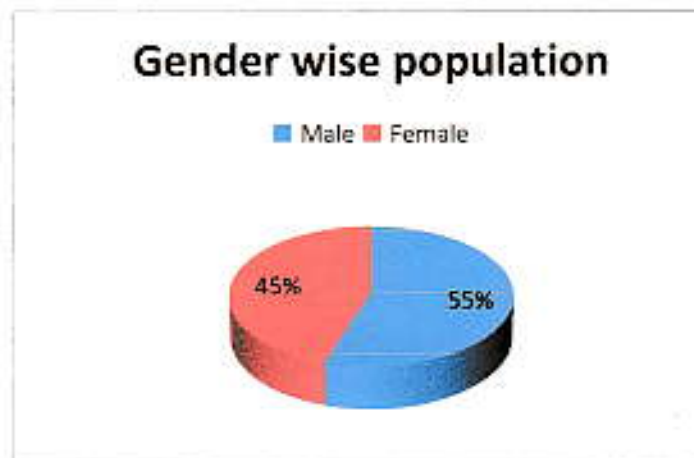
External Problems

- Location
- Power Problems
- Problem of Input
- Market Problems
- Govt. Policy

EMPERICAL EVIDENCES:

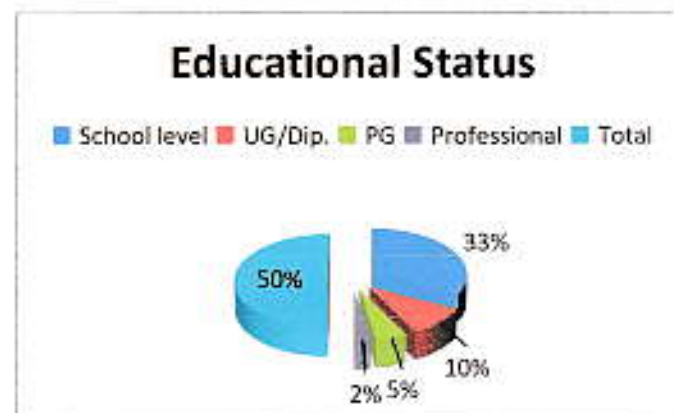
1. Gender wise population:

Particulars	Frequency	Percentage
Male	11	55
Female	09	45
Total	20	100



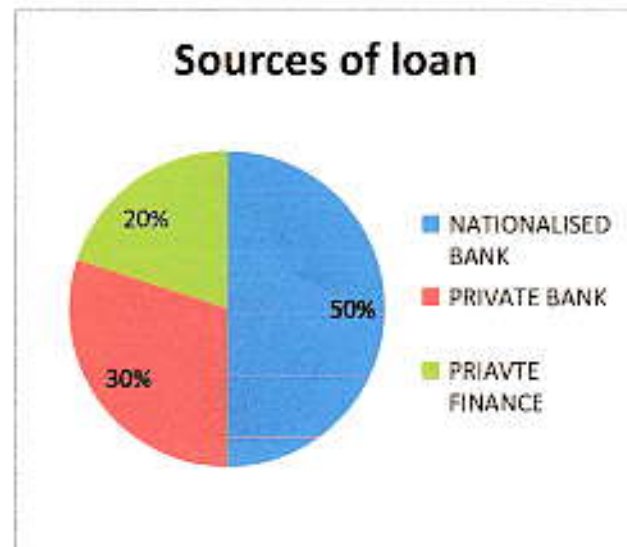
2. Educational Status :

Particulars	Frequency	Percentage
School level	13	65
UG/Dip.	4	20
PG	2	10
Professional	1	5
Total	20	100



3. Sources of loan:

Particulars	Frequency	Percentage
Nationalized Bank	10	50
Private Bank	06	30
Foreign Bank	-	-
Private Finance	04	20
Total	20	100



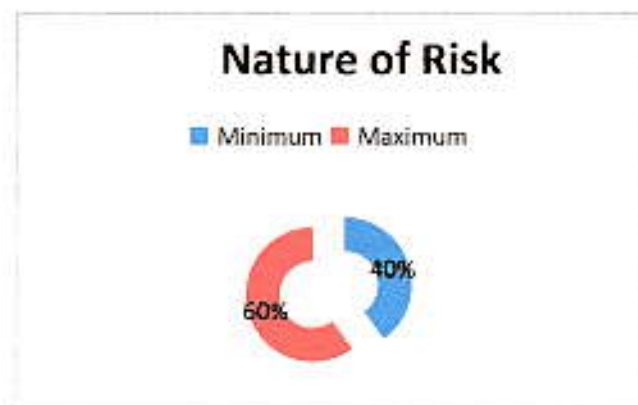
4. Power Supply:

Particulars	Frequency	Percentage
Limited hours	14	70
Unlimited hours	6	30
Total	20	100.00



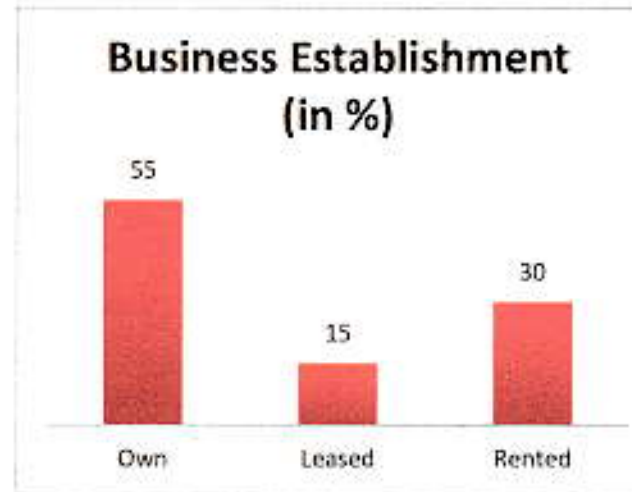
5. Nature of Risk:

Particulars	Frequency	Percentage
Minimum	8	40
Maximum	12	60
Total	20	100.00



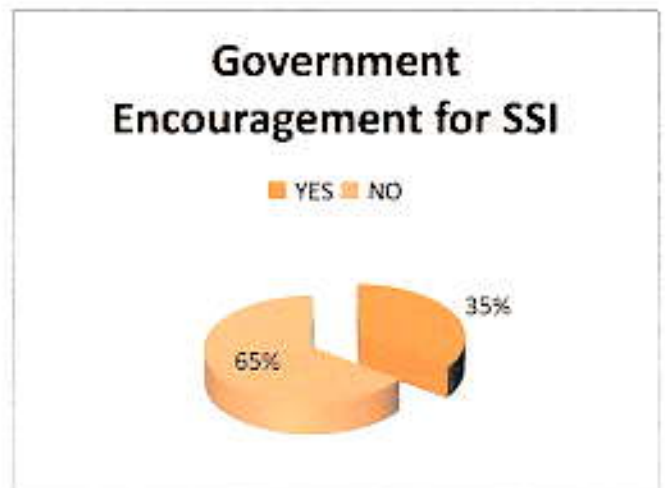
6. Business Establishment:

Particulars	Frequency	Percentage
Own	11	55
Leased	3	15
Rented	6	30
Total	20	100.00



7. Government Encouragement for SSI:

Particulars	Frequency	Percentage
YES	7	35
NO	13	65
Total	20	100.00

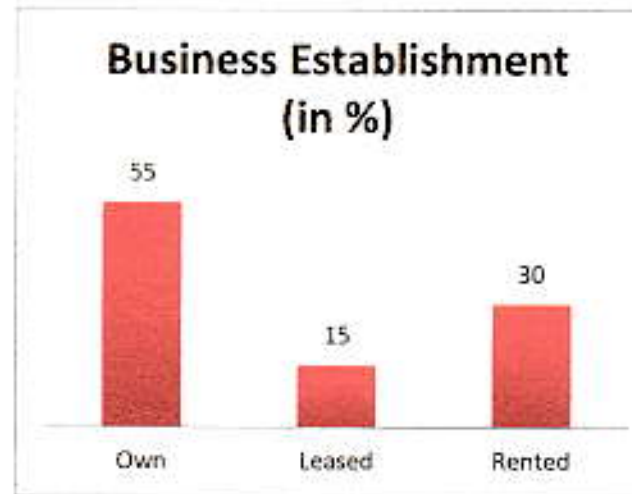


Findings:

- We find that 11 respondents are male and 9 are female.
- We can see that most of the respondents have only School education, 20% of people completed their UG/Diploma education, 10% of people got PG education.
- Most of the small-scale industries in Dharwad area obtained loans from nationalized banks, 30% of the small-scale industries obtained loans from the Private banks.
- In Dharwad area most of the small scale industries opined that limited hours of power supply.

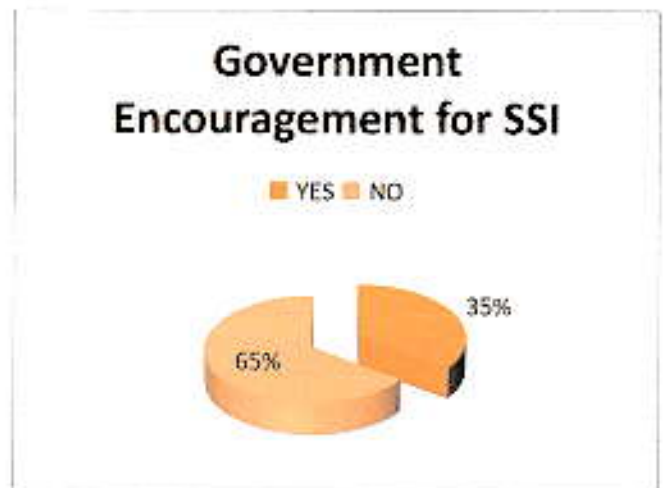
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- In Dharwad area most of the small scale industries opined that limited hours of power supply.

- We find that small scale industries faces maximum risk.
- 15% of the industries are leased industries, 55% of the industries are owned industries and 30% of the industries are rented industries.
- We find that 65% of the industries opined that Govt. encouragement to SSI is very less.

Suggestion:

- Equitable allocation of raw materials, imported components and equipment.
- Improvement in the methods and techniques of production.
- Provision for adequate finance.
- Marketing assistance.
- Provision for industrial education and training.
- Establishing separate suitable machinery with large powers and initiative to tackle different problems of small scale industries of the country.

Conclusion:

Small scale sector has emerged as a dynamic and vibrant sector of the economy. The small scale industries have been playing a very important role in the growth and development of the Indian economy in the term of employment, income etc. In spite of having huge potentialities the small scale industries are still not performing satisfactorily because these industries are facing many problems and various weaknesses. The government should channelize the skills and talents of people into business ideas which can be transformed into reality with small capital investment SSI sectors runs in a path of progress and they will prove them as a one of the most dynamic sectors in the economy.

INTRIEW SCHEDULE

PROBLEMES AND PROSPECTES OF SMALL SCALE INDUSTRY: A CASE STUDY OF DHARWAD.

1. What is your Gender?
 - a. Male
 - b. Female

2. Your Educational Status.
 - a. School level
 - b. UG/Dip
 - c. PG
 - d. Professional

3. The Small Scale Industry loans Obtained from
 - a. Nationalized Bank
 - b. Private Bank
 - c. Foreign Bank
 - d. Private Bank

4. Power Supply to Industry
 - a. Limited hours
 - b. Unlimited hours

5. Which type of risk taken by industry.
 - a. Minimum Risk
 - b. Maximum Risk

6. Business Establishment
 - a. Own
 - b. Leased
 - c. Rented

7. Government Encouragement for SSI.
 - a. Yes
 - b. No