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Impact of Covid -19 on Small Scale Industries

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Introduction

The essentially the small scale industries are generally comprised of those industries which manufacture, produce and render services with the help of small machines and less manpower in small industries. These enterprises must fall under the guidelines, set by the state and national government of India. The SSI's are the lifeline of the economy, especially in developing countries in India. These industries are generally labour- exhaustive, and hence they play an important role in the creation of employment. SSI's under are a crucial sector of the economy both from a financial and social point of view, as they help with the per capital income and resource use in the economy. A create more employment opportunities, the help develop the rural and less developed regions of the economy. the reduce regional imbalances. ensure optimum uses of unexploited resources of the country. improve the standard of living of people. the ensure equal distribution of income and wealth. solve the unemployment problem. attain self-reliance. accept the latest technology aimed at manufacturing better quality products at low-cost.

SSI enrollment is a registration provided by the Ministry of MSME. A business should attain SSI enrollment in order to be eligible for a number of schemes, subsidies and other incentives provided by the Government to such SSI's. SSI registration can be obtained online too. Let's look at the procedure of SSI registration online: review of SSI registration SSI registration is provided by the Ministry of Micro, Small and Medium Enterprises through the Directorate of Industries of the State Government. The main sense behind the SSI registration is to establish new SSI businesses in India. SSI enrollment helps the business to be acceptable for a number of grant given by the authority. We can also get SSI registration online. Eligibility norm for SSI registration SSI registration can be attain for: 1) Manufacturing enterprise 2) Service enterprise For manufacturing enterprise, if the investment in plant and machinery (excluding land & buildings) is within any of the following layer: Micro Enterprises: Investment of up to Rs.25 lakhs in plant and machinery Small Enterprises: Investment of up to Rs.5 crores in plant and machinery Medium Business: Investments of up to Rs.Ten crores in plant and machinery for service enterprise, if the investment in plant and machinery (excluding land & buildings) is within any of the following levels: Micro business: Investment of up to Rs.Ten lakhs in equipment Small Enterprises: Investment of up to Rs.2 crores in equipment Medium Enterprises: Investment of up to Rs.5 crores in equipment If the investment is done within the above-mentioned limits then the SSI registration has to be obtained. Benefits of obtaining SSI Examples and Ideas of Small Scale Industries

- Bakeries
- School stationeries
- Water bottles
- Leather belt
- Small toys
- Paper Bags
- Photography
- Beauty parlours

Objective of Research Paper

- To study the meaning of Small Scale Industries
- To study the importance of Small Scale Industries
- To study the impact on Small Scale Industries

Methodology of Research Paper

The present study paper is purely based on the secondary data which is collected from periodicals, reference books, websites etc.

• Meaning of Small Scale Industries

Small scale industries are those business in which the manufacture, production and rendition of services are done on a small scale. These business make a one-time investment in machinery, plants, and industries, but it does not exceed Rs 1 Crore.

Small scale industries are the business in which manufacture providing benefit, productions are done on a small scale. For example, these are the belief of Small scale industries: Napkins, tissues, chocolates, toothpick, water bottles, small toys, papers, pens. Small scale industries play an important part in social and economic development of India. These business 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. Let us discuss in detail about it.

Ownership: Small scale industries generally are under only one ownership. So it can alternatives be a sole proprietorship or occasionally a partnership.

Management: Generally both the management and the control is with the a person who owns something. Hence the owner is positive way involved in the day-to-day activities of the business.

Labor Intensive: Small scale industries belief on technology is pretty limited. Hence they tend to use labour and manpower for their production activity.

Flexibility: Small scale industries are more accommodative to their changing business environment. So in case of correction developments, they are limber enough to adapt and carry on, unlike large business.

Limited Reach: Small scale business have a restricted zone of operations. Hence, they can meet their resident and regional demand.

Resources utilisation: They use local and eagerly available resources which benefit the economy fully utilise natural resources with minimum wastage.

Employment: Small scale industries are a large source of employment for developing countries like India. Because of the modest technology and resource accessibility, they tend to use labour and manpower for their production activities.

Total Production: These business account for almost 40% of the total production of goods and services in India. They are one of the main reasons for the growth and establish of the economy.

Make in India: Small scale industries are the best examples for the Make in India initiative. They core on the mission to manufacture in India and seles the products comprehensive. This also helps organize increase demands from all over the world.

Export contribution: India's export industry majorly relies on these small industries for their advancement and development. Nearly half of the goods and services that are exported from India are manufactured or produced by these industries.

Public Welfare: These industries have an convenience to earn wealth and create employment. Small scale industries are also important for the communal advancement and development of our country.

• Importance of Small Scale Industries :

1. Small Scale Industries Provides Employment

Small scale industries uses labour intensive techniques. Hence, it provides employment contingency to a increase number of people. Thus, it lower the unemployment problem to a considerable extent. Small Scale Business provides employment to builder, technicality accomplished persons and professionals. It also provides employment opportunities to people matched in conventional arts in India. SSI accounts for employment of people in rural sector and dislocated sector. It provides business to skilled and unskilled people in India. The business capital ratio is high for the SSI.

2. Small Scale Industries Facilitates Women Growth

It implement employment connection to women in India. It advertise entrepreneurial skills among women as special encouragement are given to women entrepreneurs.

3. Small Scale Industries Brings Balanced Regional Development

SSI promotes distribute development of business as most of the small scale industries are set up in rearward and rural areas. It removes local disparities by motorize rural and backward areas and import balanced local development. It promotes urban and rural advance in India. It helps to decrees the problems of overpopulation, slums, sanitation and pollution in municipality by providing business and income to people living in rural areas. It plays an important role by begin the government to build the infrastructural facilities in rural areas. It helps in developing the classic of living of people inhabit in suburban and rural areas in India. The entrepreneurial capability is tapped in different regions and the income is also distributed instead of being potent in the hands of a few entity or business families.

4. Small Scale Industries Helps in Mobilization of Local Resources

It helps to mobilize and employ local resources like small accumulation, entrepreneurial expertise, etc., of the entrepreneurs, which might differently remain idle and unrealized. Thus it helps in adequate utilization of resources. It paves way for promoting traditional family skills and achievement. There is a great demand for handicraft goods in external countries. It helps to develop the growth of local entrepreneurs and self-employed specialist in small towns and villages in India.

5. Small Scale business brick for atomization of Capital

SSI requires less capital per unit of productivity. It provides quick return on investment due to shorter incubation period. The pay back behind period is actually short in small scale industries. SSI functions as a maintain force by providing high output capital ratio as well as high employment capital ratio. It build up the people alert in rural areas and small towns to mobilize fund and channelize them into business activities.

6. Small Scale Industries Promotes Exports

SSI does not require disenchanted machinery. Hence, it is not necessary to import the machines from away. On the other hand, there is a high demand for goods produced by small scale sector and developing in business. Thus it decrees the pressure on the country's balance of payments. SSI earns valuable external exchange through exports from India.

7. Small Scale Industries Complements Large Scale Industries

SSI plays a correlative role to high scale sector and supports the large scale industries. SSI provides element, ingredient, adornments to large scale industries and meets the compulsion of large scale industries through setting up units near the high scale units. It serves as asteroid to large Scale units.

8. Small Scale Industries Meets Consumer Demands

SSI produces wide area of products needed by consumers in India. SSI meets the demand of the consumers without design a shortage for goods. Hence, it serves as an anti- evolutionary force by providing goods of daily use.

9. Small Scale Industries Ensures Social Advantage

SSI helps in the improvement of the society by reducing absorption of income and property in few hands. SSI provides business to people and macadamize for self-reliant alert. SSI helps the people living in rural and rearward sector to participate in the process of development. It boost equality and self-governance.

10. Develops Entrepreneurship

It helps to develop a class of business in the society. It helps the job claimant to turn out as job givers. It advertise self-employment and courage of self-reliance in the society. Development of small scale industries helps to developing the per capita income of India in various approach It facilitates development of backward areas and weaker sections of the society. Small Scale Industries are capable in conduct national income in more capable and stable manner among the diverse participants of the society.

• Impact of Small Scale Industries :

Modern nightmares like COVID-19 are being faced across the planet, which has left the whole community muddled and in the grasp of how one epidemic has halted the nation. This deadly epidemic has spread over about 195 nations, and has been labeled a pandemic by the WHO. This virus also presents a significant challenge to the increasingly fragile global economy. There is little question that the sputtering Indian economy in the past six years has been rising at one of the lowest rates. Right still, several industries are devastated by a fresh collection of economic problems raised by the virus. It is a well-known reality that in the global supply chain, China plays a very crucial position for India and its MSME industry as well, this industry is largely dependent on China for its raw material. For eg, Indian drug makers import almost 70 per cent of their ingredients from Chinese factories and Chinese products worth \$30 billion. As a consequence of the full Chinese shutdown and partial Indian shutdown, different concerns involve export declines, stoppage of production, unavailability of jobs, demand instability and liquidity constraints on the industry. network market of SME's will also be impressed by the corona pandemic (Mahajan, 2020). appropriately, 70 million dealer in India and the extent of them are MSMEs are CAIT. The Confederation of All India Traders (CAIT).

The business control in India is valued at about Rs 380 lakh, with a large strike of Rs 12 crore 90 lakh in the chemical industry. Tiny, SMEs are the sector hush in boundless anxiety due to domestication, then due to badly accomplished GST accompanied by sustained stagnation, and the largest of all – COVID-19 – which in this specific region authorize damage the impasse further. After the COVID-19 pandemic in India has already reached the second stage and as many experts claim, we will very soon reach the third stage involving a cluster-to-community spread. One thing is adequately positive while the nation is locked down to 3 May that the MSME will strike as many as achievable and that the troubled economy will leave many workers unemployed and will forever carry thousands of manufacturing outlets to a halt. In India, over 75 million MSMEs now operate, and almost 25 thousand of those businesses risk closure, the lockdown enforced by the AIMO is about four weeks longer and an astounding 43% shuts off if a crisis stretches beside for more than eight weeks. MSME is the pillar of the Indian economy and one of the main sectors that have helped a spring and boundary economy to develop. One of these difficult stages is the industry, which provides more than 114 million citizens with work and contributes over 30% of GDP, so decisive intervention is expected. Given the widespread havoc of the COVID-19, a constant monitoring system is required by the government and urgent relief steps should be announced to improve trust in this very analytical business which has been humbled by the government's bewilder of disturbances. To regenerate the consumer economy, a financial catalyst assortment is needed. A number of reform initiatives were adopted by countries such as the USA and China in order to preserve the COVID 19 MSMEs. The complete shutdown posed a lot of concerns, especially as these businesses are not cash-intensive enough to wait for the crisis. That's why he said work cuts. A new study for "small and medium businesses" in manufacturing shows that, once their company is suspended, only 7% of them would be able to live with their cash in their hands for about three months. The deficit of jobs available is a giant fence to renew now. The government would have a long time to do its part otherwise, otherwise it will be too late to reverse the error. Indian start-ups and SMEs are among the worst hits to control the spread of COVID-19 as a result of a sudden pause in economic operations during the national lockdown. About 80% of start-ups and small and medium-sized companies in the country plan their activities either to decrease or to shutter or to sell off in the next six months. According to a survey of local circles, 47 percent of start-ups and small- and medium-sized businesses in India are left with less than one month of cash and several of them have already run out of money.

The analysis, which was attend in over 90 Indian districts, acquire over 13,970 feedback from small firms, including start-ups, SMEs and entrepreneurs. In comparison, 24% claimed cash would only be available for up to three months and 23% only for up to six months. Just 6% of entrepreneurs and small companies have registered being insured for more than six months. The loan appropriated by the kirana stores complete government arrangement like mudra loans (Mahajan, 2019) will be difficult to repay. The CSR activities of the SME's will also be affected (Mahajan, 2018). The COVID-19 epidemic has flooded industries across the globe, with some businesses impacted more than others. The shutdown that was introduced to combat the epidemic has made several businesses cash-dry, as business growth has ground to a halt as their profits unexpectedly slows down. Start-ups and small and medium-sized businesses in India have reached out to the government for assistance with the ongoing crisis. They submitted numerous applications through Local Circles, some of them repaying 50% of startup employees' salaries for one month, or granting one-time Rs 20 lakh registered startups. In March, the financing of Indian start-ups dropped by more than 50 percent. confer to data from Venture judgment company market private detective, they heightened around \$354 million in 34 deals in March 2020, which is less than half of the \$714 million generated in February in 46 deals. More than a dozen entrepreneurs have requested danger debt companies to fund their loans over a longer period of time than initially negotiated, as was stated earlier this month. The study stated that those in industries that have been affected hardest by the pandemic – leisure, lodging, transport and also the distribution companies – have demanded up to 6 months longer than initially expected.

Conclusion:-

Small scale industries in India have provided employment opportunities to a large number of communities. It is seen that small scale industries are working hard to move our country from unemployment to development. The Government of India needs to make an effort to give the small scale industry the direction it needs due to the epidemic of covid-19 on the small scale industry. It is necessary to keep small scale industries functioning in India. during the COVID-19 era all the SME' are struggling. Their colossal problems have been dismiss demand and cracked supply chain. Yet there is hope for the objection. After the earth achieve, SME's find it necessary, with time to break aggressive, to emerge and appear. The feedback to this affair include the introduction of conservation procedures, cleanliness and sanitization methods, an updated sourcing policy, the incorporation of new vendors, the streamlining of their product briefcase, a higher compassionate assessment of inventory chain flexibility, an reasoning of difficulty management arrangement. In this advance SME's can brave with the coronavirus pandemic.

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