

# Management of Small Enterprise in North Karnataka

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## Abstract:

The common of that, conversely, was transported to the three new shaped Replacement Assets, positioned in Calcutta, Bombay, and Madras. The Small Scale Industries and treasury constant to lend money to the function Small Scale Industries s but on a more constricting base. The smallest equilibrium now certain under the Presidency finance Small Scale Industries s Act was appropriate only to the Small Scale Industries fundamental functions. The speedy growing of the function Small Scale Industries s originated to an sudden stop in 1886, when a innovative member of legislature, the Function Small Scale Industries s Act, located all three Small Scale Industries s below a public contractand a shared set of limitations. As portion of the legislature, the British majestic govt offered up its possession dangers in the Small Scale Industries s, though they continuous to afford a quantity of facilities to the management, and booked some of the administration's treasurer investment.

**Key Words:-** Small Scale Industries , Small Scale Industries ing, Treasury, Economic Development, Performance and prospects

## Introduction:-

In the year 20<sup>th</sup> century Indian financial system was developed a crowd of original appearances, and predominantly overseas financial

institutions and Small Scale Industries sanctioned to conversion money. The development of financial Small Scale Industries sector are growth of local Small Scale Industries in chance produced a necessity for a greater 'financiers'. At the similar period the Indian administration took expanded its foreign related and currently obligatory a more national investment institution. These issues controlled to the result to amalgamate the three function Small Scale Industries hooked on a innovative distinct and federal investment organization the Imperial Small Scale Industries of India.

Produced in 1951 the Imperial Small Scale Industries of India looked to install a different era in India's history concluding in its announcement of individuality after the British Territory. The Imperial financial Small Scale Industries appropriated on the character of fundamental Small Scale Industries for the Indian government, whereas substitute as a financiers Small Scale Industries for the increasing Indian investment segment. At the similar period, the Imperial Small Scale Industries, which despite its character in the administration monetary construction continued self-governing of the administration approved on its own profitable Small Scale Industries ing processes.

### **OBJECTIVES OF THE STUDY**

1. To analyse the impact of these measures on the beneficiaries in particular.
2. To assess the overall situation of industrial development of North Karnataka district.

3. To study resources position available in the district for further growth of the region.
4. To offer suggestions in the light of findings.

### **LIMITATIONS OF THE STUDY**

Though the resources seen sufficient enough to achieve high standard for this research, still the researcher foresee the following limitations of the study:

1. The sector is very vast and it was not possible to cover every nook and corner of this sector.
2. The variability and availability of the data was also a limitation.
3. The data were linear and possessed multi co linearity, so each and every data was not considered for analysis.

### **Key Dates:**

In the year 1806 Small Scale Industries of Calcutta first foreign type of Small Scale Industries ing in India.

**1809:** The Small Scale Industries collects a contract from the imperial administration and deviations its appellation to Small Scale Industries of Bengal.

**1840:** A associated finance companies, ie Small Scale Industries of Bombay, is designed.

**1843:** One more associated finance company (Small Scale Industries ) is made: Small Scale Industries of Madras which composed with Small Scale Industries of Bengal and Small Scale Industries of Bombay developed recognized as the function Small Scale Industries s, which had the correct to problem money in their states.

**1861:** The Role Small Scale Industries s Act receipts absent money delivering freedoms but suggestions inducements to instigate speedy growth, and the three financial institutions Small Scale Industries s open nearly 100 subdivisions between them by the year 1870.

**1876:** The establishment of Dominant Reserves trimmings the development point of the role Small Scale Industries s.

**1921:** The role Small Scale Industries are compound to procedure a only object Imperial Small Scale Industries of India.

**1955:** Nationalized Small Scale Industries s in India outcomes in the development of the State Small Scale Industries of India, which then develops a principal influence on overdue of loan in the nation's manufacturing, cultivated, and nation expansion.

**1969:** The Indian government establishes a monopoly over the Small Scale Industries ing sector.

**1972:** SBI inaugurates contribution commercial financial facilities.

**1986:** SBI Investment Markets is produced.

**1995:** SBI Profitable and Worldwide financial Small Scale Industries Ltd. are inaugurated as portion of SBI's stepped-up worldwide investment processes.

**1998:** SBI inaugurates recognition postcards in corporation with GE Investment.

**2002:** SBI classifications 8,000 divisions in a enormous knowledge employment.

**2004:**A interacting exertion influences 5,000 subdivisions.

## Performance and Prospects of Small Scale Industries for Economic Development of North Karnataka

In the country, the attention of the economic insertion at existing is restricted to confirming a smallest admission to a investments in Small Scale Industries explanation deprived of accompaniments, to all. Worldwide, the monetary attachment has stayed observed in a considerable broader outlook. Consuming a recent version savings explanation on its individual is not observed as an correct pointer of economic attachment. 'Financial Inclusion' determinations would proposal at a smallest, admission to a variety of economic facilities comprising investments, extended and small term acknowledgment, assurance, incomes, hypothecations, currency transfers etc.and all this at a sensible price.

### ECONOMIC DEVELOPMENT:

Economic development is a process of increasing the real national income of the country over the period of time. It implies improvement in the material welfare of the masses by bringing about a change in the existing pattern of their standard of living. It aims at improving the quality of life of the people by generating employment and raising the productivity by enchasing the use of modern technology and by supplying the essential commodities necessary for comfortable living. It relates to the activity of developing and conserving the available resources in land, men and material for enhancing the quality of life of the community. Economic development is thus a process of development resulting in the advancement of community towards the attainment of certain specific goals.

The objectives of economic development are:

- a. Rise in national and per capita income.
- b. Improvement in the skill, efficiency and earning power of labors.
- c. Better organization of production.
- d. Development of social overheads.
- e. Growth of financial institutions.
- f. Rise in the standard of education and expectation of life.
- g. Greater leisure and recreational facilities.
- h. Widening the mental horizon of the people.
- i. Removal of unemployment and poverty.
- j. Reducing inequalities of income and wealth distribution.
- k. Bringing about a total change in the socio economic scenario in the country.

## ECONOMIC FACTORS:

### 1. AVAILABILITY OF NATURAL RESOURCES:

The economic development of any country is largely determined by the availability and the use of its natural resources. The quantity and quality of natural resources affect vitally the process of economic development of a country. A country's productive capacity largely depends on the availability of natural resources. However, mere availability of natural resources is not enough. A country may be rich in natural resources. But if these natural resources are not properly used, economic development may not be possible. Natural resources are in themselves passive in their influence on economic development. They remain dormant and largely unknown till such time as the general culture including technology reveals their use value. They

acquire their dynamic character largely through changes introduced by man. India provides the instance where plenty of natural resources are available but they have not been properly harnessed, there by causing poverty to stay longer amidst plenty – a highly paradoxical situation. The type and level of technology determine the use and contribution of natural resources to economic development.

## 2. CAPITAL FORMATION:

Capital formation is the core of economic development. It is the essential condition of economic development. By capital formation we mean the amount of capital the community adds to the existing stock of capital during a given period, generally one year. Every community has some capital and it makes addition to it every year. This process is also known as capital accumulation. Capital does not imply only money capital but also capital in the form of real assets such as plant, machinery, building, etc.

Capital accumulation therefore implies the creation of real assets. Capital formation depends mainly on savings. Savings can be increased by restricting consumptions. Higher the rate of capital formation, speedier is the rate of economic development and vice-versa. The capital formation is of a vital importance in developing countries as it helps in breaking the vicious circle of poverty. Capital formation results in investments leading to generation of employment and income. This drags people out of the vicious circle and enables them to participate actively in the furtherance of development of the country.

## 3. CAPITAL – OUTPUT RATIO:

Another important determinant of economic development is the capital-output ratio. It may be defined as the relationship of investments in a given

economy or industry for a given time period to the output of that economy or industry for a similar period. The capital – output ratio shows the productivity of the capital. It shows the rate at which the production increases due to the growth of capital investment. A lower capital – output ratio results in a higher rate of growth of output. since the productivity of capital is determined by a number of forces, it is rather difficult to measure accurately the capital-output ratio. In an underdeveloped country the capital-output ratio starts declining. This is the sign of decreased productivity. The capital-output ratio depends on such factors like degree of technological development, the efficiency with which capital equipments are handled, the quality of managerial and organizational skills, the existence and extent of use of economic overheads and the pattern of rate of investment.

#### 4. TECHNOLOGY AND RESEARCH:

Technological advancement enhances the ability to make maximum use of available natural resources. Industrialization is the key stone of economic development, the rate of growth of which depends heavily on the technological advancement. Technology theatres a vital role in the monetary expansion of a country. The American economic development since 1900 is mainly due to the technological advancement that the American economy could make over these years.

#### 5. DYNAMIC ENTREPRENEURSHIP:

It is the dynamism and the creativity of the entrepreneurs in the country which promotes economic development. An entrepreneur acting a vital role



in the monetary enlargement. A dynamic entrepreneur believes in adopting new technology and improved methods of production for time to time. This itself is the greatest contribution to the economic development.

#### 6. RATE OF GROWTH OF POPULATION:

The size, composition and ratio of growing of populace also determine the level of economic development in any country. When population is too small, it reduces the scope of specialization and does not provide proper market for the goods produced. If population is too large, it becomes a hurdle in the monetary progress of a country. A higher rate of growth of population reduces the per capita income by swallowing the increases in the national income. Economic development gets retarded with faster growth of population. The evil consequences of the rapidity of the growing population are scarcity of food, increased number of unproductive consumers, labor inefficiency and reduction in the per capita income. The phase of development is slowed by rapidly growing population.

#### 7. SOCIAL OVERHEADS:

The provision of social overheads also has an important bearing on economic development. In the furtherance of development we need some critical skills. These skills will have to be developed within the country. For this purpose we must provide public expenses like departments, schools, methodological establishments, therapeutic universities, infirmaries and municipal fitness amenities. These overheads supply healthy, efficient and responsible citizens who would contribute to the economic development of the country.

## NON- ECONOMIC FACTORS

Non economic factors like social, political and other factors likewise subsidize to the economic expansion of a nation. These include factors such as social institutions and their characteristics, urbanization, social reforms, functioning of the government, maintenance of the law and order, social justice and the desire for development. A change in the economic order is a function of non economic factor too. The existences of social institutions like caste, joint family and law of inheritance have hindered the rate of growth of development of the economy in the initial stages of development. Still these factors are predominant in rural India. Good government and social peace are essential for economic development.

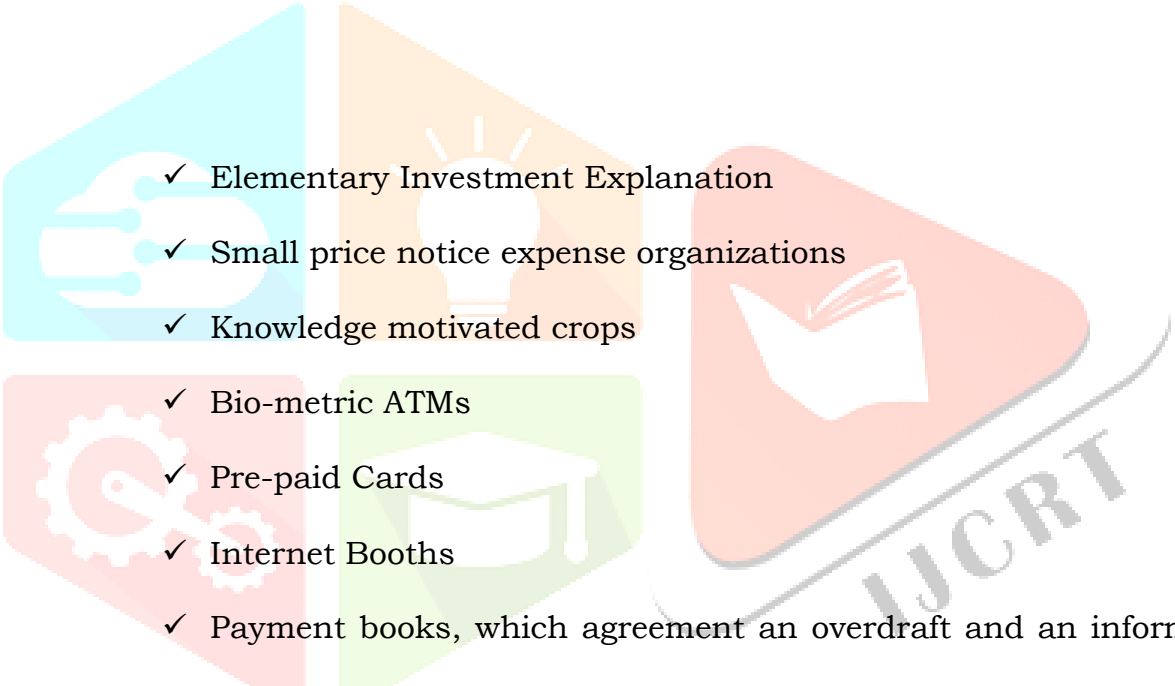
The most important of the non-economic variable is the “desire for development” / “developmental attitudes”, unless people have a strong will to develop and participate actively in the program of development, economic development would remain a distant dream.

## ROLE OF SBI THE WAY FORWARD:

Private Properties Study designated that in 2011/12 around were 2.3 billion families short of a Small Scale Industries explanation of any nice, covering from place to place 3.1 billion children. The Indian families can be approximately separated in to binary central collections, rustic and urban. To have operational monetary connection, the Small Scale Industries s want constantly convertible in attentiveness these impartial groups and conveying

them to investment double in such a method that it is a win win condition for together. Marketable groups can footstep in to supplement monetary attachment in double behaviors (i) providing investment and additional connected facilities and (ii) as long as non-Small Scale Industries ing amenities and sustenance to confirm Small Scale Industries ing amenities are smart to persons with low profits, finance goods necessity have structures that run into the requirements of this collection of customers.

The Small Scale Industries s obligate to progress:

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- ✓ Elementary Investment Explanation
  - ✓ Small price notice expense organizations
  - ✓ Knowledge motivated crops
  - ✓ Bio-metric ATMs
  - ✓ Pre-paid Cards
  - ✓ Internet Booths
  - ✓ Payment books, which agreement an overdraft and an informal direction to obligation.
  - ✓ Reasonable assurance goods
    - For persons
    - For commercial innovativeness
    - For Agro actions such as, climate/ steers/rooster

✓ Marketing Advances at all insides by complex certification and events finished:

- Nature Assistance Clusters
- Micro Investment Organizations
- Advances to Minor Average Innovativeness

❖ Openhanded recommended facilities

As soon as the groups need approximately obvious on the assortment of crops, they necessity convert it to uniform the client as per environmental area, technique, and method to be accepted.

RURAL AREAS:

India has a rustic people of around 874 billion with restricted or no contact to economic facilities. The office of investment method actually is not identical applied owing to the massive price of inaugural the subdivisions concerning capacities estimated, high prices of processes, education, obtainability of alternative stations in country interiors, etc. Additional, monetary addition finished subdivision system might unfavorably touch consumer amenity at divisions outstanding to improved circulation and greater statistics of persons to be joined to inside the inadequate entrances of finance. Consequently, the groups resolve to deliver skill motivated foodstuffs such, ATMs, internet booths for effectively employing economic attachment. The engrossment of Clusters and small Economics establishments is correspondingly necessity for expansion of

actual monetary attachment reproductions by marketable groups. In the situation of India attractive one of the major small business bazaars in the creation, particularly in the part of females' investments and recognition clusters and the supporting achievement of such organizations as established by the achievement of other financial services in divisions of the state, small price investment is not automatically an impracticable proposal.

#### URBAN AREAS:

Conflicting to standard conceptions of a primarily rustic India, an growing proportion of Indian populace exists in the town parts. Terminated the previous fifty centuries, whereas the nation's populace has grown-up by 3.5 periods, in urban parts it has developed by six times. Extraordinary occurrence negligible occupation and town scarceness as replicated in 51 of NSS open that 58.8 billion town persons existed under the shortage line. In malice of its projecting person in Indian reduced, town India outsiders thoughtful difficulties in line for to populace compression. Affording to an assessment, almost one third of the city India exists under deficiency mark. Around 25 out of a hundred of the residents do not obligate admission to innocuous consumption rainwater and around 60 out of each hundred are not enclosed by clean services. In this environment, groups essential to deliver monetary facilities which have to comprise investments, recognition, assurance, hire, currency transmission, impartiality operation etc. to monetary requests, lifecycle financial occasions and alternative with the only requirement that (i) business assessment is lesser clients are deprived. For Small Scale Industries s can deal the similar creation assortment as in country parts and can similarly deliver smooth cards such as pre-paid cards

or refill capable cards. This method knows the near reciprocal relations among shortage and deficiency on the unique pointer and existence impotent to invention and use suitable monetary produces and facilities on the further.

The Small Scale Industries s necessity recommend on:

- ✓ Decreasing the weakness of low revenue relations to monetary eliminations.
- ✓ Stop them from attractive ended obligated or to boost them obtainable of insufficiency.
- ✓ Educating contact to from top to toe excellence conveniences for the maximum underprivileged assemblages and personalities in country groups.
- ✓ Handling problematic obligation and the additional intertwined problems that persons frequently aspect.
- ✓ Fortification from advance double-dealers. Statistics around somewhere to go to grow skilled assistance when persons are in trouble.

Occupational connected subjects such as finest assurance transactions, obtainability of fresh measurable, vegetable and equipment, agro contributions, serving in creating advancing and diffident associations, on condition that evidence on numerous marketplaces native as glowing as overseas and provided that promotion involvements to deliver overhead stated facilities, Small Scale Industries s determination must to reorganize and appearance for IT allowed provision benefactors such as, collaborating

internet stands, help counter at planned positions, anywhere desirable operated Kiosk, and receiver help defenses call centers.

## SBI'S INITIATIVES FOR FINANCIAL INCLUSION:

Objective of Small Scale Industries in the current era framework is to guarantee monetary addition of the entire populace regardless of parts and areas. The significant interrogation is growing outreach and developing dissemination. There are double traditions of exploit:

- i) Mortar rustic subdivisions,
- ii) Subcontracting all the occupations to a professional communicator in a specific zone, viz.,
  - a. In local level
  - b. State level

Commercial implementers at a indigenous equal. Economic attachment is the 'SBI Small project', which can in guileless footings be clear as a "Small Scale Industries in a Container.

## PERFORMANCE HIGHLIGHTS CORE OPERATION OF SBI:

### 1. GLOBAL MARKETS

Trust with its incorporated method to all capital undertakings in several arcades in dissimilar period regions i.e., Interest Charges, Silver, Impartiality and Different Properties, the Small Scale Industries restructured its Capital Processes into International Market A original contemporary Production Area with connected connectivity to all vigorous

share concentrated Divisions crossways the republic was installed at Business Centre in Mumbai with amenities corresponding the finest in the business. This capability confirms incessant accessibility of flea market resolute merchant Small Scale Industries ing charges rates to clients. The Small Scale Industries expanded its interchange movement to Impartiality and Mutual Fund collection to encase the occasions obtainable completes the floating principal marketplaces throughout the financial year.

## 2. WHOLESALE SMALL SCALE INDUSTRIES ING GROUP

Small Scale Industries Comprehensive Investment Collection contains of three Calculated Occupational Components viz., Business Financial records Assemblage, Development Investment & Rental and Strained Possessions Administration Collection. The Group has newly thrown the Comprehensive Investment Creativity to connect the SBI Group interaction for the assistance of the business clientele by on condition that those with a One Break Workshop ability for all their investment requirements. The creativities aim at as long as complete, modified and particular finance explanations to the company thereby attractive Small Scale Industries s portion of trade with them.

## 3. PROJECT FINANCE & LEASING SBU

Assignment investment Small Scale Industries concentrate on lending finance to the industries like builders, contractors, power industries, spare parts industries, industries located on special economic zones. And Small Scale Industries also concentrated that non infrastructure industries



with the minimum costs. During the year the Small Scale Industries the project loans of R. 1,02,876crores and achieved the target of Rs. 67,987 in the year 2014-15. For nationalized Small Scale Industries like SBI achieved the target what the management is given and easily customer attract the Small Scale Industries loan system for low interest and Govt schemes and subsidies etc.

#### 4. MID-CORPORATE GROUP

Mid corporate Group has been enormously positive in inviting the commercial of Mid Company elements finished association organization and earlier recognition handling.

##### INITIATIVES TAKEN

- Help Desks must stood produced at two Local Headquarters, Mumbai and Chennai.
- Openings existing for syndicating occupied investment services.
- Development Money Compartments have been set up in Chennai and New Delhi Areas.
- Given branch power to sanction loans upto 25 lakhs to small industries.
- Help taken from CEDOK and DIC for sanctioning of loans.
- Recommendations and suggesation are accepted from State Govt.

##### NEW PRODUCTS

- Construction Paraphernalia Loan

- Mobilization advance loan for reputed builders
- Contractor and contractor loans
- Agreement loan for industries owners.
- Purchase of machinery loans to industrial owners.
- Heavy Vehicle loans

#### CONCLUSION:

True to its tradition, State Small Scale Industries of India has a strong commitment to fulfill the aims and objectives of nationalization. It still considers the customer as 'Master'. It murmurs silently with a feeling of self-satisfaction. At the time of nationalization the socio-economic objectives were explicitly laid down and the Small Scale Industries were asked to contribute to the maximum possible extent towards economic and social development of the country. It was realized that the traditional Small Scale Industries' ethics were not compatible with the needs of economic development and that balanced development was not possible without strengthening the hold of commercial Small Scale Industries in the backward and neglected areas. Various developments taking place in Indian economy are influencing Indian Small Scale Industries in a major way. The major contributors towards the economic development is Small Scale Industries' sector by way of financing major projects like construction of building, laying down roads, etc. as well as major projects like providing finance to small scale industries, partnership firms, cottage industries, poor artisans, etc. Small Scale Industries being a leading public sector Small Scale Industries also initiated a number of measures to respond to the changes taking place in the economy and Small Scale Industries. Launching of various services in itself is no business objective; successful positioning and resultant positive response from the consumers determine the extent of success of the services that ultimately leads to economic development. Because the role of commercial Small Scale Industries in the economic development involves a great amount of invisible delivery,

monitoring and further planning to improve them became a very challenging task.

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