CHAPTER – 1

INTRODUCTION, DEFINING THE PROBLEM AND RESEARCH METHODOLOGY.

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1. Introduction, defining the problem and research methodology

Introduction:

Any small scale Industries or any small scale success is depending on the impressive and efficient operation across the fast growing world. India LPG policy boosting most of the small scale industries to flag the positive signal in domestic as well as across the international borders. 21st century we don't have any option to move into International market to get positive balance sheet and exchange the technology with the world. Indian government policy are working to make more simpler and effective communication so that more and more Small Scale Industries get attracts towards globalization. With the recent survey we understand small scale industries are facing huge competition and lack of confidence when we talk about globalization and international market.

Generally, any industries introduce them self in international market to achieve basic objective like

Positive Balance sheet / to get more profit

Fulfil customer requirement and satisfaction

Develop and grow corporate image

Capture more global market share

Exchange of product technology

So that these industries can sustain into market for longer terms.

1.1 International Business.

International Business is defined as “Any Commercial transaction taking place across boundary line of a sovereign entity” – (1)

Getting into international market should have concrete planning with long term goals and objective. To define the correct market for correct product need to have basic study about the cross culture and tradition. Industry need to be aware about international symbols meaning and their impact on advertisement, promotion campaign. Given scenario some of
the country white color is used as a symbol of peace where many countries use white color as a symbol of sadness. Some countries campaigns using female models are restricted whereas some countries like India the advertisement of liquor / cigarettes / conic is a crime.

Upcoming investment and growth: Globally government policy has drafted in such a way so that it will boost industries to investment heavily however respective government ensuring to create a proper enrich environment which help to grow small scale industries very effective and profitable manner. The way Medium scale industries are growing and moving towards large scale industries sector, the ratio of small scale to Medium scale industries need to run toward given direction. India has already open its investment as foreign direct investment policy. It would help to gain more business to growth them as per global market requirement. Indian MSME policy are drafted in such a way which always favor in small scale industries, means policy are always bound to make sure compulsion on medium and large scale to buy few percentage of raw material or basic required product from small scale industries.

Government investing lot of time and money to develop more leadership by way to training, advertising and sponsorship. They promote and encourage small scale industries to fly international with government subsidiaries ticket and spending.

1.1.1 Importance of packaging in International Business.

Packaging is significance aspect of any industries to grow and sustain in market. Good packing is not only helping the products to safe the goods but also it’s playing important role to understand information about the product. In today information and technology world sharing technology along with accurate information is mandate. In India legal metrology is playing vital role to come out with mandate information regulation act on packaging. Packaging may contain information about nutritional and ingredients about the products. Potential customer make their purchase or buying decision on base of given information. This information help to sell the product without intervene of shopkeeper or any other customer service executive. Packaging help to differentiate brand of products easily as packaging content logo, company information, company name as well as some of
the company packaging color work as their brand. As brown color work as UPS brand, Woodland shoe are always in brown or woody in color and red label tea always found in package of Red color. So packaging with branding is more important to recognize and to make the purchase decision. If any patron enter into mall so he can make his decision quickly to pick red color pack which is consider as red label tea.

Small Scale industries are producing most job opportunity in the economy so we need to focus and more attention to grow up in international fashion with help of desire packaging. With this great opportunity effect it is very critical that the specific tool are developed to help policymakers and SSI business owners achieve sustainability. As per current status there are no such operational framework available in Indian industries to serve his purpose. We need to understand and define small scale industries problem with correct frame, as currently they define in very poor manner.

1.1.2 Marketing and exports.

Small scale industries having signification share in domestic market. Inspite of the large domestic market products marketing is always been a major challenge for small scale industries. Small scale industries promotion with help of cooperative/ public sector institution or any other specialized or professional marketing agencies will sustain SSIs for long run growth. Incentive and tax holiday should be drafted as back up support.

Government now realized the necessity more deepen and widen complementarily in production schedule of small scale industries units. Center driven National Small Industries Corporation (NSIC) would be concentrate on marketing of major or mass consumption item under single umbrella and single brand name. Small Parts, Sub-assemblies, spares, components, supportive equipment etc needed by large Industries sector (Public / Private) would be very much encouraged for production thru Small scale units. Production would be in techno economically viable manner. Various Industries association need to come forward and encouraged to plan out sub-contracting exchanges with large scale organization. The Small Industries Development organization (SIDO) which is national development agency of India and it is vital and major part of Ministry of SSI of the
Government of India which was set up in 1954. Its provide support services to SSIs throughout the country by Implementing a wide range of activities program like entrepreneurship development, R & D etc.\(^{(2)}\)

Packaging is very critical segment of food processing industries operation as well as preservation, as food articles need to have good preservative packaging as these products cover large travel area right from factory to the grocery stores. Maximizing and optimizing the efficiency in operation can be developed with excellent system of packaging. A high quality case erector with top graded taping machine and long lasting carton seal with tape will solve the purpose.

Quality packaging is always healthy for any kind of product marketing, but again keeping the lowering cost is also one more challenge for small scale industries. Packaging pattern, style is playing major role to capture and market the product in international market. Packaging help customer to remember not only to remember favorite choice of product but the company logo and company name too. A quality packaging will definitely resulting to an excellent turnover as well as make a long lasting impression through packaging as a part of marketing combination.

Labels on the packaging use by marketers are always encourage potential buyers to buy the products. Various studies from several decades are concluded that package graphics and physical dimension always buyer’s center of attraction.

Packaging is mode of communication which help to develop the direct indirect communication between seller and buyer resulting into good marketing. For example Jewellery with low quality packaging materials always give room to suspect buyer about the jewellery quality so here the products is completely depend on packaging, whereas the less desire product sell into high end packaging materials also give wrong signal to customer about products as well as company. So small scale industries must create awareness and senses on kind and quality of packaging to use. International market is more sensitive about the packaging as well as the packaging material ingredient. Most of the symbols and labelling pattern are more nationally and globally standardized.
Consumer packaging with symbols exist for trademarks, proof of the purchase, product certification, best use period, expiry date, manufacturer name and date etc mandatory part of packaging printing. International market is full of compliance and cross culture barrier. For examples environmental and recycling symbols is giving assurance of packaging can easily recycle same with green dot, which represent only vegetarians stuff in the packaging. Quality packaging is not only prevent and protect goods during transport right from manufacturing hub to retailer or reseller hub but also it help to prevents from damage and pilferage while product move to shelves to racks. Most of the product they manufacture in bulk as per customer requirement and its getting sold with different brand name along with standard packaging as per customer desire. Product like grocery they always sold in bulk but while distributing to every individual it may sold to kg’s packs which is customer demand.

As describe packaging is the most suitable method to make purchase decision Faster, for example buyer of TATA product who is regular buying TATA RED LABEL with red color package if any case TATA change his package color then buyer would be trouble to find out the RED LABEL and this would be opportunity for competitor to entering into new market of tea segment as well as it will delay the buyer decision

Product with good and attractive packaging tempt buyer to take a look on the product as is available on store shelves. This is the prime reason why most of the companies conduct extensive and expensive research on the color schemes, patterns, design and kind of product packaging that is the most appealing to its intended consumer. Mostly what makes a packaging most effective can add to the cost of goods and this is what most of the time manufacturer resisted. Better printing, more effective and attractive photography design, tempting logo, quality packaging materials which increasing the cost of product. But just because these add to the production cost that doesn’t mean that the base line adversely affected. Considering fact that excellent packaging can result in higher sales which help to improve balance sheet other way it is opportunity to charge more as shoppers bound to believe the product is worthy more. Rather than knowing what makes a package effective in uses than it’s even more important to know whether if the investment made to make your
brands package effective returning back. They are various different kind of techniques that can be adopted and can be used in various steps or process.

Packaging and export are always walks hands on hands as they carry equal opportunity to perform in international market. Packaging is integral part of export process. As export content may handling as well as many climatic changes so exporter need to ensure that product which are entering into export i.e. international market are worth receiving as packaging condition decide future of that company and product in to international market.

Apart from Export worthy packaging exporter need to pay attention in law and regulation of each country specially the country which he is targeting to develop his market for long term. While designing and introduce the package in the domestic /international marketplace. It is necessary to understand and determine how the buyer/shopper will react. The reaction need to major of a realistic display which includes competitive pricing, products and various variables like customer choice and demand. In real time scenario the techniques would be quantitative in nature which include shelf display impact, emotional response and package first look etc. Various modus operandi used in the international markets like conducting survey by providing free samples is also one kind of marketing adopted by the companies. Offering initial discount on new product or offering free with base pack etc. On has to ensure mouth publicity marketing services as this may create marketing of your product in wrong direction so marketing need to have various control plan before enter into any market segment.

Packaging is one of the most effective instrument in a marketer’s arsenal.

Its necessity to have latest type of technology investment with consider Product life cycle time line.

Using a few fundamental basics while creation along with appropriate consumer research before launching new or updated product will ensure very high return on investment for long run show.

1.1.3 Packaging. In today modern era Packaging is combo of the science and technology which is protecting as well as displaying products for distribution, storage, use and sale. Packaging is also referring to the ongoing process of product production,
design and continuous evaluation. Packaging can be described as communication system of preparing good for transport, warehousing, secondary logistics, storage or warehousing, sale, end use up to recycling of the packaging. If we observed the history of packaging we understand need of packaging is right from old era.

The study of old packages is very important aspect of archaeology and it integral part of packaging studies too. The first packages used is which is made up of natural materials available ie Baskets of reeds. The older recorder use of paper for packaging which is around 1035, when a Persian traveler visiting market to Cairo mentioned that vegetables, spices as well as hardware were wrapped in paper for the selling to customer. That’s mean the importance of packaging is clearly visualized from olden days. Tin plated steel and Iron were used to make cans in early 19th century. Lot of innovation happened during 19th century, paperboard cartons and corrugated fiberboard boxes also first introduced in the late 19th century. In year of 1952 Michigan State University is became the first university in the world who offer a degree education in packaging engineering 20th century some advancement in packaging took place which includes Bakelite closures on bottle, overwrapping transparent cellophane etc. Majority of innovations with respect to packaging industry were introduce and developed first for military uses. Few of general industry packaging used in military supplies. In the year 2003 the packaging sector was one of the integral part economy as about two percent of the total gross national product accounted in developed countries.\(^{(3)}\)
Few of the packaging style being used in earlier era show in few pictures below

Packaging and package labeling have various different objective, Packaging is working as barrier protector ie a barrier from oxygen, vaporization, external particular dust or any other harmful atmosphere article gas etc. and this should be consider as critical factor during packaging design. Few packaging deliberately made design in such way so that it can absorb oxygen which support to extend shelf life.
The objects or product which carry with in the package always require protection from damage or from other things like mechanical shock, electrostatic discharge, temperature issue, vibration, various climatic barrier. So physical protection one of the object of packaging.

Small product or goods or object are normally grouped together in package for the only reason of efficiency and transport betterment. For eg single box 12 pencils requires less physical handling than single physical pencils.

As we mentioned earlier packages and labels make use understand on how handle and how to use the products mostly communication like handle with care, tilt angle information, disposal and recycle information etc. Some of the product information are mandate on the boxes or packaging for eg. Food product, medicine or chemical product as it made restricted by government authority.

1.1.4 Shipping labeling:

As on when we are growing in packaging technology and symbols are playing major role on package vertical. Shipping boxes or container are now a days equipped with identification code, Electronic data interchange (EDI) codes or bar codes. To process business enablement functions techno commercial packaging is more demanded in global scenario. Technology label on packages are make corporate life more mature and fast. With click of one bar reader machine we can get all necessary information at the same time this information can be kept confidentially in transit to domestics or international market.

Further some of the International transport packaging restriction and labelling design also need to consider while approaching to enter into international market. Given some
of the information pattern which carry along with packages as its mandate by United Nation country as well as International travel norms.

**Product information :**

Flammable content  
Explosives contents

![Flammable Liquid](image1.png) ![Explosives](image2.png)

**Handling information**

Upright  
Glass material  
Don’t wet/ Keep away from rain

![Upright](image3.png) ![Glass](image4.png) ![Rain](image5.png)

Transport packaging need to draft such way that it matched and helps smooth transportation and support its logistics system. Uniform pallet loads may not be suited to mixed shipments with courier operators as fact before draft packing system.

**Kind of handling style /requirement**
Above information play significance role while designing the packaging pattern as well as handling shipping products safely in domestic or international market. (3)

1.1.5 Development: Product and Packages.

While developing any new product and its design, industry always force to think about the packaging design. As package development is an integral part of the product development. Even though these are two different individual processes, they need to work hand in hand. Package design starts with the identification of all the requirements like marketing place, shelf life, structural design, logistics requirement, mandatory transport information, legal and metrology requirement, color combination, graphic design, end use, recycle condition, environmental and many more. The packaging development needs to consider various criteria resources like cost, completion time targets. Package design often keeps on changing as per customer taste, today’s rapid moving world customer keeps changing their taste and moods frequently.

With below picture 1 we can see packaging for egg is mandatory to save the product life but in picture 2 packaging duplication is mandatory to handle bulk packing as well as to follow government rule and regulation of describing manufacture detail as well as expiry details.
Packaging engineering need to understand and make sure that the package will keep the product safe for its shelf life with normal usage. Some time to following international norm as well as to keep actual product away from child in that case packaging is too complicate in nature as well as it costly affairs but to get into potential market and demanded product its always benefited.

For simplest package design it is requires to sort of formal project planning and various project management methodology is need. Need to have various round of discussion with packaging engineers, consultant, actual users and various market survey. Close communication among these parties as well as product literature need to study very closely. Some of companies outsource these activity with expert to find out their view so that market entry won’t have any kind of deviation. A cost effective and quality management system along with validation protocols verification system are mandatory for some type’s critical packaging and recommended.
Innovative and customer attractive packaging always increase the value of product for long term. It help to remember brand and product as quality product. Attractive packaging it does not always means cost extra but with low cost packaging can make more attractive.

1.1.6 Consideration – Environment

Today’s scenario world is alerted with global warming and given situation different kind of packaging waste may be prime reason for the this as part pollution. To support the environment pollution as responsible business owner need to work toward environmental sustainable packaging. While developing packaging system consideration of environment sustainability and country specific rules- regulation should be prime factor. The Waste management is major challenge to all corporates, organization as well as countries. Various waste management program on their way to understand and continuous improvement. Its cause various pollutions like water pollution, soil pollution as well as air pollution too. As a part of waster hierarchy there are three R’s ie Reuse, Reduce and Recycle. While developing the packaging pattern these three R must be considered. Apart from traditional hierarchy there are various ways where we can reduce on packaging at the same we can save the cost too considering packaging needs. Packaging pattern classified on basis of most favoured option vs least favoured option which can be seen with help for give diagram. Packaging is required for each product especially white goods which are sold packaging as a marketing pattern. (4)
Prevention should be prime object of packaging, it should be apply when it’s necessary. As usual packaging is use to prevent product from damages. The energy and value which are packed in the packages are more value that package. So it should prevent from damage which is prime function of packaging. If the package and product damage the whole energy and value will go waste which are used during manufacturing of original product. So need to take extra precaution and prevent packaging and original product from damage.

Minimizing packaging means try to bulk out the packaging manufacturing so that the cost of packaging can be reduce down. Today’s outsourcing world common packaging with different labels are most cost effective things. For example size to fit cap of all bottles are same so that cap can be manufactured at single place to reduce down the prices and it can be readily available anywhere. Another example of Television packaging, its packaging manufactured at single place but while distrusting to individual manufacturer they print the logo and desire picture as per there marking or product needs.

Third most favoured option is reuse the packaging. It drastically reduce the manufacturing cost but at the same time cost may incurred toward tracking of packaging, logistics as well as quality checks. Glass bottle of milk and cold drink is excellent example of reuse of packaging. But at the same time transport cost and quality checker responsibility increase. Inspection and re-cleaning is always need for reuse.
kind of packaging. Some manufacture use incoming part packaging as a part of packaging for outgoing manufacturing products.

Recycling the packaging is most costly affairs. If packaging material made up of single material then it would be very easy to recycle product for example of plastic bottles. But if packaging products made up of various mix product like metal, cardboard and plastics then it very difficult to sort out these materials for recycle. So while design and manufacture such kind of packaging, designer ensure all various layer can be detached easily for reuse and recycle the products.

As part of energy recovery ie waste to energy and refuse derived fuel in certified location are able to make use of the energy available from those packaging components. Most of the country or large city developed center who help to develop the energy from waste.

Certain product are radioactive and hence their packaging too, so proper disposal of these packaging is also mandatory. Certain countries and certain states within the US regulate packages for toxic or other reactive material contents which are having the very high potential to contaminate emissions and ash from incineration. These kind of packages should be not thrown or dispose or litter anywhere. These products need sanitary landfill treatments so that they can dispose off properly.

1.1.7 Small Scale Industries:
Tiny or small scale industries are integral part of the India economy it’s around 40 % of total export is being generated by Small Scale industries\(^5\) and if we talking about employment its creature of almost 12 million jobs opportunities. Economist as well as world agreed upon the potential of Small Scale Industries so accordingly all initiative from respective government are most welcome steps which help to grow industries more faster track. During nineties Small scale industrial policy primary object is to impart more vitality and growth to sector to enable it to contribute to economy with
higher volume. Further effort would be made to create more and more small and young entrepreneurs with higher potential growth and greater faith on it.

Regulatory measures and provisions relating to government communication made more liberalized. Enhance of supply of risk capital in partnership act has been introduced in a partnership act which helps to apply more risk in business and indirectly it resulting in small scale industries share increasing in market. Various initiative like set up of small industrial development bank of India SIDBI who helps to solving the problem of payment delays by setting up factory services. Throughout country such kind network being set up with help of commercial banks and necessary suitable legislation introduced to make sure necessary payment support will be available. Policy support like various financial elevation scheme adopted by government to support and developed small scale organization. By now world is in same view and opinion that small scale industries should grow as much as possible as they are backbone of any economy as well as supporting towards various innovation and job generation. We need to develop, educate and encourage more and more entrepreneur to grow economy. Ministry of small Scale industries is merge with Ministry of agro and rural industries to form the big picture as Ministry of Micro Small and Medium enterprise with primary task of promoting of Micro and small enterprises.

SSR & ARI was established in year October 1999 and then after this ministry divide into SSI and ARI in September 2001. Further in 2007 both industries merge and form MSME.

There are various challenges grow Indian small scale industries which we can study later on this topic, but in spite of various challenges SSIs fared better than most of large industries between years 2001-2006, for example net profit gone up by 700% for company’s whos turnover is more in range of 50-100 crores verses 150% of large scale industries. Indian government planning to increase their financial assistance upto 80% for their capital needs in 11th Five year planning.\(^{(6)}\)\(^{(7)}\) This will be treated as technology boost and gap filler for SSIs and this will be applicable for their existing units too.

Worldwide have been accepted small scale industries are engine to economic growth.
1.1.8 Infrastructural Facilities

Small Scale Industries need to have advance infrastructural facilities to grow their business so promote small scale industries and to provide great linkages between industries, market and agriculture new scheme has been introduce as integrated infrastructural development which includes technology back up services with volunteer and actively participate by state government and various financial institution. Small Industries Development Organization (SIDO) would develop a technology development cell (TDC) which will help to develop and provide technology support to which help to increase small scale industries productivity resulting growth in economic conditions.

Technology development cell would be single window for small scale industries which coordinate with Small industries development organization followed by various financial institute, research and development institute, interaction with various industries etc. Adequacy and equitable distribution of domestics and imported base raw material to small scale industries would be ensured by Technology development cell. Depend on capacity and need of small scale industries priority in allocation of raw material can be decided. Policy drawn in such way there won’t be any deviation or conflict of interest during distribution of base raw material. TDC aim to help SSI to obtain ISO 9000 certification.

1.1.9 Role of small scale industries in India Economy.

The small scale industrial sector plays very significance and pivotal role in Indian economy in term of the higher economy growth as well as higher growth of employment since independence in spite not so support from government and financial support. They have to face cut thrown and very tough competition and tough time with large player in the market. For sake of evidenced, we can see the number of registered units which gone up from 16K in year of 1950 to 36 K units in 1961 and growing stories continues with 337k unit presence in 2000-2001. During the last decade alone lot of
positive development can see in small scale industries manufacturing and progress pattern. Small scale industries can manufacture many new electronic control system, microwave components, TV sets, high end house hold machinery various precision products. Since then government is not been following a policy of reservation of few product for small scale industries exclusively. There were around 177 items are reserved in year 1972 census for small scale industrial units. It keep on increase as 837 items keeps reserved for production of small scale industries in 1983 and these units produce over 7500 various type of commodities. Dominant kind of ownership pattern is proprietary with a very little fraction operative as partnership. Total 97.3 percentage of registered SSI unite were proprietary, only 0.5 per cent were private companies whereas only 1.3 percentage were in partnerships mode as per census of year 2001 -02. Accordingly one of Small Scale Industries filed survey these industries can be classified into cities or region as follows.

Most of the advance small scale industries can be found in Greater Mumbai as availability of skilled employee with immediate assistance of advance technology. Greater Mumbai is ideal location to communicate with large industries as well as global players in view of globalization requirement.

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<th>Western Maharashtra</th>
<th>Kokan Region</th>
<th>Marathwada</th>
<th>Vidharbha</th>
<th>Greater Mumbai</th>
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<tr>
<td>Pune</td>
<td>Ratnagiri</td>
<td>Aurangabad</td>
<td>Nagpur</td>
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<td>Kolhapur</td>
<td>Sawantwadi</td>
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With the above chart we can see Western Maharashtra content city like Pune, Kolhapur, Satara, Nasik & Ahmednagar, whereas Kokan region consist Ratnagiri, Swantwadi and Kudal cities. Marathwada carries Aurangabad, Nanded, Latur and Beed. Vidharbha having Nagpur Amaravati and finally Greater Mumbai consist Mumbai, Thane and Belapur location. In this study we will focus on Greater Mumbai zone. The reason behind the Greater Mumbai is Mumbai being financial capital and its most expose towards global market and economy.

1.1.10 Recent trends in small business growth.

Today’s scenario business is more customer centric, business need to drive as per customer needs and taste. Successful firm always ensure better quality product so that they can successfully generate trust but at the same time low cost along with advance technology would be advantage to generate good business for long run cycle. Due to customer awareness, the products need to be eco-friendly with using good amount technology which can work in long term contract, failing which market keep product aside and intern it would treated as bad or high cost products. India, Japan, Germany, France, Korea as well as other Asian countries facing global challenges with entry level of all Industrialization. Manufacture excellent can only be productive and competitive weapon to have healthy completion in the most technology demanded worldwide markets. Due to short product life cycle, industries need to equip with quick and effective changes in product style. Industry need to make sure to get more flexibility in their production line to increase or decrease the production as market demand in accordance to fall and rise. Market survey and research development is very expensive and time consuming activity and it cannot be perform alone neither by small scale industries not large scale industries. It should be join efforts for vertical and horizontal industries. Whenever vertical transfer of technology take place from the technology lead companies who lend their technicians to help the small unit use the new equipment and to work effectively. Such leader always provide financial support to get job order done well in time and as per given direction for high volume production of small number of articles. It must be cheaper to produce items qualitatively products 1st time
rather than articler, rework, scrapped or returned or to pay customers compensation etc. Start with quality product is always be cheaper than reworking on existing product line. Every stage of production design and manufacture quality must be built with effective way. Horizontal industries are those who exchange job work looking at volume as well as kind of product line availability. The small scale sector has been effective tool for the fast economic growth and social changes. The small and medium scale industries represent 80 percentage of industrial base of almost all developed countries. About 99 percent unit are SME in Japan which are generating and contributing 52 per cent of total export revenue and profit maximization. Approximately 94 percentage of the Italian firms are SMEs with total contribution of 43 per cent of the total GDP. In the United State of America SME are playing dominated role. Around 54 percent of the revenue. USA congress passed the small business investment act in 1958 to improve the national economy in general and the small business segment. Maximum participation of private industry growth, expansion, innovation and modernization, this act allow flow of private capital in form of equity capital and long term loan funds. Performing the functions and conducting the activities under this act Small Business Investment Company is formed. Small business administration established headed by the administer. The Administer shall issue license to small business Investment Company for operation such act.

In the modern India, Small Scale Industries have been a great success story. At the micro level these small industries has got great success in to create entrepreneurship and to convert these skills as great asset to economy. These small scale industries are emerge as treat to large scale industries as well as multinational companies. These small scale industries face lot of hurdle and barrier in their raising phase is purely due to lack of formal and quality education as well as lack of industrial and behavioral training. Small scale industries are having lot of handicap area which may one of the barrier to their raising economy. But these industries struggle a lot and rise with one of the golden successful story. The government thinking to reducing down the number of reserved item, in the revival scenario the small scale industries must change its mind set and need to work on improving the quality and offering product at market competitive price. Lack of efficient
management and man power, lack of availability of on time finance and reluctant to quickly adopt new technology which are major drawback pointed out by various expert committees.

“Cottage and small scale industries are very special importance in India if we lack capital, we do not lack manpower and we must use this manpower both to add to the wealth of the country and reduce unemployment” Jawaharlal Nehru said. Since then industrialization is top priority for Indian planning commission diversification of industries private and government both. Number of committees appointed by the Government of India time to time and base on various recommendation Industrial conference held during 1947 and small scale Industrial board was formed in 1952. Later 1955 the National Small Industries Corporation (NSIC) was formed to provide support to small scale industries.\(^{(8)}\)

As per Birandra Dixit (1988) Small Scale industries considered as harbingers of economic progress responsible for the transformation of a traditional economy into a industrial economy.

As per research team of SBI 1975 a sick small scale industrial unit as one which fails to generate internal surplus on ongoing basis and depends for its survival on frequent infusion of external funds.

\subsection*{1.1.11 Performance of small scale sector in India.}

Small Scale industries have been performing well among any other sector in India. Which help to achieve a much more industrial growth. Small scale industries labor absorption level is very in spite of less capital. Small Scale industries done reasonable well in rural area, its work as revaluation for rural industries. SSI have been making significance contributions to more employment generation. This industries nurture on base of traditional business and faith. At the same time government of India put lot of value added initiative in place to grow up Small Scale Industries up to mark. Small scale industries set up an example of building the strength of knowledge and traditional skill development. With help of technology and advance skill program along with various government policy this Small Scale Industries are grown up very well.
In between last decade small enterprises sector registered are continuous grown up in various vertical like production, exports, employment and number of units. During this period the average growth in the number of unit around 4.1 percentage annually as well as 4.3 percentage in employment generation annually. With the help of these figure we can easily understand the rate of growth is constantly increasing. With the increasing stiff competition from globalization environment, constant changes in technology and with help of several policy initiative changes India small scale industries are arrived into a quiet growing or I would say competitive ness position. SSI being labour increase project can employ on an average 18 to 19 per with an investment Rs. 5 lakh. More numbers also performing in EOU to meet international level of market reach.

Over last 5 decades after independence the small scale industries has acquired best place in economy. Small Scale industries providing immediate human resource support to large scale industries and comparatively higher work force ratio. Small scale industries are socio environment friendly in nature as there product style and technology method are labor intensive. Small scale industries provide direct and immediate support on the input material so that they can save good amount of cost and time efforts.

1.1.12 **Policy Initiative and encouragement for promoting small enterprises.**

For allowing small scale industries to grow, G20 leaders decide to develop and grow more and more entrepreneurial ship. The final communique of the 2014 G20 leaders’ summit was called for economic growth enhancement that be achieved by various promotion measure like “competition promotion”, entrepreneurship and innovation as well as to empower employment one more strategy adopted know as encouragement of entrepreneurship”. Government want to technoprenureial need to support the activity to develop small scale either with finance or with setting up part like Commercial, education parks or zone for small scale industries where they will have immediate support and assistance to grow up.
10\textsuperscript{th} Aug 2005 a policy package announced to step up small scale industries credit system. India government announce Credit Linked capital subsidy scheme (CLCSS) for various technology and IT up gradation. This policy amendment made with effect from 29\textsuperscript{th} September 2005. Which is increasing ceiling on loan from INR 40 Lakhs to INR 1 crores and subsidiary rate varies from 12 to 15 percentage. The actual operation start on function from 2007 financial year and till today capital subsidy disbursement reached to very high peak. As part of policy initiative more and more part get are placing for reserved exclusive for SSIs manufacturing. Starting number of reserved items is 193 and now it almost cross 1000 items and above. In the year 2005-06 financial budget announce with the turnover eligibility lime under the SSI excise exemption scheme has increased from Rs.3 crore to Rs.4 crore which is significantly very high in number. Along with various policies Reserved Bank of India also taken various initiative and formulated the scheme of Small Enterprises Financial Centers (SEFC) to developed and motivated banks to create modus operandi for improved communication and close coordination between the sub hand and hand (branches) of small industries development bank in India (SIDBI) so that bank and government can identify more opportunities to serve small scale industries in more effective and better way. Moreover the suggestion regarding the necessity of a single comprehensive law in regards of Small Scale Industries sector needed another set of SSI suitable law and Ministry of labor extensive support and study is mandate to success the same. In this regards to facilitate the technology up gradation government has increase the limit of capital investment raised from INR 1 crore to INR 5 Crore and various reserved item increased. In order to prevent Small Scale industries from multiple agencies enquiry and it turning up as harassment government planning to reduce multiple agencies so that smooth transaction can be done.

Kapoor committee made various recommendation to increase the availability and delivery of credit to Small Scale Industries.\textsuperscript{(9)} Reserve bank accepted 35 recommendations out of 128 and issue direction to bank to follow as well as implement them. Salient feature of the accepted suggestion or recommendation are as below

1. Mechanism for recovery of loan must me more strong
2. Backward states need to have more attention towards improvement
3. Composite loans limit need to review and increased up to INR 5 lakhs.
4. SSIs facilitated more specialized branches
5. Banks freedom to finalized their own norms of credit assessment
6. Adhoc limit power to Branch Managers
7. Customer grievance redressal machinery set up so that SSI can work more effectively
8. Process and procedure for sanctioning of credit and handling complaint must be simplify
9. Disposal of loan application within stipulated time line.

All above given recommendation if implemented very effectively as well as monitored then it would be definitely improved flow of credit and helps to grow small scale industries.

As a part of small scale industries protection policy price preference policy made as a permanent measure, accordingly a price preference of 10 percentage was permitted to the products of cottage and SSIs. This has really adversely affected the marketing and selling of small scale industries products hence this policy has been call off by States. In the year 1993 government decided to amend the interest payable on delayed payment of SSIs. This act make sure low more stringent by raising it to one half times the prime lending rate charged. Eventhou law has given very high age to support Small Scale industries but the implement stage policy and law remains weak. Hence these policy held by critics that delayed payment act is a one more paper dominated theory. Government introduced and announced of measures to strengthen small scale industries as packages on Aug 2000 they are as below

1. Investment ceiling for plant and machinery increment
2. Composite loans limit for small scale industries unites raised
3. Industry related support services which maximum investment. Which will lead to create and increase employment
4. Subsidy capital of 12% for investment in latest technology in selected sectors
5. Regular conduct of fresh census of small scale industries so that any point of time updated data can be stored
6. Streamline frequent inspection of small scale unit by various agencies
7. ISO 900 certification support to small scale industries by granting INR 7500 for each unit.
8. Exemption from excise duty upto 1 crore
9. Announced Deendayal hathakarga Protsahan Yojana as to design, finance and marketing input support to Small Scale Industries.

The Liberalization and Globalization policy help small scale industries to jump into new scale of achievement. Recently Government of India has displayed faith in small scale industries sector by setting up Micro Units Development and refined Agency (MUDRA) bank for regulate and financial support to micro sector. MUDRA provides loan in cheaper rate than banks. MUDRA bank is a public sector financial institution in India. MUDRA yojana had introduce and announced by the Finance Minister in Parliament during Union Budget for FY 2016. Its launch with three initiative product and its name as Shishu, Kishor and Tarun of growth and funding need of the entrepreneur. Government and financial institute are in view MUDRA more likely to come up as Game Changer in Indian Economy.

1.1.13 Sickness in Small Scale Sector

In growing economy it is natural that out dated technology and enterprise as to go out and new area of business are begin .but after reasonable limits small case industries sickness affect the national wealth generation .sickness in any industries is directly affecting small case industries revenue which turns declined of India economy growth .To study tackiness of any industries we need to study micro level root cause. India economy developed post independents up to mid-sixties which showed significances economic growth to achieve India GDP around on an average 7 % per annul .During post sixties India and rest of the world under gone very bad face economy that is a very big resection period which cause of high rate of inflation this cause sluggish business across the India .During this face most of the small scale industries suffer and mass poverty which cumulate sickness of small case industries .sickness in industries are not only factor but if all about bad control
management which is equal responsible for heavy sickness of industries in the some of the cases such as sugar, jute, cotton textile like high proportion units in the industries also suffer sickness which result that increase un employment and bad situation of farmers. So during this phase to save employment and motivate farmers government has had to take over various such sick units to sustained government needs to pump lot of funds which as been generated from public sector. Which help to control un employment and poverty in some extend. This sustention end of heavy loss of government funds. To come over this loss government make an arrangement with Reserve Bank of India to monitor and assists sickness. So that corrective action can be taken well in advance to control situation and control the financial this management along with the technology weakness. This problem is not specific any industries or any country but its applicable to each country whose ever undergoing recession.

And bad economy phase. In developed countries sickness of industries can bitterly control by using various social security’s system as well as abundant capital infrastructure. There various factor associate for industrial sickness which can broadly classified in two sectors i.e. external cause and internal cause. External cause which are beyond government or any specific industrial control it may include various changes adaptation and implementation in terms of the government policies time to time. It also include non-availability of raw material, power, transportation, good infrastructure and skill labour. Lack of finish goods or final product demands. Industrial labour strike and unions problem may be one of the key factor of industrial sickness here shortage of working capital that is financial resources and natural calamities like floods, drought etc. Small scale industries likely to face major constraints in various functional areas.

Government impose various restricted policy looking at national protection interest which resulting a shortage of row material like coal, iron, mine material, power and any other industrial restrictions zone. There may be various occasion where small scale industries don’t get any financial.

Support on time to starts production line on time. This may significance cause for industrial sickness. Man power and marketing constraints are reasonable cause to industrial sickness like to get skill workers and skill workers making factory are major challenge to success.
the industries. Various non-supporting marketing areas and government restricted marketing policy are prime factors for industrial sickness. There are various internal factors with in the factory level like lack of productive management, lack of technology implementation and lack of equipment.

Definition of sickness by development commissioner of small scale industrial as below:

a. Highest achievement of revenue during five years and utilities of capital less than fifty percentage.

b. Small scale unit remain close for period of counties more than six month.

As per reserved bank of India the small scale industries units’ sickness definition as follows:

i. If borrow account remain substandard for more than two years i.e. principal or interest in respect of borrow account remain overdue for more than two and half years.

ii. There is erosion network due to overdue cash losses.

As per S.L.kapoor committee small scale industries unit should be counted as sick by below parameters.

If principal all interest remain overdue for period exceeding one year on its any of borrow account.

The units which is in production for counties three years regards commercial production operation and it continues sick for long period . Then this may be treated as chronic .In this case initial stage, precaution is fail beyond its control and capacity .Which resulting in death unit.

There is erosion losses to extend of fifty present of net worth during last accounting year.

In the nutshell we can see most of the small scale industries sickness. Is because of incurring cash losses as hence his passion of financial structure need to be reviewed and restructure.

Accordingly a section 3 of sick industrial company act 1985 a sick industrial company registered for not less than five years and the cash losses condition omitted by 1993 amendment act .If the financial losses accumulated resulting in erosion of 50 present or
more during immediately 4 years. It is consider as potentially sick unit. In such cases sick unit finalizes audited account within 60 days and need to be present board member and stake holders.

Causes of sickness of small scale industrial units:

Following factors more likely responsible for demolishing as well as growing small scale industries. Which may majorly impacted or responsible for growing sickness in small scale sector unit.

1. Majority of small scale unit own or adopt by either proprietorship or sole partnership basic. So they don’t have any compulsion on gearing up latest management skill & technology. So those entrepreneurs are open to manipulate business and business modus operandi to gate thing done as per their will and wish.

To avail the various government of India and State government benefits and tax concession most of the small scale units define and declared as sick unit by self them.

Most of the small scale industries turnover is very low so profit is Small scale business man always face heavy competition for large scale industries.

Small scale industries are continues lacking to adopt fast desire changes in political or social or economic background.

Small scale units are not equipped to utilize existing funds to manage day to day activity and project infrastructure.

There is no adequate desire communication and coordination between government agencies and various financial institutes.

Small scale industrial are not gating dues amount and their product payment from the buyer. These industries are always at mercy of the punchers or buyer.

Small scale industrial need to sell their product on a heavy credit at the same time he has to keep rolling his final outcome product and business.

So above points are helping us to understand the practical difficulties for small scale industries to run the business which resulting failure. That is seek industries.
Government of India and State government has taken up various active majors to support
and control sickness units:

i. Reserve bank of India already issued guidelines and proactive measures like issue
direction and instruction asset classification into four different classification viz.
Standard, substandard, doubtful and loss. So it’s easy to categories sick units as advance
payment dropped under doubtful classification then this industries call as sick units.

ii. Government of India hence already instructed various nodal agencies and financial
institutes to study for three or six month period find out sick industries on regular basic.

iii. To deal with sick industries government of India and RBI director to set up cells at
every regions with expert staff along with technical personnel to look in to various
technical requirements.

iv. To meet credit requirements of SSI units banks initiate to take appropriate direction so
that required credit limit can be fulfill.

v. Leverage to commercial bank on deciding the rate of interest and credit facility.
Whenever SSI found to be sick.

vi. This are the major steps initiated by government / RBI which help to recover SSI units.

1.2 The Problem Statement: “Ignorance of proper packaging may be a key
reason for non-growth of Maharashtra Small Scales industries”.

1.3 Objectives of the study:

Following are the objective of the study

Study the present packaging practice of Small Scale industries.

Identify and study the problems of packaging in Small Scale industries.

Measure awareness in SSI regarding Packaging of finished products

Study the need and importance of packaging in Business
Evaluate whether packaging is considered as a mode of competition due to the fact that consumer have become more affluent.

Suggest the measures to overcome the problems.

1.4 Hypothesis:

Ho

There is no awareness of significance of packaging among SSIs.

H1

With the help of Packaging, rate of growth of SSI would be very high however it results into rise in conversion of Small Scale industries into large Scale industries.

1.5 The Research Methodology

a. Type of Research:

Descriptive Research: This research includes surveys and fact finding enquires about SSI packaging practice and feedback regarding significance of packaging. The area of study is Mumbai city.

b. Data collection & Research techniques;

1. Data collection methods

i. Primary data: The Primary data were collected with the help of a questionnaire specially designed for this purpose.

ii. Secondary data:

Secondary data were collected from Periodicals magazines, reports, relative web sites, newspapers etc.

c. Sampling: The populations of the were SSIs units in Mumbai city. The size of sample was 200 SSIs units. The technique of sampling was Simple Random Sampling.
1.6 Scope and Significance of the study

Government is introducing various money funding as well as financial schemes to grow SSIs in Maharashtra, but unfortunately the growth in term of % for individual industries is not very high. So looking at Packaging aspects how we can improve/ help SSI to convert Large Scale Industry so the funding which have been providing to existing SSI can be utilized to develop new SSI.

Strong and attractive packaging designs and labels not only protect the products from breakage and damages but they are also helpful in grabbing attention of the end consumer.

Significance:

To identify SSI presence in Maharashtra (Greater Mumbai).
To identify Seek unit of SSI presence in Maharashtra (Greater Mumbai).
To identify SSI views & understanding about packaging.
To identify vision, mission & objectives of individual SSI.
To identify Government policy towards SSI development.
To identify Government focus toward SSI product selling/ packaging.
To analysis view of end customer towards SSI selling and presentation i.e. Domestic, International market.
To identify expectation from SSI to increase the buying order of SSI product.
To suggest what all the policy may draft by Government to support small scale to develop in terms of packaging.

1.7 Limitations of the study:

Study was limited up to small scale industries in Greater Mumbai – Maharashtra.
Study was limited for over all industries presence under small scale & help for individual industrial studies.
1.8 Chapter Scheme

The study was divided into following chapters:

i. Introduction, defining the problem and Research methodology.

ii. Review of Literature

iii. Small Scale Industries (Govt. Policies)

iv. Packaging

v. Globalization (Import / Export)

vi. Data analysis

vii. Conclusion & Suggestions

Reference: