

Ques 26 what are small scale industries? Elaborate the role of small scale industries in Indian economy? (200 words)

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Small scale industries in India are defined by the capital investment. Industries which have capital investment less than 10 crore are classified as ^{micro} small ~~and~~ medium industries.



There are different levels of capital investment in these industries according to the operations they perform (manufacturing or service industry).

Small industries in manufacturing sector have a capital investment of ₹ 25 lakh to 5 crore and in service sector ₹ 10 lakh to 2 crore.

Small scale industries play a vital role in the developing economy of India:

1. Employment Generation: Indian economy needs employment and small scale industries provide the same to large no. of labour force.

2. Contribution in Gross domestic product:

The small scale industries contribute a major part of ~~gross~~ GDP of our country. It contributes around 7.25% in GDP.

3. Contribution in Exports: The produce from SSI ~~are~~ is exported and services of BPO (Business process outsourcing) & KPO (Knowledge process outsourcing) are also given outside the country.

4. Rise in standard of living: Employment generation & increase in GDP will also give rise to the standard of living of the people.

5. SSI also promotes regional balance in the process of development.

6. Promotes industrial climate: 90% of the Indian industries are small scale industries.

Conclusion

Role of Small scale Industry in the Economy is very crucial, they ~~are~~ ^{are} the helping hand to make India a developed nation from a developing nation.

Excellat