



# A STUDY ON PRIMER ON LEGAL ASPECTS OF SMALL-SCALE INDUSTRIES

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**Abstract :** Today, Legal issues plays an important role in the field of business management for dynamic environment. This paper explores the importance of legal aspect in the field of business management especially in small scale industries and its impact to resolve dispute mechanisms. The study also addresses the challenges in implementing law and practices in the business administration. Basically, study utilizes secondary data. Findings of the study explores the importance of positive legal risk management and how it helps in decision making process

**IndexTerms - Business management, legal issues, law Introduction**

## INTRODUCTION

One of the most remarkable displays of bravery and desire is to pursue your business goals independently. A daring move toward limitless growth opportunities in the business world is entrepreneurship. Nevertheless, there will be setbacks on the path to achievement, just like on any other journey. Unexpected problems will come up, such as legal challenges involving patents, copyrights, or trademarks. Here, we'll discuss some of the more well-known instances of moral and legal dilemmas that start-ups and companies of all sizes encounter, how to spot them, and steps you can take to reduce your exposure.

Lawsuits are quite expensive for micro businesses, particularly in the case of preventing with careful planning. Having the appropriate insurance for your small business and keeping in mind these typical legal problems experienced by entrepreneurs are sensible first steps. Most of the micro sector industries commence business with a single person, usually working from home, who either manufactures something or offers a service. Hiring staff becomes essential as the company grows. Hiring staff based on an informal verbal agreement (or handshake) is a common error made by new small business owners or entrepreneurs.

## OBJECTIVES OF THE STUDY

1. To identify common legal issues in small business.
2. To discover the requisites of legal issue in business management.
3. To study the challenges with regards to legal aspects.

## REVIEW OF LITERATURE

(Ariani, 2021) This paper evaluates need of regulations for limited liability company, sole proprietorship which was conducted by human resource development team. The existence of numerous rules and regulations, which also serve as a sign of government involvement in bolstering the global economy as the foundation for a nation's growth and development, supports limited liability companies as legal entities. Since the firm is a legal subject due to its status as a legal entity, it is subject to the same rights and obligations as other people.

**(Welfare, 2020)** Microbusiness is among the endeavours that are Currently, about 90% of Indonesian businesses are microbusinesses, which is a Microbusinesses are not impacted by the economic calamity because they are informal businesses and the financing sector has not reached many of them. The development of microbusinesses is essential for the growth of the regional and national economies, and this requires the active participation of society and the government. As the goals of the welfare state, the government must be able to support enterprises in order for microbusinesses to grow.

**(Elefan, 2011)** This article offers a thorough overview of the legal and regulatory concerns that utility participation in social media may raise, as well as recommendations and best practices for creation of a social media policy that lowers social media risks for utilities

### **RESEARCH METHODOLOGY**

Study is based on secondary data collected from different articles, books and journals.

### **MEANING OF LEAGAL ASPECTS**

Legal aspects are the laws and rules that control a company, a person, or a relationship are known as legal aspects. People can avoid legal hazards and make wise decisions by being aware of legal aspects.

#### **Examples of Legal Aspects:**

- *Contract law*
- *Labour Law*
- *Discrimination Law*
- *Contract Law*
- *Patent Law*

### **SIGNIFICANCE OF LEGAL LAW**

- Legal considerations assurance that companies purpose equitably and safeguard stakeholders' rights.
- Legal considerations support companies in maintaining compliance and averting lawsuits.
- Legal considerations help companies in growing and navigating intricate regulatory frameworks.

### **CHALLENGES FACED BY SMALL INDUSTRIES IN TERMS OF LEGAL ASPECTS**

There are a number of legal procedures involved in starting a small business, and adhering to the law is crucial to maintaining your company's profitability and compliance. It is your responsibility as a small business owner to learn about and abide by all applicable laws. We have created a list of fundamental legal criteria should be launching your small business because this procedure can initially seem overwhelming.

Small industries face more legal challenges due to limited sources availability, workforce and regulatory environment. Below are the listed challenges faced:

**1.Regulatory Compliance:** Small industries usually struggle with complex rules and regulations which includes labour laws, lack of human resource etc.

**2. Licensing and Permission:** Small scale industries majorly find difficulties in getting license and permission which consume time and renewal undergo time consuming and shut downs.

**3.Intellectual Property Protection:** Small industries face difficulties in obtaining trademarks, patents and trademarks due to high costs and lack of awareness.

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**5. Contractual Issues:** Negotiating and entering into contract with suppliers, Lents is the challenging experience for small industries due to unfavourable terms and poor structured agreements.

**6. Employment Laws:** Considering wage laws, employment benefits and policies regarding penalties is the other challenges faced by SSI.

**7. Consumer Protection Laws:** SSI should make sure that they should protect rights and obligations of a consumer failing to do so it may result in law suit and reputation damage.

Hiring legal professional is quite expensive for small industries but its necessary to rely on specific legal measures for health of the company.

#### **METHODS FOR OVERCOMING THESE OBSTACLES**

Partnering with legal advisors or companies that provide reasonably priced services suited to small enterprises is known as outsourcing legal assistance.

**Awareness Programs:** To stay up to date on legal obligations, participate in workshops, webinars, and sessions hosted by the government.

**Insurance Coverage:** Getting the right company insurance to reduce liability and lawsuit risks.

**Digital Tools:** Managing contracts, monitoring compliance, and creating legal documentation through the use of legal digital platforms.

**Proactive Planning:** Setting aside funds for recurring legal audits and advisory services in order to spot problems early and fix them.

#### **CONCLUSION**

A well-organized legal framework along with legal compliance helps to improve long term sustainability, creditability and economic stability. The foundation of a small industry's operations is its legal features. In addition to reducing risks, compliance lays the groundwork for moral and long-term development. Small businesses can concentrate on innovation and commercial development without worrying about unanticipated legal setbacks if legal frameworks are given priority. It is very important for SSI to conduct daily research and evaluation of fresh information since it supports the development and expansion of small-scale industries. Every business must be aware of latest laws and regulations and to adhere the directions to make better decisions and security to business owners.

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