

# Problems for small scale Industries and Industrial sickness

# Small scale enterprise

- Small Scale Enterprises manufactures, offers service, and produces goods with minimal manpower and fewer machines, i.e., they offer services on a small scale. Usually, these industries make a one-time investment of less than Rs.10 crore on equipment and plant
- Some examples of the small scale industries or SSI include paper, toothpicks, pens, bakeries, candles, native or local chocolates, water bottles, toys, beauty parlours, photography, leather belts, bags, and a lot more.

# Problems of small scale enterprises

- Poor capacity utilization
- Incompetent management
- Inadequate Finance
- Raw material shortages
- Lack of marketing support
- Problem of working capital
- Problems in Export
- Lack of technology up-gradation
- Multiplicity of labour laws

# Industrial sickness

- Industrial sickness is defined all over the world as an industrial company which has, at the end of any financial year, accumulated losses equal to, or exceeding 50 per cent of its peak net worth and has also suffered cash losses in such financial year and the financial year immediately preceding such financial year.

# Reasons for Industrial sickness

- Management deficiency
- Shortage of working
- Non availability of raw material
- Power shortage
- Labour shortage
- Outdated technology
- Marketing problems
- Inadequate and timely availability of finance