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# Wealth – The Contribution of Technical Institution in Small Hidden Scale Industries

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**Abstract:** Sick industries are a major problem of developed countries as well as developing countries in the world. Failures are increasing day by day because of growing competition and the changing economic, political, social, cultural, legal and global environment. The companies' number is increasing in India every year. In this paper an attempt is made project tried to perspective of the status of small scale segments, reasons of sick industries, and an endeavour is made by building academic industry linkage for reviving sick industries and mutual benefits to both.

**Keywords:** Institute, Industry, sickness, revival

## I. INTRODUCTION

Small scale enterprises summons a significant place in our economy today, as far as creation, work and fares because of their special economical and authoritative attributes. Development of small scale part is not any more an individual or a neighbourhood or a local concern, however it has longer implications. Small scale enterprises have made a shimmering progress yet it has got dull sides moreover. Numerous issues must be confronted amid running of small scale businesses, not just at the underlying phases of an industry yet in addition, when they go for expansions or adjustments of the current item. This paper has been separated into different areas, beginning with a once again perspective of the status of small scale segments, heightening issues of small wiped out ventures, the conspicuous reasons for small scale businesses and issues of small scale enterprises. Finally an endeavour is made to fulfil the requirements of the small scale businesses by building up industry-foundation communications. Lastly an attempt is made to satisfy the needs of the small scale industries by establishing industry-institute interactions.

## II. TYPES OF SICK COMPANIES

Here we can find types of sick companies based on the circumstances. They are as follows:



## III. STATUS OF SMALL SCALE SECTOR

The small scale industries are playing a vital role in the industrial structure of India. Large industries usually call for a great deal of superior managerial and supervisory skills. These skills are always in short supply in underdeveloped countries owing to poor facilities for training and out migration of skilled man power. Therefore, a small scale unit can have a better start in the process of industrialization on this account.

#### IV. ESCALATING PROBLEMS OF SMALL SICK INDUSTRIES

Small scale industries have got bright future and prospects but it has got dark side also. There are many constraints which are pampering the progress of small scale industries. They come in way of fulfilling its objectives. One of the major factors responsible for poor performance of industrial sector is the growing penance of industrial sickness. Magnitude of industrial sickness is on the rise and every year large numbers of small scale industries are getting affected by the perilous virus. Literature study pertaining to the small scale sector reveals 48.86 million tons of production in 2013-14. It creates 111.43 million employment opportunities to the rural and urban areas of the country in 2013-14. SSI exported 8495.73 Billion Rupees in 2014-15. Table 1 shows number of sick SSI/MSE enterprises in India and the amount of outstanding against them in the books of commercial banks as at the end of 2015. With reference to base year the increase in SSI/MSE is almost 5.86% which is highly drastic; also one can witness the rise in outstanding amount as 3.73 % in billion rupees.

YEAR	SICK (SSI/MSE) UNITS	AMOUNT OUTSTANDING(Rs. BILLIONS)
2011	90141	52.11
2012	85591	67.90
2013	220492	124.42
2014	465492	263.31
2015	528300	253.88

Table 1: Sickness in Small Sick Industry at the National Level

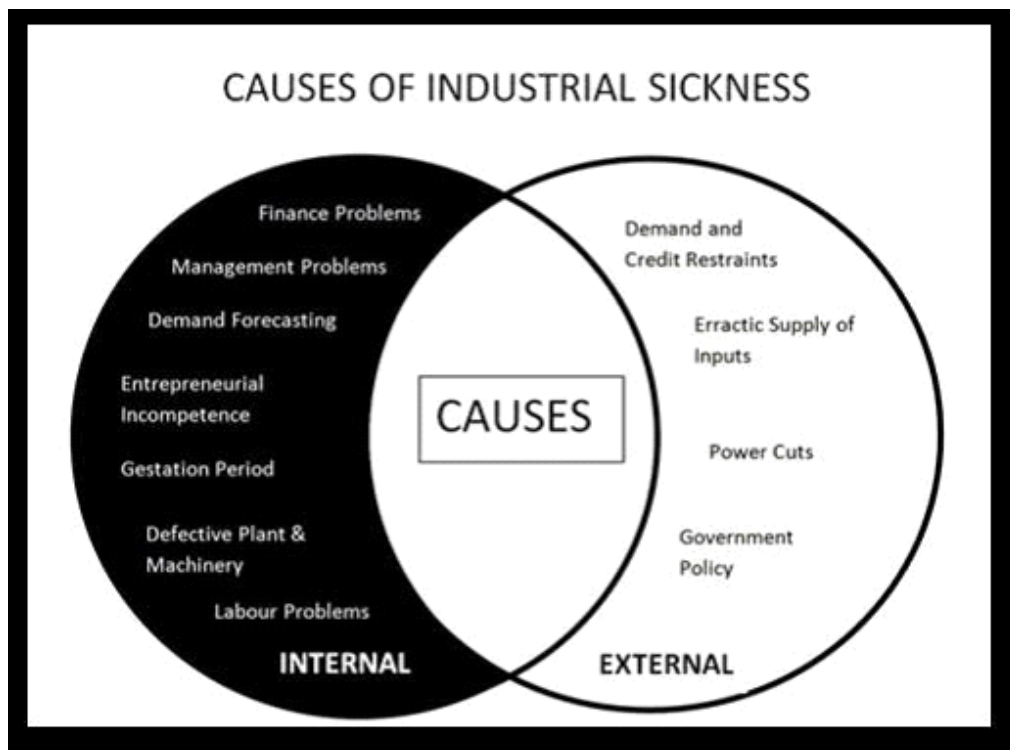
STATES	2011		2012		2013	
	TOTAL SICK UNITS	UNITS UNDER NURSING	TOTAL SICK UNITS	UNITS UNDER NURSING	TOTAL SICK UNITS	UNITS UNDER NURSING
GUJARAT	4321	519	6257	348	20452	816
MADHYA PRADESH	8124	141	3331	399	11254	1040
RAJASTHAN	1743	61	5188	213	20336	6824

Table 2: State-wise position of Sick micro and Small Enterprises as at the end of March 2011, 2012, and 2013

As per table 2, it indicates that sick industrial unit are in a rising trend in all states but it is seen especially in Rajasthan as low compared to other two states. This calls for the demand to know the causes of sickness.

#### V. CAUSES OF SICKNESS

Industrial sickness is caused due to several factors regarding an industrial unit, over a reasonable long period of time. These causes are of two type viz. INTERNAL CAUSES and EXTERNAL CAUSES. The internal causes may be due to faulty planning and policies. Poor management is yet another factor. Management problems may cause due to poor marketing management, personal management, financial management, human resource development, etc. There are certain other factors on which the concerned units are usually has no direct control, but are responsible for INDUSTRIAL SICKNESS. Broad industrial and export-import policies of taxation, bad management and marketing, may affect the industry adversely. These external factors are well beyond the direct control of the concerned unit, but are capable of affecting a particular group of industries at the macro level. The combination of several factors, both internal as well as external, affects the health of an industrial unit.



In addition, SSI's suffer from many disadvantages which may be summarized as below from productivity point of view:

- A. Immediate profit is valued more than long term gains.
- B. Often utilizing outdated technology, hence they cannot compete in terms of quality. High costs of equipment for product testing are usually beyond their means.
- C. Serious problem of technologically trained and skilled personnel.
- D. Inadequate facilities for training, to update knowledge or skills.
- E. Work often progress with adhoc actions and scientific investigations is subordinated to intuition.

## VI. ROLE OF TECHNICAL INSTITUTION IN REVIVAL

If a small unit has become sick, the treatment for its survival is necessary, if it is really potential viable sick units. What is needed is the heavy dose of inputs and sustained timely actions on the part of the management. In order to facilitate rehabilitation of potentially viable sick units in the small sector, institute plays vital role in assisting to solve the problems of small industries. As the industry has the best resources by which small firms can further their productivity, improvement activities and continue to grow. They must therefore support and accelerate the tempo of industrial development and to have a more positive growth towards solving the techno-industrial problems of industries. Much greater co-operation is needed between them. In order to solve the problems of small scale industries, the faculty members of the institute who possess expertise in different fields of specialization, should come forward to adopt at least 4-5 small industries befitting their area of interest. The staff members should visit the industries for studying their functioning with respect to technology involved-it's updating and modification, cost effectiveness, financial constraints, management and other ways of improving productivity. The state industries should involve final year graduate and post graduate students on regular basis in project work as they are suitably effective to routinely detect problems and provide solution under their supervision. The expert if required to assist in solving problems of small scale industries, should involve appropriate modernize resources and agencies. The industrial units are expected to treat the faculty and the team of students involved in the program as an integral part of their organization in order to achieve better performance and should work hand in hand with them. The institutes and industry interaction promotes mutual benefits to both of them. The interaction function broadly surpasses the following areas:-



- A. Undertaking live industries problems as research and development of high level industry sponsored projects aimed at new projects or process development etc., should be selected as the thesis project, at each level by students from bachelor's degree to PH.D level.
- B. Extending services to industry in consultancy and testing services, R & D activities, continuing programs for working professionals, field surveys on specific themes, library resources etc. for developing work.
- C. Reputation of faculty members under faculty exchange programs for 3-6 months of training industries and to encourage various participation.
- D. Associating top management experts from industries in curriculum training and development, teaching program and other economic activities.
- E. Promoting transfer of technology generated at the institute.
- F. Conferences, seminars, workshops etc. should be organized in co-operation between industry and university.

## VII. CONCLUSION

Small scale industry is a crucial element in development strategy because of high employment intensity, favourable capital input-output ratio, attainment of social justice and regional balance. Small industries are the backbone of our country's prosperity. Hence they must strive to become high productivity while sustaining quality of products by introducing more efficient ways of production. A closure interaction activity between industry and institution leaves both the parties benefited. To create a modern small scale sector, adopting industries like institutes can prove to be a turning point in achieving the goals of a healthy industrial development.

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