Prevention and Rehabilitation of Business Units

In entrepreneurship development, preventing and rehabilitating business units involves proactive measures like financial monitoring, providing expert services, and government support, along with rehabilitation schemes for struggling businesses.

Prevention:

- **Financial Monitoring:**

  Financial institutions can play a crucial role by continuously monitoring the financial health of businesses, especially small-scale industries, and providing timely interventions.

- **Expert Services:**

  Offering expert services in areas like finance, marketing, management, and personnel can help businesses overcome challenges and prevent them from becoming sick units.

- **Improved Working Conditions:**

  Ensuring good ventilation, lighting, and tidy workspaces can reduce health hazards and improve overall productivity.

- **Promoter's Contribution:**
  Encouraging promoters to contribute more towards rehabilitation efforts can increase the chances of successful revival.
  Rehabilitation:

- **Revival and Rehabilitation Schemes:**

  The Companies Act, 2013, includes provisions for identifying and reviving sick companies to prevent job losses and creditor investments.

- **Role of Government:**

  The government must actively protect sick units, particularly those in small-scale sectors, and provide support for their revival.

- **Winding Up Process:**

  If a revival scheme fails, the tribunal may order the winding up of the company, involving liquidating assets and settling debts with creditors.

- **SSI Registration:**
  Businesses should obtain SSI registration to be eligible for government schemes, subsidies, and incentives.