

CHAPTER - I

FINDINGS AND SUGGESTIONS

- 5.1 Collection of Data : Findings and suggestions.**
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CHAPTER - VFINDINGS & SUGGESTIONS5.1 COLLECTION OF DATA : FINDINGS & SUGGESTIONS :

The data collected and analysed in the foregoing pages enables us to arrive at certain conclusions which when implemented by the MSFC will help the long way in increasing the efficiency of the working of the MSFC.

Nearly 50% of the respondents get the MSFC should not insist upon, completion and submission of too many documents at the time of submitting the proposal for loans to the MSFC. It will be most convenient if the MSFC will give a check list of all the documents record from the entrepreneurs which will enable the entrepreneurs to approach the MSFC with full preparation right from initial stage. There is a scope for MSFC to make to simplify the procedure of sanctioning the loan, e.g., the MSFC insists upon the registered legal mortgage of the property which is more troublesome and expensive while the Nationalised Banks and the SICOM, etc. do not insist upon registered mortgage but also satisfied with simple equitable mortgage. MSFC should adopt the practice of getting simple equitable mortgage rather than insisting upon registered legal mortgage.

The Research and Development activities have been considered to be the soul of modern industrial development, on which depends the rate of growth as well as the level of industrialisation relating to the following period. It is also true that the R & D a continuous process and hence any financial assistance only once will not be in position to bring the desired results. At present huge amounts are spent by the National Research Laboratories, the results of which fail to reach at the doors of the entrepreneurs. The MSFC should take necessary steps to make sufficient funds available to the deserving units on concessional rates of interest exclusively for R & D activities undertaken by the units.

The MSFC provides loans for long-term purposes to meet the requirements of small scale industrial units, medium scale units and Hotel Industry and Transport however nearly 2/3rd of the units covered by our study express their view that they feel shortage of working capital more often and more severely for which MSFC should take necessary steps to make short term loans available to the needy units, especially when Nationalised Banks are hesitating in Sanctions sufficient working capital. In this respect it may be suggested that the Nationalised Banks and the MSFC should come together and co-ordinate

in making provision for total capital requirements, i.e. Fixed Capital and Working Capital of the Small Scale units.

Nearly 25% of the units covered by our study express the view that they find it rather difficult to make payments of the instalments of the MSFC regularly. However, it is true that the key to the success of the firm is the financial discipline and unless the entrepreneur realises the importance of it the unit will find that making finance available as and when required and in sufficient quantities a rather difficult problem. Getting timely finance is the most vital factor of the development of the unit and hence if the entrepreneurs will develop the habit of maintaining the financial discipline, the Regional Development will become easy and faster process than the present one.

Around 10% of our respondents express their view that the MSFC should make background literature on different small scale industries and make it available easily so that it will help the rural entrepreneurs to choose their product line. At present now financial institutions nor the Chamber of Commerce nor the Nationalised Banks possess this information. This MSFC can do a great deal in this respect and use its House Journal or proper getting valuable information to the entrepreneurs. It will be more convenient on the part of MSFC, if it will come

forward to prepare small documentary Films to provide visual information to the entrepreneurs.

15% of our respondents express their view that they have to depend too much upon their agents for market intelligence. They felt that the MSFC should establish a large and well equipped library for the benefit of entrepreneurs who have neither, Knowledge nor skills to collect and analyse the Market Data.

Around 20% of our respondents express their view that only technocrats can bring industrial revolution of the type envisaged in our five yearly plans because they held that quality, honesty and good labour relations as well as technical progress are the essential ingredients for achieving a rapid industrial growth to which technocrats pay sufficient attention.

SUGGESTIONS FOR FUTURE PLANS :

1. To open more Branch Offices to decentralise the work as the MSFC can disperse its assistance to industries at their doors.
2. To get prepared training programmes for Staff in order to cultivate skills among the local workers.
3. To concentrate at higher rate for the creation of employment potentialities which are the crucial -problems of the nation and the main objectives of the MSFC.
4. To concentrate at increasing rate the rural areas which are economically, industrially and financially weaker sections so that in such areas these weaker sections could get the maximum benefit in order to solve one of the Nation's needs. Hence the burden of urban areas should get lessen.
5. MSFC should concentrate on labour intensive projects, considering the huge growth of population. In order to provide employment for the unemployed, skilled and unskilled labourers it is necessary to give thought for starting labour intensive projects.

6. It is an overall experience that plans, projects are prepared and filed but execution of the same is not vigorously done with the result, therefore the rural mass remains unchanged. In fact, schemes which are meant for the common man hardly reach his doors in the absence of aggressive salesmanship.
7. Frequent contacts with borrowers are urgently needed in order to avoid the outstanding loans.
8. -There should be regular follow-up action with the borrowers. This can be done by the executives to devote more time to supervise the performance and guide them.
9. The entrepreneurs from the rural area suffer an inferiority complex while approaching the MSFC which needs to be rectified by the Executives of the MSFC.
10. MSFC should send their representatives to different villages for popularising their schemes. They should give wide publicity of such visits of the officers so that interested persons/units from those villages can assemble at that particular place and get guidance from the officers.

12. MSFC should make efforts to recover on their own rather than depending upon willingness of the borrowers to pay. This would boost the morale of the MSFC to lend more.

SUGGESTIONS FOR THE BORROWERS OF THE MSFC :

1. To maintain Books of Accounts properly.
2. To insure their assets regularly and renew the same immediately on or before the date of maturity.
3. To insure proper maintenance of their assets financed by MSFC.
4. To develop partnership relations with the MSFC who can guide them properly.
5. To develop their feeling that whatever money has been invested by MSFC must be repaid regularly without delay and hesitation.