

CHAPTER-V

CONCLUSIONS AND SUGGESTIONS

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Suggestions

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MAJOR FINDINGS OF THE STUDY :

1. In the course of sample survey it has been found that majority of the units have partnership form of organisation. This form of organisation is convenient from both the points of view i.e. for raising capital as well as for achieving functional division.

The co-operative form of organisation is conspicuous by its absence. This becomes more surprising against the background that Sangli district in which this Industrial Estate is located is known for spreading successful co-operative movement in the state.

- 2 Majority of the owners have acquired the ownership through inheritance. Naturally they are not the first generation entrepreneurs. In case of first generation entrepreneurs, they face all the odds and teething troubles. Since majority of the entrepreneurs are second generation entrepreneurs they can now concentrate on the aspects of growth, modernisation and rationalisation.

- 3 The initial amount of investment is between Rs. 10,000 to Rs. 1,00,000/ ^{in case of} majority of the units. In terms of investment they can be classified as 'tiny units'. This sector within the small scale sector is generally neglected one which can

not withstand the forces of competition within the small sector also. Since their capacity to raise the resources in the capital market is almost nil, they have^{to} resort to Institutional finance.

4 Since majority of the owners have inherited the ownership rights, they did not have choice as to the selection of a particular Industry. This factor has significantly affected their motivation.

5 Marketing does not seem to have posed any major problem before small units in M.I.D.C. Miraj. Most of the units enjoy nation-wide market.

6 Pricing is an important aspect of decision-making for small scale units. Majority of the units follow cost-plus pricing. They add some arbitrary mark-up (which is conventional) to this total cost and assign a price. Though cost plus pricing is convenient one, it examines the question only from cost point of view at the neglect of demand side.

7 Majority of the units face the problem of underutilisation of capacity. This is mainly because of lack of demand for their products.

8 In case of resource based units, the lack of finance at a proper time is the major problem. Generally, these units would like to avail of their cash-credit limit during a particular season of the year. This peculiarity of working capital finance in case of resource-based units must be properly appreciated.

- 9 Majority of the owners have selected a place in M.I.D.C. Industrial Estate mainly because the land is available at cheap rate.
10. In the groups of various industries surveyed , the average profits are higher in the group of Agro and allied Industries

SUGGESTIONS :

1. It has been found that majority of the units do not follow modern management techniques. They are thus deprived of the benefits arising from their application for management. The need for their application become more pertinent in the areas of Inventory control, production control, overheads management . It is therefore, suggested that the necessary training may be imparted to them by small scale service institute, through their regional branches or in association with some local management institute.
- 2 Since the tiny units do not have easy access to capital market, it is suggested that institutional financing agencies including nationalised banks may have liberal attitude towards them. The newly established Bank for small scale sector may seriously address to this question.
- 3 It has been found that majority of the small units surveyed deliberately restrict their employment. This is done with a view to escaping from the provisions of the Factories Act of 1948. There needs to be complete review of Labour Laws

in order to find out their applicability for small scale sector. This sector can be made more labour-intensive in character provided authorities take a broader view in giving effect to various labour laws.

4 Since small scale units opt for M.I.D.C. Industrial Estate for locational purpose mainly to avail of infrastructural facilities which are supposed to be made available at concessional rates, these facilities may be strengthened in Miraj Industrial Estate. The availability of water and electricity is not continuous, the production is held up quite often.

5 The small units established at M.I.D.C. Industrial Estate may be encouraged to form an association and to be its members. This will ensure continued co-operation amongst them. They may take up their problems to suitable authorities and more importantly they may find out some solutions on their own.

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