

CHAPTER

III

CHAPTER III

Various Schemes of Loans-Procedures, Sanctions

3.1 Introduction:

The Maharashtra State Financial Corporation (MSFC) has been established to help entrepreneurs to set up new industries and undertake programmes of modernization, renovation, expansion and diversification. The definition of 'industrial concerns' includes public limited companies, private limited companies, partnerships and proprietary concerns.

According to section 2 (c) of the State Financial Corporations Act, 1951 (as amended up to 1962), the Maharashtra State Financial Corporation can assist an industrial concern engaged, or to be engaged in any of the following activities:

- a. Manufacture, preservation, processing of goods;
- b. Mining
- c. Hotel industry
- d. Road transport
- e. Generation or distribution of electricity or any other form of power
- f. Development of any area of land as an industrial estate
- g. Fishing or providing shore facilities for fishing
- h. Providing special or technical knowledge or other services for the promotion of industrial growth.

The processing of goods, however, includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electric or any other like operation.

In this third chapter we will discuss about various schemes of loans of MSFC and their procedures as well as sanctions of loans, criteria for grant financial assistance, forms of loan applications, time for sanctions loan, who sanctions the loan and important terms and conditions.

3.2 Various schemes of MSFC for financial assistance to industries:

The Maharashtra State Financial Corporation is financing the industries through the following schemes of assistance:

1. Technicians scheme:

This scheme is primarily meant to assist the technically qualified persons or experienced engineering graduated, diploma holders, trade certificate holders, professions who are having experience in trade, managerial and production institutions, or those who have technical experience particularly unemployed technical persons are eligible to be considered under this schemes. The maximum amount of loan assistance is Rs. 750 lakhs. Financial assistance would be extended on soft terms, including soft loans and central and state subsidy in respect of projects set up in the notified backward districts.

2. Seed capital scheme:

This scheme is intended to induce and encourage technically or professionally qualified or those who possess relevant experience with entrepreneurial traits but lack financial resources for setting up small and medium scale industrial units, which are eligible for assistance from the Industrial Development Bank. The industrial units assisted by the corporation by sanctioning term loans are only eligible for the facility. Financial assistance up to Rs15.00 lakhs per project can be sanctioned. Assistance

under the scheme is interest free, however, a marginal service charge of 1% per annum will be charged.

3. Special Capital Scheme:

This scheme is meant to assist financially weak entrepreneurs along with term loan. Preference is given to units set up by a) technocrat entrepreneurs, b) Craftsmen, c) artisans, d) other persons, with sufficient practical experience or skill in the proposed line of manufacture though not technically qualified. Assistance under the scheme is available up to Rs. 4.00 lakhs. Rate of interest on soft loans will be only 1% per annum. A three year moratorium will be given from the date of first disbursement of loan for repayment of the principal.

4. Composite Loan Scheme:

This scheme is essentially designed to meet the complete financial requirement of both equipment finance and working capital of artisans, village and cottage industries in the tiny sector. The maximum amount of loan available under this scheme is Rs. 50000. MSFC will finance 100% of the requirement. Construction of shed/building will be considered for assistance under this scheme, subject to a maximum of Rs. 10000.

5. Scheme for Educated Unemployed:

Persons who have passed S.S.C. or Diploma or ITI certificate holders who have undergone EDP or apprenticeship or having experience and unemployed may establish their own industry for self employment purpose under tiny and small scale sector with financial assistance from MSFC under concessional terms. Assistance up to Rs. 2.00 lakhs is available for acquiring land, building, plant and machinery with a margin of 10%. However, in case of backward areas, assistance will be provided on soft-terms including soft loan and subsidy.

6. Scheme for Disabled Entrepreneurs:

For rehabilitation of disabled persons, who intend to established, rural, cottage or small units, financial assistance up to 100% is available under extremely economical terms on the lines of composite loan scheme. Under this scheme, blind, deaf and orthopaedically handicapped persons are eligible for assistance towards plant, machinery, and working capital up to Rs.50000. The state government is providing 20% subsidy. However subsidy is available for loans up to Rs. 25000 only.

7. Hotel Industry Scheme:

The Corporation provides financial assistance for establishing hotels or caters to the needs of tourists, as certified by the Tourism Development Corporation. The proposed hotel projects must be of at least 2 star categories and should have boarding, lodging and restaurant facilities and should have been planned on modern lines. Minimum financial assistance that can be considered for hotel projects is Rs. 2.00 lakhs in case of new hotels and Rs. 1.00 lakh for modernization of existing hotels.

8. Scheme for Transport Industry:

Under this scheme, the corporation provides financial assistance for the purpose of trucks, tippers, taxis, three-wheelers, cards, auto rickshaws and trawlers. The loan is available for the purchase of new vehicles. Preference will be shown to the applicants with experience in the line and those having regular transport contract or inter-state permits. Applications for assistance from the owners of more than 6 vehicles are not considered in view of the policy to assist only the smaller entrepreneurs engaged in transport operations.

9. Modernization scheme:

Units in tiny, small scale and small and medium units which are in existence at least for a period of five years and who intend to modernize are eligible for assistance. Modernization may include replacement or renovation of plant and machinery or acquisition of balancing equipment for fuller and more effective utilization of the installed capacity.

10. Equipment Finance Scheme:

Term loan assistance under this scheme is available for acquisition of original equipments/ capital goods (both indigenous and imported) to the existing industrial units, with good performance record for expansion, diversification, modernization, balancing etc. The unit should be in existence for at least four years and regular in the repayment to the financial institutions.

11. Finance for Quality Control Equipment:

Term loan is available at concessional rate of interest to new as well as existing SSI units for acquiring quality control equipments up to 7.50 lakhs with 100% finance. These equipments should provide facilities comprising of testing and quality evaluation of raw materials and other inputs as well as finished products.

12. Scheme for Rehabilitation of Sick Units:

All units of tiny, SSI and medium sector, which have gone sick and fall within the purview of the definition of the IDBI and complete of being revived within a reasonable period of time are eligible for assistance under the scheme. Assistance under the scheme would carry concessional interest of 11% per annum, irrespective of the location of the unit.

13. Finance to Electro- medical Equipments:

The Corporation is providing financial assistance for acquiring X- ray and other electro-medical equipments required by the medical practitioners/ hospitals. Medical practitioners with relevant qualifications in the field such as general medicine, dentistry, radiology etc. are eligible for assistance under this scheme. Assistance is also available to private hospitals. Minimum margin of 25% will be retained against the security of the fixed assets. The repayment of the loan is generally 6-8 years with a moratorium of 1 to 1 ½ years.

14. Finance for Hospital/ Nursing Homes:

Hospitals and Nursing homes with 20 or more but less than 50 beds are eligible for financial assistance up to Rs. 60.00 lakhs. The project must be backed up by expert service of post- graduate doctors. A security margin of 25% to 30% is retained against the fixed assets created out of the term loan. Repayment period will not normally exceed 8 years excluding moratorium.

15. Scheme for Women Entrepreneurs:

Women entrepreneurs who propose to establish and manage cottage, rural, tiny and SSI units are eligible for term loan assistance under the scheme. The objective of this scheme is to encourage women entrepreneurs to establish their own projects in the small scale sector; a special scheme has been formulated to provide financial assistance. The corporation provides financial assistance to women entrepreneurs with liberal terms and at reduced rate of interest to women having business acumen and entrepreneurial traits for establishing their own industrial units.

16. Finance to Generators:

Small and medium scale industrial units intending to generate power for their captive use are eligible for term loan assistance from the corporation for acquiring diesel generators. Margin retained will be as low as 10%, 3% rebate in interest for prompt repayment is the special feature of the scheme. Subsidy is also available from the state government for the purchase of generators.

17. Scheme for Research and Development:

Under this scheme, a maximum term loan of R. 7.50 lakhs is available for advancement in technologies of products/ processes having commercial applications and for adopting imported technology. Development of indigenous technologies generally not yet exploited on a commercial scale anywhere in the country will also be considered for assistance.

18. Finance to Ex-Servicemen:

Under this scheme, ex-servicemen can set-up small industrial units, transport and eligible service industrial units, hotel projects and tourism- related activities up to a maximum term loan of Rs. 9.0 lakhs (projects costing up to Rs. 12.00 lakhs). Maximum soft seed capital of Rs.1.80 lakhs per project at 1% interest is also available.

19. Mahila Udyam Nidhi Scheme:

Under this scheme, equity type of assistance along with term loan is being provided to first generation women entrepreneurs to set up new SSI units. The project cost (including working capital margin) should not exceed Rs. 10.00 lakhs. Women entrepreneurs who want to avail assistance under the scheme should possess necessary managerial and/ or technical skill to run the unit and they should be the chief promoter of the proposed unit. Equity assistance will be provide by way of soft loan at 1% interest charged per annum up to a maximum of 15% of the project cost to meet the gap in the equity.

20. Finance for Computerization in Industries:

To accelerate the business of the existing good industrial units, MSFC provides a maximum term loan of Rs. 5.00 lakh per unit for the purchase of computers. The main object of the scheme is to further strengthen the existing good industrial units to improve their business performance by installing computers.

21. Single Window Scheme:

New tiny and small units whose project cost (excluding working capital margin) does not exceeds Rs. 5.00 lakhs and the total working capital requirement at the normal level of operation is up to Rs. 2.50 lakhs will be eligible for both term loan and working capital assistance. A maximum term loan of Rs. 3.75 lakhs and the working capital of Rs. 1.87 lakhs will be available per project.

22. SC/ST Entrepreneurs Assistance Scheme:

Under this scheme, the eligibility criteria is that the entrepreneur should belong to SC/ST category as declared by the government of India preferably SSC or Diploma holder having 2 years practical experience in any industrial activity. The age limit is 45 years. The maximum amount is available under this scheme is up to Rs. 1.00 lakh and minimum margin 5% to 15% to be provided by the borrower. The rate of interest under this scheme is 13.5% per annum. The loan under this scheme is granted for the period of 10 years. The moratorium period for this scheme is one year for interest and 2 years for the principal amount. The special feature of this scheme is that this scheme is formulated as a part of 20 point programme of the Central Government.

23. General Schemes:

In addition to above special schemes, the corporation is extending term loan facility to setting up the tiny, small-scale, ancillary and medium scale units. The assistance is provided up to Rs. 60.00 lakhs with a normal security margin of 25 to 30% for new units and for expansion, diversification, modernization, rehabilitation of the existing units.

24. Finance to Tourism- related facilities:

Tourism related facilities such as setting up of amusement parks, cultural and convention centers, restaurants, travel and transport and tourist service agencies are eligible for financial assistance up to Rs. 6000000 (Rs. Sixty Lakhs). The rate of interest under the scheme ranges between 13.50% and 15%.

3.3 Criteria for grant of financial assistance:

In scrutinizing the loan applications, due consideration is given to several factors such as entrepreneur's background, ability and experience, technical skill, feasibility of the project with particular reference to the availability of raw materials, prospects for market and profitability. Projects located in backward areas, projects with large employment potential, projects with export potential, with defense- orientation and/or the

project which produce goods that are import-substitutes are given preference. Maharashtra State Finance Corporation does not encourage certain types of industries which are banned by the government, when no refinance is available from the IDBI, which are included in the low-priority list of the corporation. The prospective entrepreneurs are therefore, advised to ensure in advance from the concerned officers of the corporation whether the industry proposed to be set up is eligible for assistance or not.

3.4 Forms of loan application:

Types of loan application forms have been prescribed and the charges for separate forms are as follows:

Application form	Loan Amount (Rs. In lakhs)	Price of the application form
A	Below Rs. 1.00	Rs.10
B	Between Rs. 1.00 and 5.00	Rs.15
C	More than Rs. 5.00	Rs.25
D	Application for Hotel industry and industrial sheds	Rs.25
T	Transport Industry	Rs.15
	Form for additional loan	Rs.10

A set of applications forms can be availed from the corporation by paying the prescribed application fee by a demand draft drawn in favour the corporation or by cash. Duly filled up application in quadruplicate, must be submitted with all the required enclosures and the prescribed application fee.

No processing fee is charged for loans up to Rs. 10000. For loans above Rs. 10000 and up to 40000 the fee will be Rs. 100. For loans above 40000 and up to 2.00 lakhs, the processing fee will be 0.25% of the loan amount. For loans above Rs. 2.00 lakhs and up to Rs. 60.00 lakhs the fee will be 0.50% of the loan amount applied for. Application fee is not charge for soft loans/seed capital loans.

3.5 Time taken by the Corporation to sanction loan:

The time taken by the corporation to sanction loan assistance will largely depend on whether the applicant has furnished complete and precise information. It has been found by experience that scrutiny of the title of the properties proposed to be offered as security, especially land, takes a lot of time if the relevant documents are not made available or if the title is defective in law. Normally, the corporation takes about one month for sanctioning small loans and a little longer for larger loan amounts. If the projects are well conceived and well prepared, the time taken should be even shorter.

3.6 Power to sanction loan:

Loans up to Rs. 8.00 lakhs will be disbursed at the concerned branch office where the loan is sanctioned. In respect of loans exceeding Rs.8.00 lakhs and up to Rs. 15.00 lakhs sanctioned by the head office, will be disbursed at the concerned branch office. Loans above Rs.15.00 lakhs and up to Rs. 60.00 lakhs will be disbursed by the head-office.

3.7 Important terms and conditions:

i. Rate of Interest:

The rate of interest charged by the corporation varies depending on the location, size and the type of industry and also the special concessions available to the certain categories of entrepreneurs etc. The prevailing rate of interest ranges from 9.5 % to 15% per annum. However, concessional rate of interest is charged, if the unit is located in any of the districts of the state classified as 'industrially backward'.

Further, the rate of interest is reduced by 1% in respect of the loans sanctioned to the entrepreneurs belonging to the Scheduled Caste and Scheduled Tribes and other Backward classes.

ii. Security Margin:

The security margin is the difference between the value of the assets offered as security and the amount of the loan sanctioned against the secured assets.

The security margin normally retained by the corporation under various schemes is as below:

Scheme	% of Security Margin
1.. 'Technician' Scheme and Educated Unemployed' Scheme	10
2.. Small Scale Industry	25
3.. Medium Scale Industry	25 to 30
4.. Hotel Industry - Metropolis	40
- Rural forward districts	35
5.. Transport Industry - Backward district	30
- Single vehicle	20
-Road Transport	25
6.. Industrial Estate	40

It should be noted that the security margin has reference to the value of the fixed-assets (land, building and machinery) offered as security in the project and not to the cost of the project.

The corporation does not accept a charge on floating assets such as stock in trade, finished goods raw material etc. which are usually offered as security for raising the working capital loans from the commercial banks.

iii. Commitment Charges:

If the loanee concern fails to complete all the formalities and draw the installments according to the schedule of draw prescribed at the time of sanction, a

commitment charge at 1% will be levied on the undrawn amount. This rate is reduced to 0.5% on Rupee loans in respect of the projects coming up in the industrially backward districts. In the event of failure to draw any part of the loan within 6 months from the date of communication of sanction, the loan is liable to be cancelled.

iv. Repayment period of loan:

Repayment of the loan advanced is generally spread over a period of 5-8 years. Amortization period of loan (i.e. period of repayment) and the number of installments are based on estimated cash generation and profitability in the proposed industry. A moratorium (for the repayment) of installments of the principal ranging from 12 months to 24 months is allowed from the date of first release of the loan amount. During this period, only the interest is to be paid quarterly. Installments are fixed and the repayment schedule drawn up depending on the requirements and nature of each case.

v. Recalling the loan in full:

The entire loan may be recalled in case of

- i. Misuse of funds
- ii. Misapplication funds
- iii. Proved misrepresentation for obtaining loan assistance
- iv. Undue delay in the implementation of the projects
- v. A deliberate default in repayment of dues
- vi. Failure to properly maintain and safeguard the secured property
- vii. Breach of the agreement entered into at the time of sanction of loan

3.8 i.) Size of assistance:

The medium loan can be sanctioned by the corporations to the following categories:

- 1. Proprietorship/Hindu Joint Family/ Partnership concerns- Rs. 30.00 Lakhs
- 2. Private Limited Companies/ Public Limited companies- Rs.60.00 lakhs
- 3. Registered Cooperative Societies- Rs. 60.00 lakhs

ii.) Duration of assistance:

The State Financial Corporations are authorized to lend up to a period of 20 years and underwrite shares and debentures, subject to their disposal in the market within seven years. However, they have made it a policy to provide loans for periods up to 12 years, with suitable initial grace periods.

iii.) Nature of industrial projects:

The corporations provide assistance mainly to small scale units, which are mostly registered as partnership or proprietary concerns. The projects organized as private and public limited companies and registered cooperative societies are also provided assistance.

iv.) Security and Margin:

The MSFC generally provides secured loans, which are normally secured by way of legal mortgage of fixed assets. A mortgage is executed in favour of the corporation includes plant and machinery installed over and above the assets already acquired as on the date of the execution of the deed. Forty percent margin is generally maintained on the loans. The corporation shows considerable flexibility in operating these norms.

v.) Interest rates:

The rate of interest charged by the corporation varies depending on the location, the size and type of industry and special concessions available to certain categories of entrepreneurs etc. The prevailing rate of interest ranges from 9.50% to 15% per annum. However, concessional rate of interest is charged, if the unit is located in any of the districts of the State classified as industrially backward.

Further, the rate of interest is reduced by 1% in respect of the loans sanctioned to the entrepreneurs belonging to scheduled caste and scheduled tribes and other backward classes.

Loans Sanctioned & Disbursed by Regional Office, Kolhapur (Rs. In Lakhs)

Particulars	Year 2002-2003	Year 2003-2004
Sanctions	--	166.35
Disbursement	38.39	29.05

District wise classification of loans sanctioned and Disbursed (Rs.in Lakhs)

District	Year 2002-03		Year 2003-04	
	Sanction	Disbursement	Sanction	Disbursement
Kolhapur	-	21.29	18.00	28.30
Sangli	-	15.00	--	-
Satara	-	02.20	148.35	0.75
Total	-	38.49	166.35	29.05

Industrial wise classification of loans sanctions and Disbursed

Industry/Units	Year 2002-03		Year 2003-04	
	Sanctioned	Disbursement	Sanctioned	Disbursement
1.Food Manufacturing	-	8.40	-	0.35
2.Manufacturing of textiles	-	9.20	18	27.95
3.Manufacturing of paper & paper products	-	0.59	-	-
4.Manufacturing of non metallic & mineral products	-	15.00	-	0.75
5. Manufacturing of machinery except Electrical machinery	-	2.20	-	-
6.Manufacturing of Electrical equipments	-	-	148.35	-
7.Miscellaneous Manufacturing Industries	-	3.10	-	-
TOTAL	-	38.49	166.35	29.05



Classification of loans sanctioned according to Constitution (Rs. In lakhs)

Sr. No.	Constitutions	<u>Year 2002-03</u>	<u>Year 2003-04</u>
1.	Public Limited Company	-	-
2.	Registered Cooperative Societies	-	-
3.	Private Ltd. Companies	-	166.35
4.	Partnerships	-	-
5.	Proprietary concerns + HUF	-	-
	Total	-	166.35

3.9 Loans Sanctioned and Disbursed since beginning:

Table A
Loan sanctioned, Disbursed and Investment Catalyzed Since 1962-63

Particulars	2002-03	2003-04	2004-05
1. sanctions			
A) Term Loans	28423.15	28589.50	28754.00
B) Equipment lease finance	27.41	27.41	27.41
2. Disbursements			
A) Term loans	21569.10	21598.15	21679.80
B) Equipment lease finance	14.88	14.88	14.88
3. Sanctions in			
A) Backward areas	-	-	-
B) Developing areas	28423.15	28589.50	28754.00
C) Developed areas	-	-	-
4. Sanctions to SSI	22600.29	22618.29	22618.29
5. Investment Catalyzed	47044.56	47075.76	47075.76
6. Employment Generated	67959	67962	67962

MSFC sanctioned term loan up to end of March 31st, 2005 was Rs. 28754.00 lakhs from its inception. Equipment lease finance sanctioned up to march 31st 2005 was Rs. 27.41 lakhs from its inception.. Total term loan disbursed up to 31st March, 2005 was Rs. 21679.80 lakhs from the beginning, and that of equipment lease finance was Rs. 14.88 lakhs. The entire amount i.e. Rs. 28754.00 was sanctioned for developing areas. Out of that sanctioned to SSI units was Rs. 22618.29 lakhs. Investment catalyzed from beginning by MSFC was Rs.47075.76 lakhs. Employment generated by MSFC was 67962 from beginning.

Table B

Summary of sanctions and disbursements (Rs. In Lakhs)

Particulars	2003-04	2004-05	% of increase over 2004-05
Sanctions	166.35	164.50	-1.11
Disbursements	29.05	81.65	181.07

During the year 2003-04 total sanctions of loan by MSFC was Rs. 166.35 lakhs, and disbursements was Rs. 29.05 lakhs. During the year 2004-05, total sanctions of loan by MSFC were Rs. 164.50 lakhs, and disbursements was Rs. 81.65 lakhs. As compared to 2003-04 in the year 2004-05 percentages of sanctions decreased by 1.11% and of disbursement was 181.07%.

Table C
Classification of Loans sanctioned according to constitution

Sr. No.	Constitution	2003-04		2004-05	
		Number	Amount	Number	Amount
1	Public Limited companies	0	0.00	0	0.00
2	Registered Cooperatives	0	0.00	0	0.00
3	Private Limited Companies	2	166.35	0	0.00
4	Partnership concerns	0	0.00	2	164.50
5	Proprietary concerns including HUF	0	0.00	0	0.00
	Total	2	166.35	2	164.50

In the year 2003-04 loans were sanctioned for only private limited companies. Number of private limited companies was two, and amount sanctioned was Rs. 1.66.35 lakhs. In the year 2004-05 loans were sanctioned for only partnership concerns. Here also number of partnership concerns was two, and amount sanctioned was Rs. 164.50 lakhs.

Table D

Loan Application received during the year 2003-04 and 2004-05 (Rs. In lakhs)

Sr. No.		2003-04		2004-05	
		Number	Amount	Number	Amount
1	Applications received	2	168.00	10	703.65
2	Total applications for consideration	2	168.00	10	703.65
3	Applications sanctioned	2	166.35	2	164.50
4	Applications rejected	0	0.00	0	0.00
5	Difference between amount applied for and amount sanctioned	0	1.65	0	5.50
6	Total disposals	0	168.00	2	170.00
7	Applications pending at the end of the year	0	0.00	8	533.65
8	Amount disbursed	0	29.05	0	81.65
9	Loan limit lapsed/cancelled	0	15.44	0	167.00
10	Effective sanctions	0	150.91	0	-2.50
11	Average size of the loan sanctioned	0	83.18	0	82.25

Loan applications received during the year 2003-04 were two for the amount of Rs. 168.00 lakhs and that of in the year 2004-2005 number of applications were ten, for the amount Rs. 703.65 lakhs. MSFC takes consideration for all these applications. During the year 2003-04 applications sanctioned were two for the amount of Rs. 166.35 lakhs, and that of in the year 2004-05 here also two applications sanctioned for the amount of Rs. 1.65 lakhs. MSFC cannot reject any application during two years. The difference between amount applied and sanctioned by MSFC was Rs. 1.65 during 03-04



and that of on the year 2004-05 Rs. 5.50 lakhs. Total disposals during the year 2003-04 were Rs. 168.00 lakhs and that of in 2004-05 was Rs. 170.00 lakhs. Applications pending at the end of year 2003-04 were nil and that of in 2004-05 were eight for the amount of Rs. 533.65 lakhs. Amount disbursed during the year 2003-04 was Rs. 29.05 lakhs and that of in 2004-05 Rs. 81.65 lakhs. Loan limit lapsed or cancelled during the year 2003-04 was Rs. 15.44 lakhs and in the year 2004-05 was Rs. 167.00 lakhs. Effective sanctions in the year 2003-04 were 150.91 lakhs and that of in 2004-05 were 2.50 lakhs. Average size of loan sanctioned during the year 2003-04 was Rs. 83.18 lakhs and that of 2004-05 was Rs. 82.25 lakhs.

Table E

Age wise break-up of loan applications pending at the end of March 2005

Sr. No.	Applications pending	2003-04		2004-05	
		Number	Amount	Number	Amount
1	Up to 3 months	-	-	7	435.65
2	3 to 6 months	-	-	1	98.00
3	6 to 9 months	-	-	-	-
4	9 to 12 months	-	-	-	-
5	Above 12 months	-	-	-	-
	Total	-	-	8	533.65

Above table shows age wise break up of loan applications pending at the end of year 2004 and 2005. In the year 2003-04 pending of loan applications were nil. In the year 2004-05 there are seven applications pending up to 3 months for the amount of Rs. 435.65 lakhs and above 3 and up to 6 months, there is one application pending for the amount of Rs. 98.00 lakhs.

Table F

Purpose wise analysis of loans sanctioned 2003-04 and 2004-05 (Rs. In lakhs)

Sr. No.	Nature of project	2003-04		2004-05	
		Total Project Cost	Loan Sanctioned	Total Project Cost	Loan Sanctioned
1	New Undertakings	0.00	0.00	0.00	0.00
2	Expansion of existing line of business	247.30	148.35	166.70	100.00
3	Modernization and Rehabilitation	31.20	18.00	107.50	64.50
4	Others	0.00	0.00	0.00	0.00
	Total	278.50	166.35	274.20	164.50

The above table shows purpose wise analysis of loans sanctioned during the year 2003-04 and 2004-05. MSFC could give finance for new undertakings in both years. In the year 2003-04 for expansion of existing business MSFC sanctioned Rs. 148.35 lakhs, for the project of Rs. 247.30 lakhs. In the year 2004-05 for expansion of existing business MSFC sanctioned Rs. 100.00 lakhs, for the project of Rs. 166.70 lakhs. In the year 2003-04 for modernization and rehabilitation purpose MSFC sanctioned Rs. 18.00 lakhs, for the project of Rs. 31.20 lakhs. And that of in the year 2004-05, MSFC sanctioned Rs. 64.50 lakhs for the project cost of Rs. 107.50 lakhs.

Table G
Amount wise Classification of loan sanctioned (Rs. In Lakhs)

Sr. No.	Amount	2003-04	2004-05
1	Up to 50000	0.00	0.00
2	50001 to 100000	0.00	0.00
3	100001 to 200000	0.00	0.00
4	200001 to 1000000	0.00	0.00
5	1000001 to 2000000	18.00	0.00
6	2000001 to 3000000	0.00	0.00
7	3000001 to 6000000	0.00	0.00
8	6000001 and above	148.35	164.50
	Total	166.35	164.50

The above table shows the amount wise classification of loan sanctioned during the year 2003-04 and 2004-05. In the year 2003-04 total amount sanctioned was Rs. 166.35 lakhs, and that of in the year 2004-05 was Rs. 164.50 lakhs. In the year 2003-04 two loan applications sanctioned by MSFC, one was for Rs. 18.00 lakhs and another was for Rs. 148.35 lakhs. In the year 2004-05 two applications were sanctioned by MSFC were above Rs. 60 lakhs. Total amount sanctioned during the year 2004-05 was Rs. 164.50 lakhs.

Table H

**Scheme wise loan sanctioned & disbursed during the financial year 2003-04 and
2004-05 (Rs. In Lakhs)**

Sr. No	Scheme	Sanctions		Disbursement	
		2003-04	2004-05	2003-04	2004-05
1	General Loan Scheme	148.35	64.50	15.20	48.35
2	Hotel Loan Scheme	0.00	100.00	0.00	31.30
3	Technology Upgradation Fund Scheme(SIDBI Textile)	18.00	0.00	13.50	2.00
4	Mahila Udyam Nidhi Scheme				
	Term loan	0.00	0.00	0.35	0.00
	Seed Loan	0.00	0.00	0.13	81.65
	Total	166.35	164.50	29.18	81.65

Above table shows scheme wise loan sanctioned and disbursed in the year 2003-04 and 2004-05. in the year 2003-04, loan sanctioned by MSFC under General Loan Scheme, the amount was Rs. 148.35 lakhs and that of in 2004-05 Rs. 64.50 lakhs. Under the head of General loan scheme, total amount disbursed in 2003-04 was Rs. 15.20 lakhs and that of 2004-05 Rs. 48.35 lakhs. Under the head of Hotel Loan Scheme, MSFC sanctioned Rs. 100-00 lakhs in 2003-04, and amount disbursed Rs. 31.30 lakhs. Under the head of textile upgradation scheme, MSFC sanctioned Rs. 18.00 lakhs in 2003-04. Total disbursement under the textile upgradation scheme was Rs. 13.50 lakhs and 2.00 lakhs in the year 2003-04 and 2004-05 respectively. Under the head of Mahila Udyam Nidhi scheme the term loan of Rs. 0.35 lakhs was disbursed in 2003-04 and that of in 2004-05 was Rs. 0.13 lakhs, disbursed.

Table I
Authority wise term loans sanctioned during the financial 2003-04 and 2004-05
(Rs. in Lakhs)

Sr No.	Particulars	2003-04	2004-05
1	Board	148.35	164.50
2	Executive Committee	18.00	0.00
3	Managing Director	0.00	0.00
4	General Manager	0.00	0.00
5	Regional Manager	0.00	0.00
Total		166.35	164.50

Above table shows Authority wise term loan sanctioned by MSFC during the financial year 2003-04 and 2004-05. in the year 2003-04, the Board of Directors of MSFC sanctioned loan of Rs. 148.35 lakhs, and Executive Committee of MSFC sanctioned loan of Rs. 18.00 lakhs. In the year 2004-05, the Board of Directors of the MSFC sanctioned the loan of Rs. 164.50 lakhs.

Following form should be submitted by applicant to MSFC
while taking loan

Maharashtra State Financial Corporation
Kolhapur Regional Office

BOARD:

ITEM NO:

DATE:

SUMMARY

1. Name of applicant Concern:
2. Address: **A) Office:**

 B) Factory:
3. Constitution:
4. Date of establishment:
5. Date of Application:
6. Date of Receipt of information:
7. Amount applied for:
8. Scheme of assistance:
9. Classification of Location:
 - a) As per Government of India:
 - b) As per Government of Maharashtra:

10. Promoter of concern and his brief Background:

Sr. No.	Name	Age	Qualification	Contribution %

11. Classification of Promoters:

12. New/ Existing Unit:

13. If Existing Whether:
Expansion/Modernization/Diversification:

14. First Loan details:

15. Past Experience with Company:

16. Details of loan given:

17. a) Type of Industry:
b) Product & its Code No:
c) Uses:

18. Size of the Unit:

19. Licenses:

20. Project Cost:
a) Land:
b) Building:
c) Machinery:

- 21. Means of finance:**
- Nature
- a) Share Capital:
 - b) Internal Accruals:
 - c) Unsecured loan:
 - d) Term Loan (MSFC)
- 22. Financial Data:**
- a) Promoters Contribution:
 - b) Debt Equity Ratio:
 - c) Fixed Assets coverage:
 - d) Security available:
- 23. Performance Indicators:**
- a) Normal Year:
 - b) Production Capacity Utilization:
 - c) Sales Turnover:
 - d) Gross profit:
 - e) Profit before tax:
 - f) Taxation:
 - g) Profit after tax:
 - h) Gross cash accruals:
 - i) Net cash accruals:
- 24. Financial Projection Indicators**
- Break-Even Volume:
- 25. Economic Indicators:**
- 26. Import Contents:**
- 27. Special Features:**

28. Recommendations:

Loan Sanctions:

Rate of Interest:

Repayment Period:

ANNEXURES:

- A. Bank Credit Reports
 - B. Margin money for working capital
 - C. Profitability estimates
 - D. Details of building cost
 - F. List of proposed plant and Machinery
 - F1. List of existing plant and machinery
 - G. Analysis of accounts of applicant unit/associate Company
 - H. Details of similar assisted units
 - I. Details of immovable property
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