

C H A P T E R N O . V I .

6.1 F I N D I N G S :

6.2 S U G G E S T I O N S :

### 6.1 FINDINGS:

On the basis of the sample survey, the researcher had and personal discussions with MSFC's authorities of Satara branch: The important findings of the study are as follows:

1. Since it's establishment in 1970 to 1987, loans amounting to Rs. 1,492.67 lakhs covering 765 units were sanctioned by the MSFC, Satara branch.

2. It is found that the seed capital assistance from Western Maharashtra Development Corporation, Subsidy from Govt. of Maharashtra is sanctioned within two years after starting the new unit.

3. It is found that the corporation is not financing to the working capital requirement of the Small Scale Industries. It is very difficult to acquire working capital assistance from other commercial banks to the enterprises.

4. It is found that the corporation charges the commitment charges on the amount sanctioned, but not disbursed within 18 months from its date of sanction at the rate of 1 per cent.

5. It is also found that the borrowers have to submit so many papers, documents and certificates from different offices, banks along with the loan application. In fact, it is very difficult and time consuming process, causes the delay in loan sanctioning process.

6. It is found that the borrowers have to arrange two persons as guarentors to the loan, those who are invariably income tax payers, is truely difficult one to arrange the same.

7. It is found that on an average 13% rate of interest is charged on corporation's finance to small scale industries.

FINDINGS ACCORDING TO THE  
SAMPLE SURVEY:

1. It is found that the 20 sample units financed by the Satara branch of the corporation, have got total finance amounted to Rs. 97.99 lakhs.

2. It is found that the majority units are receiving 35% finance under technician's assistance scheme and the least 15% is under educated unemployed scheme.

3. It is found that the major portion of the finance i.e. 52.27% goes to small scale industries assistance scheme and theleast 5.88% to educated unemployed scheme. The assistance under small scale industries scheme, per unit is about seven times more than that of educated unemployed scheme.

4. It is found that, the major portion of finance 77.67% is under repayment period ranging between 7 to 10 years.

5. It is found that the normal requirement for assistance from the majority of the entrepreneurs ranges between Rs. 2 lakhs to Rs. 5 lakhs.

6. It is found that the maximum finance of 41.64% is received by the private limited companies and the least is 28.55% by the proprietary concerns and the branch has not financed to public limited companies and the registered co-operative societies.

7. It is found that the employment creation by private limited companies ( 60.72% ) is more than that of other forms of the organisations.

8. It is found that majority of the borrowers fall in the age group of 25 to 35 years.

9. It is found that 80% of the borrowers of engineering industries possess technical qualifications like B.E / DME/ ITI etc.

10. It is found that majority owners ( 75% ) of the engineering industries were in service before availing financial assistance from the corporation.

11. It is found that majority borrowers i.e. 35% of the total have visited 5 to 10 times corporation office for sanctioning the loans.

12. It is found that majority of the borrowers i.e. 80% feel that the loan application is simple to fill up.

## 6.2 SUGGESTIONS:

On the basis of the findings, the researcher would like to make the following suggestions:-

1. It is suggested that the branch should pay more attention that the seed capital assistance from Western Maharashtra Development Corporation and Subsidy from the Government of Maharashtra should be sanctioned at the same time of sanctioning the loan from the corporation.

2. It is suggested that the committment charges should not be charged by the branch to those who are really in genuine difficulties e.g. irregular supply of ordered machinery and delay in sanction of loads from electricity Board etc., for the amount sanctioned but not disbursed.

3. The collection, preparation and submission of various documents along with the loan application is very difficult and time consuming process. The branch should start special counter " Service & Guidance " to collect required documents directly from relavent offices and make the proposal easy and collect some charges for such services rendered by the corporation, from the applicants. It will help to complete the application in stipulated time. It will also save time and money of the borrowers.



4. The branch should test the possibility as regards to finance at least some portion of the working capital requirements of the units.
5. The branch should be flexible in case of small loans in respect of rigid condition of guarantors. Instead of income tax payers guarantors, ordinary guarantors should be allowed.
6. It is suggested that the rate of interest should be reduced reduced.
7. It was observed that the applicants under educated unemployed scheme are technically unqualified, therefore the percentage of the finance is the least under this scheme. Therefore, it is suggested that in order to increase the finance under this scheme the researcher is of the opinion that the branch it self or with the help of any other agency should engage short term courses in order to make the applicant acquainted with the technique concerned.
8. It is suggested that the repayment period should be extended more than 10 years.
9. It is suggested for creating more job opportunities, the branch should pay more attention to finance to the company form of organisation.
10. To minimise the applicants' visits to MSFC's office, for sanctioning the loan proposals, it is suggested that the branch should reduce the unnecessary visits of the applicants.