

M.S.P. Mandal's  
Deogiri College, Aurangabad  
Department of Commerce and Mgt. Science

B.Com. IIIrd year Vth Semester  
MSME Management

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# MAHARASHTRA STATE FINANCIAL CORPORATION (MSFC)

**The Maharashtra State Financial Corporation (MSFC)** has been set up under the 'State Financial Corporations Act, 1951. The Corporation operates in State of Maharashtra from 1962 and in State of Goa and Union Territory of Daman & Diu since 1964.

## FUNCTIONS AND OBJECTIVES OF MSFC:

- ❖ The main objective of the Corporation is to provide medium-and long-term assistance to industrial concerns that are eligible under SFCs Act, 1951, located in the political boundaries of the Maharashtra State and Goa.
- ❖ The development of backward areas, including specified backward areas, has been regarded as one of the major objectives of the MSFC.

- ❖ The main function of MSFC is to meet the term loan requirements of small and medium scale industries for acquisition of fixed assets like land, building, machinery and equipments. The loans are given for setting up new industrial units as well as for expansion and modernization of the existing units.
- ❖ The objective of the Corporation is to promote more industries in backward and developing areas of Maharashtra, Goa and Union Territory of Daman & Diu.

- ❖ MSFC grants term loans upto Rs. 90 lakhs to limited companies and registered co-operative societies and Rs. 60 lakhs to proprietary and partnership firms.
- ❖ The Corporation also finances projects with large capital outlay (total project cost upto Rs. 5 crores) in participation with SICOM/ALL India Financial institutions/Commercial Banks etc. However, in such cases assistance from MSFC is limited to Rs. 90 lakhs.

❖ The Corporation provides seed capital assistance mainly to the new/first generation entrepreneurs who possess necessary skill or practical experience but lack requisite funds to meet gap in the DER and/or promoter's contribution. The seed capital assistance is given to bridge the gap in expected promoter's contribution. If the requirement of seed capital exceeds Rs. 4 lakhs, the same is covered by IDBI seed capital scheme. The assistance may be in the form of soft loan or equity. The seed capital assistance is also given for expansion, modernization/diversification.

❖ In the case of private limited companies, it maybe by way of equity/soft loan or redeemable cumulative preference shares. Wherever Government seed capital is available through Regional Development Corporations, MSFC does not grant seed capital

# Maharashtra Industrial Corporation (MIDC)

Established in 1962, under M.I.D. Act 1961 as the premier industrial infrastructure development agency of Government of Maharashtra.

Through 16 regional offices, MIDC manages its 289 industrial complexes spread over 66,000+hectares of land. MIDC has one of the largest industrial land banks amongst all the Industrial development corporations in India.

# Objective

- ❖ Set up industrial areas for planned and systematic industrial development.
- ❖ To function as a special planning authority in development of industrial areas
- ❖ “Prosperity to all through Industrialization” is the corporate Philosophy of MIDC