

FUNCTIONING OF MAHARASHTRA STATE FINANCIAL CORPORATION :
AN APPRAISAL

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PREFACE

The all-India development banks operate at the national level but each State has its own regional development bank which confines its activities within the jurisdiction of the State concerned. The role of SFCs in the field of industrial finance has assumed greater importance in view of their commitment to development of small scale industries and for correction of regional imbalances through greater investment in the backward regions of the State. In the present context, the operations of SFCs have special significance and therefore proper appraisal of their operations are most crucial. In terms of volume of operations, and assistance to small and medium scale industries, SFCs have continued to occupy an important position. It is in this context that the present case study of Maharashtra State Financial Corporation gains importance. Since, Maharashtra State Financial Corporation (MSFC) is a premier regional development bank in the country, it would be instructive to assess its overall performance in the last 22 years. It is logical to make an attempt to evaluate MSFC's contribution in the industrial development of the State in terms of its socio-economic objectives, plan objectives and so on. Basically, the study proposes to enquire into the working of the MSFC in the light of some selected

norms or standards of performance. The norms may be qualitative as well as quantitative. As the coverage of the subject for study is rather vast, the approach has to be selective or restricted. After the bifurcation of Bombay State, MSFC was set up in August 1962 (when Gujarat SFC was separated from the older Bombay SFC), and hence it would be appropriate to confine this assessment to the period beginning from 31st March 1962 upto 31st March 1984.

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