

A comparative study between SIDBI aided units and other financial aided units with respect to assistance provided by financial institutions in Uttar Pradesh



Management

KEYWORDS: Small-Scale Industries (SSI), financial assistance

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ABSTRACT

The research paper reveals the problems of small scale units in Uttar Pradesh while getting financial assistance by SIDBI or other financial institutions.

This paper examines that whether there is a difference in the approach of SIDBI and other financial institutions while providing finance to SSIs or not.

Introduction

The small scale industries (SSIs) have a crucial role in a developing economy like India. They play a strategic role in the progress of the country. These industries by and large represent a stage in economic transition from traditional segments to modern segments. The traditional nature of this process is reflected in the diversity of these industries. Some SSIs employ simple skills and mechanism while many other units use modern and sophisticated technology. Now our economy is facing a challenge of economic growth. It has to accelerate the productivity of many important areas like agriculture and industry by improving their techniques of production. SSIs have been assigned to fulfil these expectations in more economic and diversified way. So there is a need of proper financial assistance to small scale units so that they can easily get the financing facility by different financial institutions. SIDBI is one of the premier Institution which supports small scale units as giving them financial back up. Now days there are several other institutions which help in giving financial assistance to small scale units. This paper examines whether there is a difference in the approach of SIDBI and other financial institutions while providing financial assistance to small scale units or not.

Research Methodology

Objectives of the study:

➤ To evaluate the difficulties faced by entrepreneurs of SIDBI aided units while getting financial assistance.

Hypotheses of the study

H₀: There is as such no manner difference between SIDBI aided units and other financial institutions aided units in terms of difficulty while getting financial assistance.

H₁: There is a difference between SIDBI aided units and other financial institutions aided units in terms of difficulty while getting financial assistance.

Research Design:

Research design is Descriptive in nature.

Data collection sources:

➤ Primary Data:

These data were collected through survey of small scale industries with the help of questionnaire

➤ Secondary Data:

Information regarding the project, secondary data was also required. These data were collected from various past studies and other sources like magazines, newspaper, reports and websites which are qualified as reliable.

Research instrument:

Structured questionnaire

Description of study area:

Uttar Pradesh

Target population:

Degree of satisfaction	SIDBI aided units		Non SIDBI aided units	
	Frequencies	Percentage (%)	Frequencies	Percentage (%)
Completely dissatisfied	10	16.67	15	10.72
Dissatisfied	12	20	62	44.28
No opinion	16	26.67	23	16.42
Satisfied	9	15	15	10.72
Completely satisfied	13	21.66	25	17.86
Total	60		140	

Small scale units in Uttar Pradesh

Sample size: 200

Analytical tools:

Degree of satisfaction	SIDBI aided units		Non SIDBI aided units	
	Frequencies	Percentage (%)	Frequencies	Percentage (%)
Completely dissatisfied	11	18.33	13	9.28
Dissatisfied	12	20	55	39.28
No opinion	15	25	20	14.28
Satisfied	10	16.67	30	21.42
Completely satisfied	12	20	22	15.74
Total	60		140	

Percentage method, Chi square test

Analysis & interpretation

Descriptive Analysis:

Complicated procedure

Delay in clearance of documents

Inferential Analysis:

This part compares the complicated procedures, delay in clearance of documents of SIDBI aided units and other financial institutions aided units for fulfilling the objective which is difficulties faced by entrepreneurs of SIDBI aided units while getting financial assistance.

Based on the objective hypothesis is formulated:

H₀: There is a difference between SIDBI aided units and other financial institutions aided units in terms of difficulty while getting financial assistance.

H₁: There is a difference between SIDBI aided units and other financial institutions aided units in terms of difficulty while getting financial assistance.

CHI SQUARE TEST

Complicated procedure:

Degree of satisfaction	SIDBI aided units	Non SIDBI aided units
Completely dissatisfied	10	15
Dissatisfied	12	62
No opinion	16	23
Satisfied	9	15
Completely satisfied	13	25
Total	60	140

Expected frequencies:

Degree of satisfaction	SIDBI aided units	Non SIDBI aided units	Total
Completely dissatisfied	7.5	17.5	25
Dissatisfied	22.2	51.8	74
No opinion	11.7	27.3	39
Satisfied	7.2	16.8	24
Completely satisfied	11.4	26.6	38
Total	60	140	200

$$X^2 = \sum \frac{(O-E)^2}{E}$$

$$X^2 = 11.06$$

Level of Significance = 0.05, whose tabulated value is 9.49

Since X^2 calculated value > Tabulated value (11.06>9.49), so we can conclude that **there is a difference between SIDBI aided**

units and Non SIDBI aided units in terms of complicated procedures while getting financial assistance by institutions.

Findings:

36.66 % SIDBI aided units are satisfied by complicated procedure on the other hand only 28.58% other aided units are satisfied with complicated procedures.

36.67 % SIDBI aided units are satisfied by delay in clearance of documents on the other hand only 37.16% other aided units are satisfied with delay in clearance of documents

Conclusion:

There is a difference between SIDBI aided units and other institutions aided units in terms of difficulty regarding complicated procedure and clearance of documents.

Other financial aided units faces more difficulties in comparison to SIDBI aided units regarding complicated procedures

SIDBI aided units' faces more difficulties regarding delay in clearance of documents.

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