OBJECTIVES OF THE PRESENT STUDY:

The main objectives behind study of the above topic are as follows:

1) To study and evaluate the factoring business.
2) To examine whether factoring finance is being availed by SME’s?
3) To study why SME’s are reluctant to approach factoring companies / banks for their financial requirements?
4) To study measures / initiatives have been taken by the Government of India.
5) To suggest the remedial measures in order to make factoring business more popular like those of developed countries.

PROBLEM STATEMENT:

The problem statement to be analyzed in the present study is that “why the Small and Medium Enterprises in Mumbai are not availing factoring finance as a source working capital from the factoring companies?”

To analyzed this problem statement the objectives of the research will hopefully find out importance aspects of factoring finance as a source of working capital to the Small and Medium Enterprises.
HYPOTHESIS:

In the light of the above cited objectives and background (Preamble), the researcher has set up the following hypothesis for the present study.

H$_{01}$ There is no significance different between factoring finance and working capital to the Small and Medium Enterprises.

H$_{02}$ There is significance different between factoring finance and working capital to the Small and Medium Enterprises.