

A STUDY ON CHALLENGES OF MSMEs IN AVAILING FINANCE FOR THE SUSTAINABILITY OF MSMEs: AN EMPIRICAL ANALYSIS IN THE STATE OF ANDHRA PRADESH

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Abstract: *Micro, small, and medium-sized enterprises (MSMEs) have gained increased attention in India in recent times, considering their strategic importance to the economy and the country. MSMEs play an important role in generating employment—48.8 million MSMEs in the country provide employment to 111.4 million people. MSMEs in the manufacturing sector alone produce more than 6,000 products and contribute 7.7% of the GDP of the country. Similarly, MSMEs in the services sector contribute 27.4% of the country's GDP. In spite of their contribution, MSMEs in India face several challenges. Finally, studies on MSMEs have identified the importance of the availability of sources of finance and the accessibility to these sources as the most crucial factors to promote growth of MSMEs in developing economies. Without any dispute we may consider that MSME are one of the key drivers behind the high growth rate of Indian economy. As the current global economic development rate is 3.40% to 3.80% whereas the India's growth rate is considered to be 7.80% (Department of Commerce; Gov of India). Though this sector is flourishing till the date the banks are lending only 16% to the MSME sector in India. It is required to understand much about the existing financial barriers to the MSMEs. Hence, this research thrown a light to understand the basic financial problems of the Indian MSME sectors. Furthermore, the study also focused to know the MSME entrepreneurs perceptions towards the various challenges faced by them while availing the finance facility from the different organizations.*

Key words: MSMEs, GDP, Economy, High cost credit, NBFCs.

Introduction

Small and medium sized enterprises (SMEs) potentially constitute the most dynamic firms in emerging economies (Pissarides, 1999). The empirical evidence from around the globe shows that the ubiquity of SMEs has grabbed the world's attention. The original idea formed at the end of the 19th century that large firms are the greatest support for the economy has been challenged since the 1950s. Nowadays, the significant role SMEs play in the economy cannot be underestimated. For example, Ayyagari, Demirgüç-Kunt, and Maksimovic (2011) investigated the role SMEs play in creating jobs and showed that SMEs with less than 250 employees were the engine of growth in many countries. Beck, Demirgüç-Kunt, and Levine (2005) added that SMEs constituted over 60% of total employment in manufacturing in most developing countries. According to the data from the Chinese National Bureau of Statistics, SMEs represented 99.4% of all enterprises in China in 2012, and they contributed to 59% of China's GDP and accounted for 60% of total sales. All these figures reflect the importance of SMEs both in developed and developing economies.

However, their importance notwithstanding MSMEs is confronted with significant obstacles which impede their development. This paper aims at sorting out the biggest obstacles SMEs face in developing countries and determining the factors affecting the obstacles for firms to grow. Only in this way can we offer effective recommendations to policy-makers in those countries in their quest for a faster and healthier growth of their economies. A considerable number of scholars have investigated the obstacles that affect the development of SMEs within specific areas. However, very little research has been directed towards developing economies as a group. By researching developing countries as a group, we believe that some common problems that they all face can be revealed.

Statement of the problem

There are several studies which depicts the various problems which have been facing by the small-scale sector entrepreneurs. Several studies focused on the small and medium scale sector organization's sustainability. Some other papers describes about the labor shortage in this segment. Majority of the research is carried out in explaining the various reasons and pitfalls of the small-scale industries. The marketing issues of the SMSE sector is also studied deeply and the researchers suggested the feasible models to attain the good marketing opportunities so that they can sustain more and more. The fact is that the growth rate of MSME sector in India is very mere i.e 10% (MSME Report; 2018). The main reason for this phenomenon is the organisations are not sustaining because of various financial problems. There is no timely availability of working capital, long-term loans, short-term loans, lack of overdraft facility etc (KPMG & CRICIL Report; 2018). Hence, this research work emphasized on to know the perceptions of the MSME entrepreneurs towards the various financial challenges in the MSME segment.

Objectives of the Study

The main objective this study is to provide the comprehensive understanding on the financial barriers faced by the MSMEs while attempted to avail the financing opportunities from the financial institution. The other objectives of the study are as follows:

1. To understand the MSMEs and their challenges in accessing the finance.
2. To examine the impact of various challenges in availing finance for the MSMEs.
3. To recommend the various suggestions for the sustainability of MSMEs.

Scope of the Study

This study is aimed on exploring the challenges faced by the MSMEs in accessing the finance such as size of the firm, type of ownership, type of business, type of industry, tenure of

business, procedural complications, lack of knowledge about financial schemes and difficulty in documentation only. Later, the recognized variables have been tested over availing the finance. Finally, the study also tested the impact of availing the finance over the MSMEs sustainability too. The scope of this research is confined to the certain emotions, feelings and gratifications which evoked by the challenges faced by the MSME entrepreneurs while availing finance to their organizations. The study is confined only to Guntur and Krishna districts of Andhra Pradesh state in India.

Overview of Data Collection and Analysis

In order to meet the objectives of this study, the researcher adopted both the qualitative (exploratory) and the quantitative (non-experimental survey) research procedures. In the qualitative research approach process the researcher conducted online interviews (semi structured) with the MSME entrepreneurs of different units located in and around of Guntur city. This process helped the researcher to reveal the exact factors affecting the challenges faced by the MSMEs while availing the finance. So that, the researcher confined to the certain factors and crystallized the research problem. In the second phase i.e. while conducting the non-experimental survey, the researcher adopted simple random sampling to collect the data samples from the entrepreneurs of MSMEs in Guntur and Krishna districts.

The survey is conducted during January 2020 to February 2020. The required data has been collected from the samples of 150 respondents from the different MSMEs such as manufacturing, infrastructure, service industry, food processing, packaging, chemicals, and IT. Researcher applied both descriptive and inferential statistics to analyze the data. It has been used the statistics of mean, standard deviation and cross-tabulation analysis under the descriptive statistics and simple linear regression analysis (SLRA) is used to test the impact of independent variables over the dependent variable. Multiple regression analysis (MLRA) is also used to analyze the direct effect of independent variables on dependent variables of the hypothesized relations in the model.

Review of Literature

Business Standard – Budget 2018 analyzed the issues of 200 small scale businesses in Gujarat and kept up that are interchange of variables like positive convenient and suitable government approaches and speedy versatility of the undertakings are in charge of all-round development of entrepreneurial ability.

MSMES at glance Govt. Of India (2017) Small-scale businesses assume an essential part in the industrialization of an economy. They are considered as harbingers of monetary advance in charge of the change of a conventional economy into a modern one.

Henny Romjin et al., (2016) There was likewise an absence of reasonable involvement with venture Implementation. The act of innovation bolster for small manufacturers has progressed since the mid 1970's. The vital idea of "progress" in business enterprise and projects is advancing a more sensible way. It is never again in view of the possibility that small manufacturers ought to basically assume the part of aloof recipients& recipients of enhanced tech that have been created somewhere else. Powerful undertakings are those that invigorate these procedures by setting up conditions in which learning can happen. Connecting makers to new markets is a vital precondition. The examination about effective tasks that can be drawn upon at present and more are absolutely required a perfect model is improbable ever to develop.

Murthy D.Sudarsana(2016) takes note of that since autonomy small scale ventures are the main methods for vocation for an expansive number of individuals. In like manner, the Government of India met a meeting in 1947 that tended to itself to the improvement of cabin and small-scale businesses.

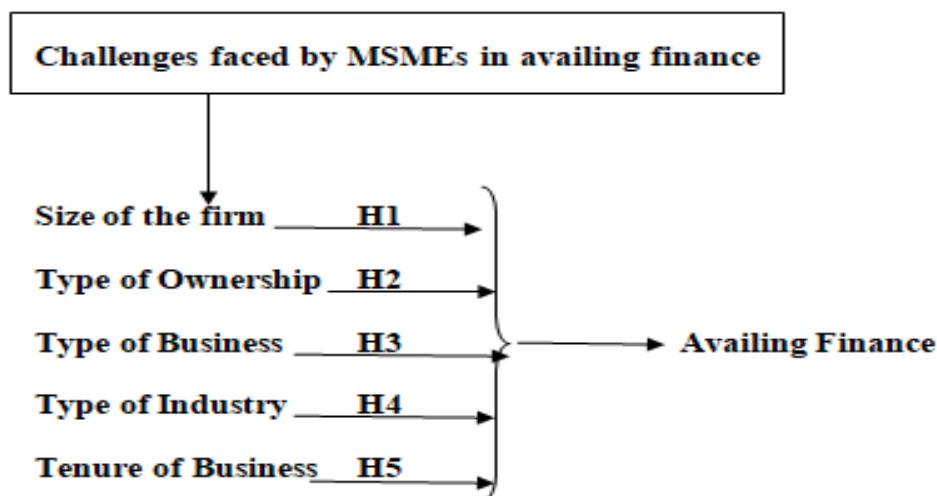
As indicated by **Saini, P. (2014)**, the principle factors unfavourably influencing the wellbeing of small-scale enterprises are promoter has restricted ability to raise value. Issues in raising institutional assets, postponed and inadequate working capital credits from banks, rivalry from multi-nationals and extensive scale ventures.

Asian Development Bank. (2014), has dissected in detail the limited time endeavours of 40 respondents in gliding their separate ventures. As indicated by him, the errand of advancing an endeavour might be viewed as an issue of our most worry to the business visionary.

Ambrose, J. (2012) explored the issues of small-scale modern units in three phases commencement, operation, and extension or enhancement however he has neglected to give solid answers for the issues looked in these stages.

Bannock, G, (1969) the paper exhibits the after effect of an examination completed to find out about the effect of data and correspondence advancements on small & medium scale ventures. Greater part of the organizations that primarily utilize it to find Customer and contract, general business data and email as opposed to sourcing for crude materials.ICT does help in expanding efficiency as well as quality and influence the path business to work less confounded and efficient.

Proposed Conceptual Model



Research Methodology

Formulation of Hypotheses

As the study is in exploratory in nature, it is required to frame the hypotheses of this study in the form of null. Hence, the researcher framed the hypotheses in full form as mentioned below:

- H1₀**: Size of the firm has no effect on Availing of Finance.
- H2₀**: Type of Ownership has no effect on Availing of Finance.
- H3₀**: Type of Business has no effect on Availing of Finance.
- H4₀**: Type of Industry has no effect on Availing of Finance.
- H5₀**: Tenure of Business has no effect on Availing of Finance.

Sample Design

Sample design of any study can depict the vital information about the various aspects such as population of the study, sample units or the sample subjects, framework of the sampling and sample size. It explains about the sampling procedure also.

Population of the Study

The entire aggregation of the respondents that meet the designated set of criteria is known as population of the study. In the context of this research work, the study considered the MSMEs entrepreneurs located in Guntur and Krishna districts as the target population.

Sampling Unit

To select a concerned sample, the researcher is supposed to follow the sampling unit definition. The sampling unit confirms the samples in various aspects such as, certain geographical locations like a state, district, village, unit etc or in other words it can be a

construction unit such as house, flat, family, club or may be individual (Kothari, 2004) considered as a Sampling Unit. The present study had a sample of stratum that are the entrepreneurs of micro, small and medium scale enterprises located in Guntur and Krishna districts in the state of Andhra Pradesh, India.

Sampling Technique and Sample Size

In order to collect the samples, the researcher adopted the convenience sampling method. The samples from the different sectors such as service sector, manufacturing and other sectors. The researcher approached 200 entrepreneurs, out of which 170 responded positively and accepted to participate in the survey. After the survey, 160 samples only returned. Among the returned questionnaires it is observed that 150 questionnaires only useful to the study. Hence, we conclude that the sample size of this study is 150.

Data Collection Procedure

The main intension of this study is to explore and to examine the determinant challenges faced by MSMEs in accessing finance and to examine their impact over availing finance and sustainability. The study considered field survey is the best technique as it considered being the efficient way of gathering information from a large sample of respondents by asking questions and recording responses (Blackwell et al., 2001, p.22). Though several types of methods of data collection taken in to the consideration, the limitations like complexity of the survey, time and funding budget evoke to implement the convenience sampling is finally adopted to collect the data from randomly selected MSMEs.

Survey Instrument

The researcher constructed a non-disguised questionnaire to collect the data from the respondents. The questionnaire had three parts and consists of 89 questions in total. Part – A of the questionnaire consists of 5 questions which describes about the respondent's demographic aspects such as, age, gender, sector, qualification and experience. Part – B of the questionnaire had 22 questions which are posed to know the entrepreneur's perceptions towards the challenges faced by the MSMEs, Availing Finance and Sustainability. Part – C consist of 61 questions related to the total 5 variables of the study. All the items in part – c of the questionnaire are adopted from the previous research papers which are posed to reveal the concerned variables of the study in different contexts. All the items are measured on using five-point Likert's interval scale. There are several types of questions posed in this questionnaire like dichotomous, multiple choice, and five-point interval scales, and open-ended questions. The questionnaire ends with thanks for participation in the study.

Methods of Analysis

After confirming the pilot study results, the actual survey of this research study is carried out. The modified and finalized questionnaire after the pilot study is used as the survey instrument. In order to determine the data analysis, coding file is created with a idiosyncratic code is assigned to each variable. Thereafter, the responses of the study are coded in the form of numbers assigned to each response of the participant. The data has been organized in a scholarly fashion in a summary spread sheet, by counting the frequency of responses to every item.

Later, a case analysis is performed to detect the outliers and the regression assumptions tests are conducted to check the violations in the data. The total analysis was carried out using SPSS (Statistical Package for Social Sciences) 21.0. The main aim of this analysis was to examine the direct linkages between the independent variables and one dependent variable at a time, and subsequently.

Next, the descriptive and inferential statistics are performed to the collected data. The descriptive statistics are aimed to know the frequencies, percentages, means, standard deviations etc. To the final data set exploratory factor analysis is performed to abridge the huge amount of data which is collected the primary survey. To determine the factors affecting the challenges faced by MSMEs in accessing finance, principal component analysis and VARIMAX rotation is applied and the variables are consolidated which will be used for the final analysis. Cross tabulation analysis is done between the entrepreneur's demographic factors and the determinant factors of availing finance, and sustainability. Each variable's frequencies mean and standard deviation is presented in the cross-tabulation analysis. The concerned results are tabulated in the following data analysis chapter.

The relationship between the concerned independent and dependent variables are tested by using simple linear regression analysis (SLRA). The following table – 1.1 illustrates the concerned hypotheses and the method adopted to test them.

Table 1.1 Tests applied to test the proposed hypotheses of the study:

S.No	Hypothesis/Hypotheses	Technique used for the analysis
1	H1 ₀	Simple Linear Regression Analysis (SLRA)
2	H2 ₀	Simple Linear Regression Analysis (SLRA)
3	H3 ₀	Simple Linear Regression Analysis (SLRA)
4	H4 ₀	Simple Linear Regression Analysis (SLRA)
5	H5 ₀	Simple Linear Regression Analysis (SLRA)

Reliability Analysis

The Cronbach's Alpha was used to measure the reliability coefficient. For reliability coefficient values, it was suggested that 0.70 is the minimum requirement for basic research (Nunnally, 1978). If the correlations are low (less than 0.70), the contribution of each item will be reviewed, and consideration will be given to dropping from the scale of those items that provide the least empirical and conceptual support. The following table no 1.2 suggests Cronbach's Alpha (refer table no 1.2).

Table 1.2 Reliability Analysis:

S.No	Variable	Cronbach's Alpha
1	Size of the Firm	0.951
2	Type of Ownership	0.874
3	Type of Business	0.913
4	Type of Industry	0.930
5	Tenure of Business	0.866

Data Analysis and Results

Respondent's Socio-economic, Demographic and Geographic characteristics

The results of respondent's demographic, socio-economic and geographic variables (from Q1 to Q5 in Part-A) are summarized in Table 1.3

Table 1.3 Respondent's Demographic Profiles

Demographic Description		Frequency	Percentage	Mean	SD
Gender	Male	102	68.8	-	-
	Female	48	31.2		
Age	25-35 Years	40	26.67	36.06	11.47
	35-45 Years	60	40		
	45-55 Years	36	24.13		
	Above 55 Years	14	9.3		
Sector	Service Sector	100	66.6	-	-
	Manufacturing Sector	45	30		
	Others	5	3.3		
Span of Experience	0-2 Years	50	33	-	-
	2-5 Years	61	40.67		
	5-10 Years	18	12		
	Above 10 Years	21	14		

Source: Primary Data

Inferential Statistics

H1₀: Size of the Firm has no significant effect on Availing of Finance

The hypothesis of relationship between Size of the Firm and Availing of Finance were tested using simple linear regression. The regression results shown in Table 1.4 revealed that the predictor variables contribute significantly and had moderate impact on the Availing of Finance ($R^2= 0.561$). The corresponding ANOVA value ($F =318.412$, $p=0.000$) for the regression models had indicated the validation with Availing of Finance.

Table 1.4 Regression Model Summaries for the Size of the Firm on Availing of Finance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.561 ^a	0.314	0.313	0.50092	318.412	1	145	0.000

a. Predictors: (Constant), Size of the Firm

The coefficient summary shown in Table 1.5 revealed that beta values of Size of the Firm ($\beta=0.603$, $t=17.844$, $p=0.000$) was significant predictor of Availing of Finance. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis (H1) was accepted as their p-values were less than 0.05.

Here the following simple linear regression model

$$\text{Availing of Finance (Y)} = 1.545 + 0.603 (\text{Size of the Firm}) X$$

Table 1.5: Predictor effects and Beta Estimates (Unstandardized) for Availing of Finance associated with the Size of the Firm

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.545	0.139	-	11.088	0.000
	Size of the Firm	0.603	0.034	0.561	17.844	0.000

a. Dependent Variable: Availing of Finance

H2₀: Type of Ownership has no significant effect on Availing of Finance

The hypothesis of relationship between Type of Ownership and Availing of Finance were tested using simple linear regression. The regression results shown in Table 1.6 revealed that the predictor variables contribute significantly and had moderate impact on the Availing of Finance ($R^2= 0.159$). The corresponding ANOVA value ($F =131.829$, $p=0.000$) for the regression models had indicated the validation with Availing of Finance.

Table 1.6 Regression Model Summaries for the Type of Ownership on Availing of Finance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.399 ^a	0.159	0.158	0.55456	131.829	1	145	0.000
a. Predictors: (Constant), Type of Ownership								

The coefficient summary shown in Table 1.7 revealed that beta values of Type of Ownership ($\beta=0.499$, $t=11.482$, $p=0.000$) was significant predictor of Availing of Finance. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis (H2) was accepted as their p-values were less than 0.05.

Here the following simple linear regression model

$$\text{Availing of Finance (Y)} = 1.983 + 0.499 (\text{Type of Ownership}) X$$

Table 1.7: Predictor effects and Beta Estimates (Unstandardized) for Availing of Finance associated with the Type of Ownership

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.983	0.178	-	11.158	0.000
	Type of Ownership	0.499	0.043	0.399	11.482	0.000
a. Dependent Variable: Availing of Finance						

H3₀: Type of Business has no significant effect on Availing of Finance

The hypothesis of relationship between Type of Business and Availing of Finance were tested using simple linear regression. The regression results shown in Table 1.8 revealed that the predictor variables contribute significantly and had moderate impact on the Availing of Finance ($R^2= 0.165$). The corresponding ANOVA value ($F =137.152$, $p=0.000$) for the regression models had indicated the validation with Availing of Finance.

Table:1.8 Regression Model Summaries for the Type of Business on Availing of Finance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.406 ^a	0.165	0.164	0.55278	137.152	1	145	0.000
a. Predictors: (Constant), Type of Business								

The coefficient summary shown in Table 1.9 revealed that beta values of Type of Business ($\beta=0.522$, $t=11.711$, $p=0.000$) was significant predictor of Availing of Finance. The results

were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis (H3) was accepted as their p-values were less than 0.05.

Here the following simple linear regression model

$$\text{Availing of Finance (Y)} = 1.828 + 0.522 (\text{Type of Business}) X$$

Table: 1.9: Predictor effects and Beta Estimates (Unstandardized) for Availing of Finance associated with the Type of Business

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.828	0.187	-	9.753	0.000
	Type of Business	0.522	0.045	0.406	11.711	0.000

a. Dependent Variable: Availing of Finance

Source: Primary Data

H4₀: Type of Industry has no significant effect on Availing of Finance

The hypothesis of relationship between Type of Industry and Availing of Finance were tested using simple linear regression. The regression results shown in Table 1.10 revealed that the predictor variables contribute significantly and had moderate impact on the Availing of Finance ($R^2 = 0.273$). The corresponding ANOVA value ($F = 261.079$, $p = 0.000$) for the regression models had indicated the validation with Availing of Finance.

Table: 1.10 Regression Model Summaries for the Type of Industry on Availing of Finance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.523 ^a	0.273	0.272	0.51572	261.079	1	145	0.000

a. Predictors: (Constant), Type of Industry

The coefficient summary shown in Table 1.11 revealed that beta values of Type of Industry ($\beta = 0.337$, $t = 16.158$, $p = 0.000$) was significant predictor of Availing of Finance. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis (H4) was accepted as their p-values were less than 0.05.

Here the following simple linear regression model

$$\text{Availing of Finance (Y)} = 2.824 + 0.337 (\text{Type of Industry}) X$$

Table: 1.11 Predictor effects and Beta Estimates (Unstandardized) for Availing of Finance associated with the Type of Industry

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.824	0.076	-	37.238	0.000
	Type of Industry	0.337	0.021	0.523	16.158	0.000

a. Dependent Variable: Availing of Finance

Source: Primary Data

H5₀: Tenure of Business has no significant effect on Availing of Finance

The hypothesis of relationship between Tenure of Business and Availing of Finance were tested using simple linear regression. The regression results shown in Table 1.12 revealed that the predictor variables contribute significantly and had moderate impact on the Availing of Finance ($R^2 = 0.120$). The corresponding ANOVA value ($F = 94.761$, $p = 0.000$) for the regression models had indicated the validation with Availing of Finance.

Table: 1.12 Regression Model Summaries for the Tenure of Business on Availing of Finance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.346 ^a	0.120	0.119	0.56743	94.761	1	145	0.000

a. Predictors: (Constant), Tenure of Business

(Source: Primary Data)

The coefficient summary shown in Table 1.13 revealed that beta values of Tenure of Business ($\beta = 0.370$, $t = 9.735$, $p = 0.000$) was significant predictor of Availing of Finance. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis (H5) was accepted as their p-values were less than 0.05.

Here the following simple linear regression model

$$\text{Availing of Finance (Y)} = 2.430 + 0.370 (\text{Tenure of Business}) X$$

Table: 1.13 Predictor effects and Beta Estimates (Unstandardized) for Availing of Finance associated with the Tenure of Business

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.430	0.164	-	14.847	0.000
	Tenure of Business	0.370	0.038	0.346	9.735	0.000

a. Dependent Variable: Availing of Finance

(Source: Primary Data)

Limitations of the Study

As the present research is a starting point for a new direction in studying the perceptions towards the challenges faced by the MSMEs in availing of finance and sustainability in India, it has encountered a few limitations. The following limitations of the study are as follows:

- ✓ This study is limited to the entrepreneurs of MSMEs of Guntur and Krishna districts in the state of Andhra Pradesh only.
- ✓ The study subjects were MSME entrepreneurs, who are above 20 years old in the state of Andhra Pradesh. There is a chance that the respondents may not furnish the elaborated/accurate data because of time constraint.
- ✓ Accuracy of the data collection process is contingent on whether or not research team who administered the questionnaire followed the guidelines presented by the More importantly, Available resources (time and money) placed constraints on the size, depth and time frame

Findings and Suggestions

The data is analysed with the samples collected from 750 respondents. The analysis revealed the following aspects:

Findings

- ✓ The empirical analysis revealed that the size of the firm has a high impact over availing the finance.
- ✓ The analysis of this study elicited that the type of ownership has moderate impact over availing the finance.
- ✓ It is observed that the independent variable type of business has moderate impact over availing the finance.
- ✓ The empirical analysis also evidenced that type of industry has high impact over the dependent variable i.e availing of finance.
- ✓ The entrepreneurs perceived that the impact of tenure of business have moderate impact over the dependent variable i.e availing of finance.

Suggestions

The findings of this study hold specific suggestions for MSME sector in India. These suggestions are summarized below.

- ✓ As the bankers are considering the size of the firm, it may become difficult to attain the loans. Hence, this study suggested allocating the certain specific quota of loan disbursement in all the types of banks and various financial institutions.

- ✓ It is suggested that, irrespective of type of ownership and type of business, the bankers should sanction the loans to entrepreneurs.
- ✓ The banks are suggested to provide the loans based on the type of industry, as the different types of MSMEs are emerging now.
- ✓ The tenure of business should not become the obstacle for attaining the financing facility by the bankers. Hence, the bankers are suggested to consider the low tenure of business also to issue the loans to MSMEs.
- ✓ The results derived that the banks are consider the tenure of business of MSME entrepreneurs to issue the loans, hence financial institutions are suggested for easing the finance availability to the least tenure enterprises also.

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