

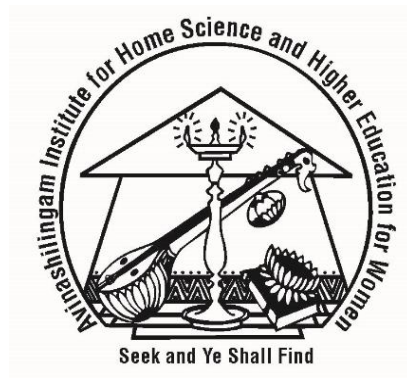
**MICRO SMALL MEDIUM ENTERPRISE ENTREPRENEURS PREFERENCES ON
BANKING SERVICES**

PROJECT REPORT

**SUBMITTED BY
VAISHNAVI S (20PCC020)**

**UNDER THE GUIDANCE OF
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TEACHING & RESEARCH FELLOW**

**IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE
DEGREE OF
MASTER OF COMMERCE WITH (COMPUTER APPLICATIONS)**



**DEPARTMENT OF COMMERCE
AVINASHILIGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN
COIMBATORE-641043**

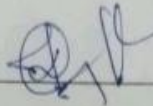
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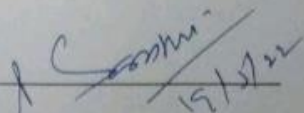
This is to certify that the project work entitled, "MICRO SMALL MEDIUM ENTERPRISE ENTREPRENEURS PREFERENCES ON BANKING SERVICES" submitted to the Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, in partial fulfilment of the requirements for the award of degree of **MASTER OF COMMERCE WITH COMPUTER APPLICATIONS** is the record of original project work done by **VAISHNAVI S**, during the period of her study, under my supervision and guidance.

Signature of the supervisor _____



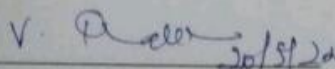
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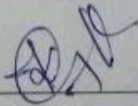
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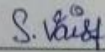
I hereby declare that this project work entitled "MICRO SMALL MEDIUM ENTERPRISE ENTREPRENEURS PREFERENCES ON BANKING SERVICES" submitted to Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, in partial fulfilment of the requirements for the award of the **DEGREE OF MASTER OF COMMERCE WITH (COMPUTER APPLICATIONS)** is the record of the original project work done by me during the period of study, under the supervision and guidance of **Mrs. K. Jayanthi, M.Com., M.Phil., M.B.A., (Ph.D.)** Teaching & Research Fellow, Department of Commerce.

PLACE : COIMBATORE

DATE : 19.05.2022



Signature of the Supervisor



Signature of the Candidate

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

Every work on its backdrop has the blessing of Lord Almighty. I submit my heart full gratitude on the feet of the Lord Almighty. I take immense pleasure to thank all those who helped to do this study during the course.

I would like to express my sincere gratitude to **Dr. S. P. THYAGARAJAN, D.SC IN MICROBIOLOGY., Ph.D.,** M.D Chancellor, Avinashilingam Institute for Home Science and Higher Education for Women, for providing all the necessary facilities for this study.

I extend my sincere thanks to **Dr. V. BHARATHI HARISHANKAR, Ph.D., FRSA** Vice Chancellor, Avinashilingam Institute for Home Science and Higher Education for Women, for providing the opportunity to gather knowledge.

I thank **Dr. (Mrs) S. KOWSALYA, M.Sc., M.Phil., Ph.D.,** Registrar, Avinashilingam Institute for Home Science and Higher Education for Women, for providing adequate help required to carry out the work.

I thank **Dr. (Mrs) P. CHITRAMANI, M.B.A., M.Phil., Ph.D., SLET, NET,** Dean, School of Commerce and Management, Avinashilingam Institute for Home Science and Higher Education for Women, for giving her necessary help and support for completing this project successfully.

I thank **Dr. (Mrs.) P.SANTHI, M.Com., DIP.IN MGT., M.Phil., Ph.D.,** Professor and Head, School of Commerce and Management, Avinashilingam Institute for Home Science and Higher Education for Women, for her motivation and support for the successful completion of this project.

I extend my sincere gratitude to **Mrs. K. JAYANTHI, M.Com., M.Phil., M.B.A., (Ph.D.,)** Teaching & Research Fellow, Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, for her guidance, help and motivation throughout the study.

I thank all the Staff members of the Department of Commerce and the Librarians, Avinashilingam Institute for Home Science and Higher Education for Women, who rendered their help whenever required.

I extend my heart full thanks to my Parents for giving moral support to complete this project successfully and all the Respondents for their patience, cooperation and help to complete this study

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ABSTRACT

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The micro, small and medium enterprise sector in India covers a widely divergent spectrum of industries categorized under small, tiny and cottage segments ranging from small artisans or handicraft units to modern production units using sophisticated technologies with significant investments and produce a wide range of products. MSME respond to enormous enterprises as a subordinate units and this zone contributes enormously to the socio-financial enhancement of the nation. MSME are the engine of monetary growth and they play a more important role in manufacturing and exports.

The present study was undertaken to know the micro, small and medium enterprise entrepreneur preferences on banking services. The objectives of the study are, to find out the MSME entrepreneurs level of awareness of bank services/schemes, to identify motives for preferring the banks by the entrepreneurs of the MSME sector, to study the motivation factors responsible for MSME entrepreneurs growth, to measure the MSME entrepreneurs level of satisfaction in availing bank services/schemes.

To attain these research objectives, a research methodology was framed. The research design is descriptive in nature. The primary data was collected using a structured questionnaire. The study was conducted with the sample of 150 entrepreneurs using convenient sampling technique. The data were analyzed by applying the statistical tools like frequency analysis, mean score analysis, weighted mean, factor analysis, ANOVA and likert scale technique.

The study determined that entrepreneurs have enough awareness about banking services/schemes. The most significant factors influencing entrepreneurs towards banking services/schemes are the perception of risk, pressure from the competition, business prospects, registration of enterprise, strong management and leadership, labour law compliance issues, collateral financing, introducing of new products exporting and skilled labour. The majority of the entrepreneurs are highly satisfied and satisfied with the usage of banking services/schemes, it has offered huge employment opportunities and this will be support the improvement of our nation's economic growth.

INTRODUCTION

CHAPTER I

INTRODUCTION

MICRO, SMALL AND MEDIUM ENTERPRISES-AN OVERVIEW

The Micro Small Medium Enterprise sector plays a very significant role in the economic development of the country, at the same time, assessment of potentials, measurement of prospects and identification of problems are the fundamental issues industry faces whether big or small.

As a matter of fact, possessing high potential, foreseeing bright market prospects and facing minimum problems are the clear indicators of sound industrial growth and healthy environmental condition. It is because of the fact that while potentials reveal the strengths and vigour an industry possesses, prospects portray the picture of sound absorption capacity of the markets which act as a vital motivating force to produce more and more.

On the other hand, problems are expressed in terms of weaknesses, threats and challenges which act as stumbling blocks in the way to better industrial performance. It may be possible that industry has enormous potential and its products have prosperous markets both domestic and foreign, but if the industry is shrouded in problems, threats and challenges, it would be quite difficult to grow and diversify.

Undoubtedly, they have high potential and good market prospects, but they have also a host of intractable problems which hamper their proper growth and prosperity. The medium, small and micro enterprises sector in India covers a widely divergent spectrum of industries categorised under small, tiny and cottage segments ranging from small artisans or handicraft units to modern production units using sophisticated technologies with significant investments and producing a wide range of products exceeding 7500.

Micro, small and medium enterprises are labour intensive yet require little capital. They can be either manufacturing industries or service providers. MSMEs comprise small enterprises that manufacture goods or provide services with the help of smaller machines and a few workers and employees. The enterprise must fall under the guidelines set by the Government of India. They are the lifeline of the Indian economy, and they offer

several job opportunities for skilled labours. After all, MSMEs are essential for the economy from a financial and social point of view.

For a developing country like India, these industries bloom because of huge demand and opportunity. Some industries are also exporting goods, thereby bringing foreign currencies to India. Nearly half of the products in India (45-55%) shipped are from micro small and medium enterprises. Some industries are created because of the demand of vendors for multinational companies. The Government of India has some guidelines for micro small and medium enterprises in terms of investment the company is making and the revenue it has generated.

MICRO, SMALL AND MEDIUM ENTERPRISES-DEFINITIONS

In accordance with the provision of the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified into two Classes:

- ✓ Manufacturing Enterprises
- ✓ Service Enterprises

MANUFACTURING ENTERPRISES

The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The manufacturing Enterprises are defined in terms of investment in Plant & Machinery.

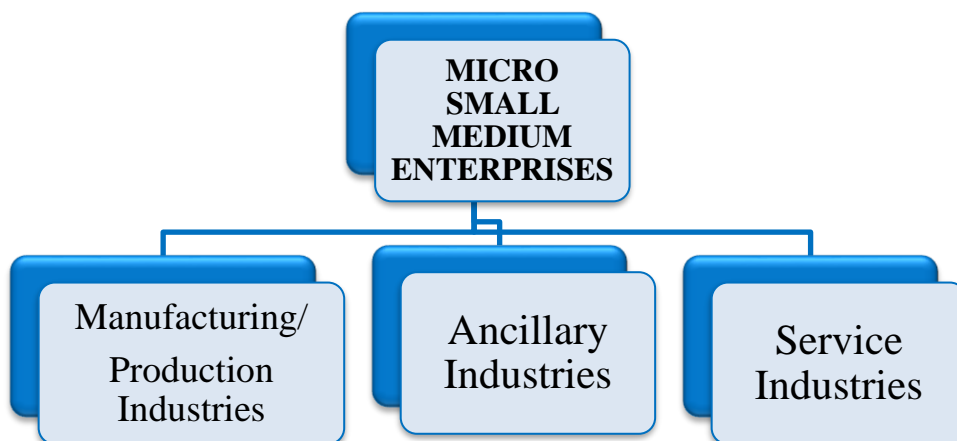
SERVICE ENTERPRISES

The enterprises engaged in providing or rendering services are defined in terms of investment in equipment.

The limit for investment in plant and machinery/equipment for manufacturing/service enterprises, as notified, vide are as under

MANUFACTURING SECTOR	
ENTERPRISES	INVESTMENT IN PLANT & MACHINERY
Micro Enterprises	Does not exceed twenty-five lakh rupees
Small Enterprises	Crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
SERVICE SECTOR	
ENTERPRISES	INVESTMENT IN EQUIPMENT
Micro Enterprises	Does not exceed ten lakh rupees
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five core rupees

MICRO SMALL MEDIUM ENTERPRISES CLASSIFICATION



MANUFACTURING/PRODUCTION INDUSTRIES - Units that produce finished goods either for consumption or used in processing industries. These types of micro, small and medium enterprises are generally individually owned. Examples of manufacturing industries are power looms, engineering industries, food processing, etc.

ANCILLARY INDUSTRIES - Big companies or MNC manufactures finished goods, but they don't generally make all the parts themselves. Vendors of these companies are ancillary industries. Ancillary industries can also be identified as those companies which make machines for multinational companies or medium industries.

SERVICE INDUSTRIES - Repair shops and maintenance industries come under the category of service industries. Other than these types of industries, there are feeder industries and mining or quarries. The micro, small and medium enterprises in general, particularly in Coimbatore have been in a mixed condition thus, the study is about analyzing the SWOT (Strength, Weakness, Opportunities and Threats) and awareness of MSME in Coimbatore District.

ROLE OF MICRO, SMALL AND MEDIUM ENTERPRISES

Since its formation, the MSME segment has proven to be a highly dynamic Indian economy sector. MSMEs produce and manufacture a variety of products for both domestic as well as international markets.

They have helped promote the growth and development of khadi, village and coir industries. They have collaborated and worked with the concerned ministries, state governments and stakeholders towards the upbringing of rural areas.

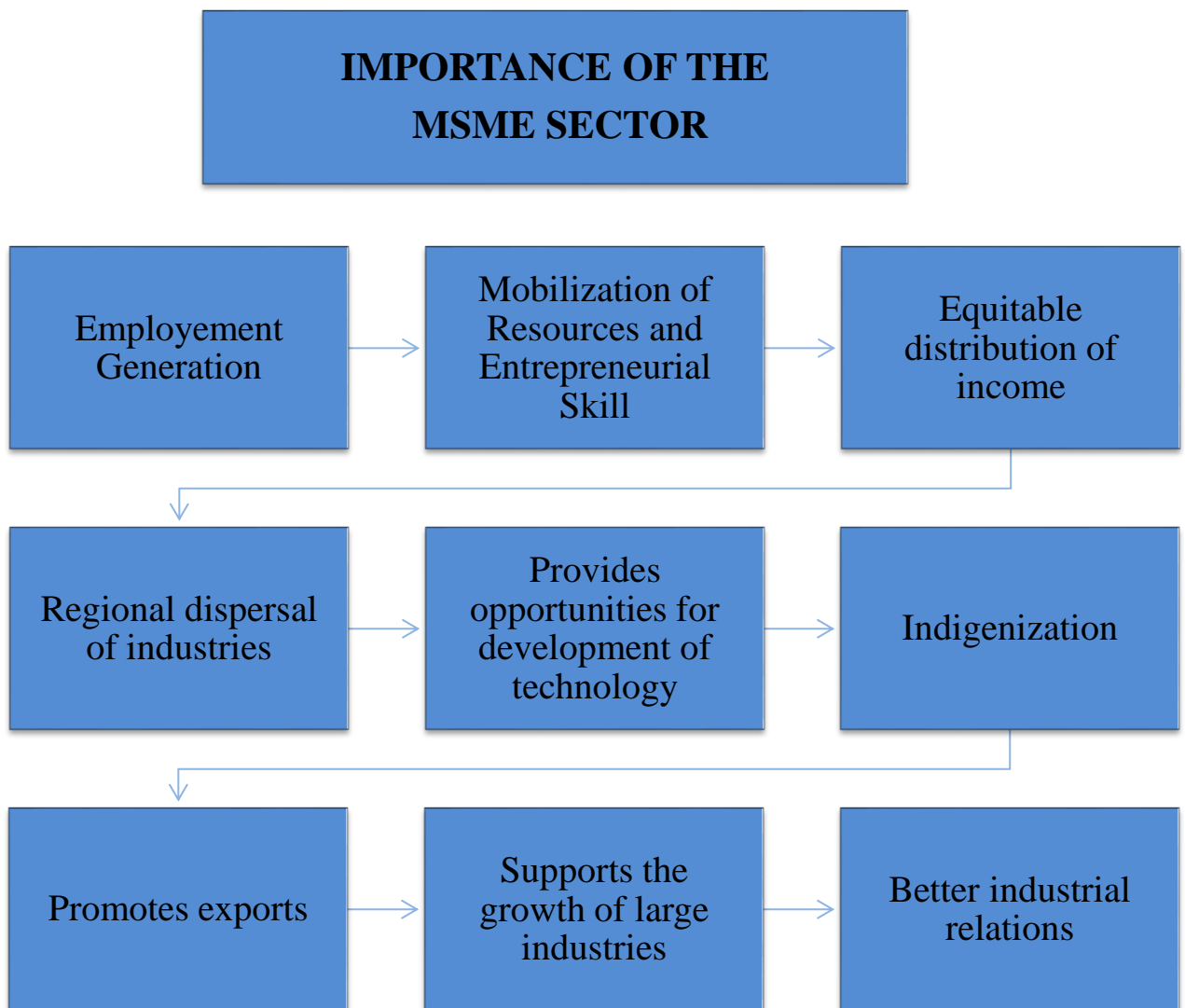
MSMEs have played an essential role in providing employment opportunities in rural areas. They have helped in the industrialization of these areas with a low capital cost compared to the large industries. Acting as a complementary unit to large sectors, the MSME sector has enormously contributed to its socio-economic development.

MSMEs also contribute and play an essential role in the country's development in different areas like the requirement of low investment, flexibility in operations, mobility

through the locations, low rate of imports and a high contribution to domestic production.

With the capability and capacity to develop appropriate local technology, provide fierce competition in domestic and international markets, technology-savvy industries, a contribution towards creating defence materials and generating new entrepreneurs by providing knowledge, training, and skill up-gradation through specialized training centres.

IMPORTANCE OF THE MSME SECTOR



EMPLOYMENT GENERATION-The basic problem that is confronting the Indian economy is the increasing pressure of the population on the land and the need to create massive employment opportunities. This problem is solved to a larger extent by small-scale industries because small-scale industries are labor intensive in character. They generate a huge number of employment opportunities. Employment generation by this sector has shown phenomenal growth. It is a powerful tool for job creation.

MOBILIZATION OF THE RESOURCES AND ENTREPRENEURIAL SKILL-Small-scale industries can mobilize a good amount of savings and entrepreneurial skills from rural and semi-urban to areas remain untouched from the clutches of large industries and put them into productive use by investing in small-scale units. Small entrepreneurs also improve the social welfare of a country by harnessing dormant, previously overlooked talent. A huge amount of latent resources are being mobilized by the small-scale sector for the development of the economy.

EQUITABLE DISTRIBUTION OF INCOME-Small entrepreneurs stimulate redistribution of wealth, income and political power within societies in ways that are economically positive and without being politically disruptive. Thus small-scale industries ensure equitable distribution of income and wealth in the Indian society which is largely characterized by more concentration of income and wealth in the organized section keeping the unorganized sector undeveloped. This is mainly due to the fact that small industries are widespread as compared to large industries and are having large employment potential.

REGIONAL DISPERSAL OF INDUSTRIES-There has been a massive concentration of industries in a few large cities of different states of the Indian union. People migrate from rural and semi-urban areas to these highly developed centres in search of employment and sometimes to earn a better living which ultimately leads to many evil consequences of overcrowding, pollution, creation of slums, etc. This problem of the Indian economy is better solved by small-scale industries which utilize local resources and bring about the dispersion of industries in the various parts of the country thus promoting balanced regional development.

PROVIDES OPPORTUNITIES FOR DEVELOPMENT OF

TECHNOLOGY-Small-scale industries have a tremendous capacity to generate or absorb innovations. They provide ample opportunities for the development of technology and technology in return, creates an environment conducive to the development of small units. The entrepreneurs of small units play a strategic role in commercializing new inventions and products. It also facilitates the transfer of technology from one to the other. As a result, the economy reaps the benefit of improved technology.

INDIGENIZATION-Small-scale industries make better use of indigenous organizational and management capabilities by drawing on a pool of entrepreneurial talent that is limited in the early stages of economic development. They provide productive outlets for the enterprising independent people. They also provide a seedbed for entrepreneurial talent and a testing ground for new ventures.

PROMOTES EXPORTS-Small-scale industries have registered a phenomenal growth in export over the years. The value of exports of products of small-scale industries has increased from 393crores in 1973-74 to 71, 244 crores in 2002-03. This contributes about 35% of India's total export. Thus they help in increasing the country's foreign exchange reserves thereby reducing the pressure on the country's balance of payment.

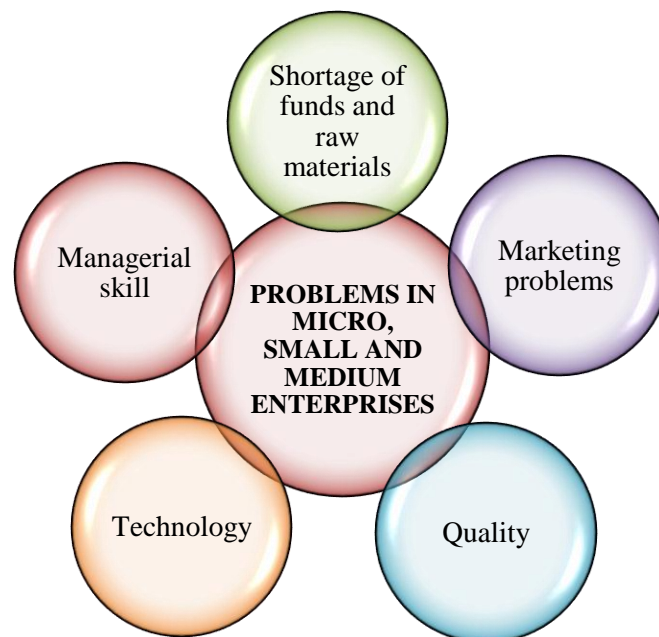
SUPPORTS THE GROWTH OF LARGE INDUSTRIES-The small-scale industries play an important role in assisting bigger industries and projects so that the planned activity of development work is timely attended. They support the growth of large industries by providing components, accessories and semi-finished goods required by them. In fact, small industries can breathe vitality into the life of large industries.

BETTER INDUSTRIAL RELATIONS-Better industrial relations between the employer and employees help in increasing the efficiency of employees and reducing the frequency of industrial disputes. The loss of production and man-days are comparatively less in small-scale industries. There is hardly any strikes and lockouts in these industries due to good employee-employer relationship.

FEATURES OF MICRO SMALL MEDIUM ENTERPRISES

- ❖ MSMEs work for the welfare of the workers and artisans. They help them by giving employment and by providing loans and other services.
- ❖ MSMEs provide credit limits or funding support to banks.
- ❖ They promote the development of entrepreneurship as well as up-gradation of skills by launching specialized training centres for the same.
- ❖ They support the up-grading of developmental technology, infrastructure development, and the modernization of the sector as a whole
- ❖ MSMEs are known to provide reasonable assistance for improved access to the domestic as well as export markets.
- ❖ They also offer modern testing facilities and quality certification services.
- ❖ Following the recent trends, MSMEs now support product development, design innovation, intervention, and packaging.

PROBLEMS IN MICRO, SMALL AND MEDIUM ENTERPRISES



- **SHORTAGE OF FUNDS AND RAW MATERIALS**-The most severe problem and money management should be done at all levels.
- **MARKETING PROBLEMS**-Proper advertisement to run the show every time.
- **QUALITY**-To fulfil the demand, one should not compromise on the condition.
- **TECHNOLOGY**-Be on a par with the latest technology. It helps to reduce the cost of investment and increases the quality.
- **MANAGERIAL SKILLS**-To handle the labor class and get the work done from them.

INDUSTRY IN COIMBATORE

Coimbatore houses a large number of small and medium textile mills. It also has textile research institutes like the Central Institute for Cotton Research (CICR)-Southern Regional station, South Indian Textiles Research Association (SITRA) and the Sardar Vallabhai Patel International School of Textiles and Management.

The city is the second-largest software producer in Tamilnadu, next only to Chennai. The software development is set to take an upswing with the launch of TIDEL Park and other private IT parks around the city. The IT industry in Coimbatore is nascent compared to its textile and manufacturing industries, with Tata Consultancy Services, Cognizant Technology Solutions, Robert Bosch DELL, KGISL and CSS Corp Pvt Ltd to name a few. Coimbatore is also emerging as an IT and BPO city. Coimbatore is ranked 17th place among the global outsourcing cities.

Manufacturing Research and Development Organisations like South India Textile Research Association, PSG and Sakthi Group of Industries. Larsen and Toubro (L&T) commissioned its Casting Manufacturing Unit (CMU) near Malumichampatti. Some of the other major industries are Lakshmi Machine Works Ltd (LMW), Premier Instruments and Control Limited (PRICOL), Premier Evolvics, ELGI Equipments, Shanti Gears, Roots Industries and Indoshell are one among the major employers in the city. Coimbatore is also called as the Pump City. The first in-house car was designed and developed in the 1960s. Successfully manufactured India's first indigenously developed

diesel engines in 1972 for cars and their own CNC lathes in 1982 at Coimbatore. Tamil Nadu Government-owned SIDCO industrial unit is located at Kurichi in Coimbatore.

The term “Coimbatore Wet Grinder” was given a Geographical indication for wet grinders manufactured in Coimbatore and Erode. Coimbatore is also home to a common facility for the manufacturers of wet grinders. Pump manufacturing It is also called the Pump City of India. The city also houses numerous jewellers engaged in jewellery exports. Major Wind Energy Companies are located in and around Coimbatore.

The City houses a large number of medium and small-scale engineering companies. The motor and pump industry supplies two thirds of India’s requirements, while its wet-grinder industry has a near monopoly. Agriculture is still the major occupation in the district as in any other part of the Country. General trade attracts people from all over the state including neighbouring Kerala. The Major Pump industries Suguna pumps, Sharp Industries, CRI Pumps, Texmo Industries, Deccan Pumps & KSB Pumps are renowned worldwide. Coimbatore also has a 160,000 square feet trade fair ground, built-in 1999. It was named COINTEC due to its hosting of INTEC (Small Industries Exhibition). This Trade Fair complex is one of the countries largest and is owned by CODISSIA (Coimbatore District Small Industries Association). It is also the country’s largest pillar-free hall according to the Limca Book of Records. Many Industrial and Commercial Exhibitions are held throughout the year.

ENTERPRISES IN COIMBATORE

Coimbatore is a major commercial and business hub in the state of Tamil Nadu. The business tradition of Coimbatore has evolved over a period of last two hundred years. If we have to catch the sequence and chronology of this story of growth, it has most to do with the fact that the rich black soil in Coimbatore was not very friendly to food production and, it is in fact, the successful growth of cotton as served as a foundation for the establishment of its famous textile industry. At that time, under British rule, the country had got into annual cotton cultivation, as a commercial activity. Hence farmers in Coimbatore began to grow cotton. This led to the setting up of the first cotton yarn spinning mill. The first textile mill came up as far back as 1888 and due to the availability of cotton in this area, more and more cotton spinning mills came up over the period of time. Even in the late 1800s, The Coimbatore district had cotton cleaning and pressing

factories and was exported to Mumbai (then Bombay) and England. The development of Hydro Electricity from the Pykara Falls in the 1930s led to a Cotton Boom in Coimbatore. The Southern India Mills' Association (SIMA) was established in 1933, is very active in the Coimbatore region and governs most of the textile industry in South India. SIMA has a membership spread across the southern states and protects the interests of the textile mills and their workers. India's 15 % textile mills are situated in and around the Coimbatore. Gradually, it is known as the textile capital of South India hence it is called as "The Manchester of South India". The machinery for these mills was imported or some of them were bought from manufacturers in the Bombay region, which was the then textile hub. Once the spirit of entrepreneurship entered the living traditions of the people, then it was only a matter of expansion and diversification into related and even different areas of economic activities.

Coimbatore envisioned building a strong Foundry base, so, the spares for replacement in these Textile machines were able to be produced in Coimbatore. Later, full-fledged machinery was 15 manufactured. The textile industry began to get backward-integrated, into the capital goods front, by the evolution of a strong the textile machinery manufacturing base. There was an evolution of textile machinery manufacturing sector due to the pre-existing engineering capability in the Foundry sector. The machinery manufacturing activity was a forward integration of the foundry capability. This led to manufacturing of a host of innovative machinery like Wet grinders, Lathes, machines for drilling, welding, etc. This also led to the growth of Gear technology and the manufacture of gear-based machineries. The Foundry and Machining capabilities were leveraged for supplying components to automobile manufacturers as diversification and Coimbatore became a strong base for the supply of auto-components for the whole of India. Due to sustained and the locally contagion competitive creation of wealth over the period of last 40 years, a number of ancillary and resultant businesses also evolved.

Simultaneously, the cotton spinning industry began to get forward-integrated by evolution of weaving capability, by handloom or power loom, in the adjoining areas including Somanur, Palladam, Thiruchengode, Pallipalyam, Karur, etc. The evolution of the globally competitive Hosiery industry in Tiruppur was also due to the strong cotton yarn- manufacturing base in Coimbatore. Tiruppur a neighbouring town has carved a niche for itself in the garments export market. The major industries include textiles,

textile machinery, automobile spares, motors, electronics, steel and aluminium foundries. The larger sectors like the Spinning sector account for nearly 30% of the country's total spindle, Pumps account for 45% of the total production in the country and automobile components account for nearly 20% of the country's total business.

Apart from the Manufacturing and trading base, Coimbatore has also become a base for the services with high potential IT sector, now becoming the hub of Information Technology, Health services i.e. hospitals and Education services i.e. professional, arts and science colleges, etc. The growth of these different services sector components is also the spin-off effect of the growth of the industrial sector in the first place, and the development of Coimbatore as the centre for the small towns and the largely rural areas around. It is home to more than 50,000 Micro, Small and Medium enterprises in the various fields of general engineering, textiles, textile spates, auto spares, machine tools, motor & pumps, foundry, home appliances, software, farm equipments, poultry and food products, etc. It is second in manufacturing.

The most fundamental reason for the growth of Coimbatore as a manufacturing centre was the community-triggered contagion competitive spirit. The high-quality educational institutions helped to set up and expedite the process of starting enterprises. The easy availability of skilled manpower facilitates industry and entrepreneurship in the region. The people's matured entrepreneurship, the conducive work culture and the business environment prevailing in the Coimbatore region attribute to the sustainable development of MSMEs in the manufacturing sector. It is the highest revenue yielding district in the state even ahead of Chennai, thus making it one of the fastest-growing second-tier metro cities in India. Coimbatore is ranked as one of the most competitive (by business environment) Indian cities.

INTRODUCTION TO BANKING

The Banking division was a bureaucratic style before 1991 which is experienced, much change with the opening of the Indian economy. Much overall public and industry people groups request banking administrations like store, credit and some other utility offices to satisfy their needs. And furthermore anticipating expedient procedure, client, administration quality and fulfilments are going to drive all banks future achievements. In the present, focused world banks need to confront numerous

difficulties in retail exchanging, SME Financing, Rural credit and abroad tasks are the essential blast drivers for the Indian financial division.

The financial segment has been managing unmatched fearlessness with the rush of LPG in the Indian economy. Banks in India have outrageous strain to perform in the present interest and supply, commercial centre, high challenge to high FICO assessment dangers are request and supply, commercial centre, a high challenge to high FICO assessment chances so banks are discovering a new way to deal with upgrade greater gainfulness. For reasonable improvement of banking segment, they have certainty and dependability of the purchaser to the monetary foundation and furthermore keep up a better client relationship.

BANKING SYSTEM IN INDIA

The banking system in a country plays a critical role in the financial system and monetary development. The reforms and guidelines of the financial institution are taken in a suitable time to phase with the alteration that takes vicinity in and around the country. As a phase of the financial area reforms, prudential norms ought to be prescribed for banks, monetary establishments and non-bank economic corporations to keep a healthful and sound financial position which not solely impart transparency of operations but however would additionally carry about a qualitative change in their method in handling emergent competition and for a better comparison in be aware of the monetary position of a bank.

The Indian banking system before the independence had performed a necessary position in the socio-economic progress of the country which is functionally diverse and geographically tremendous the nationalization of banks in 1969 and the consequent huge growth of commercial banks into hitherto unbanked and less banked areas. The institutional credit gadget has been playing a fundamental function in the financial development of rural India. The banking segment plays a vital role in our economy. Which constitutes the core of the economic zone plays an ordinary function in strengthening the monitory policy impulse to the entire financial development.

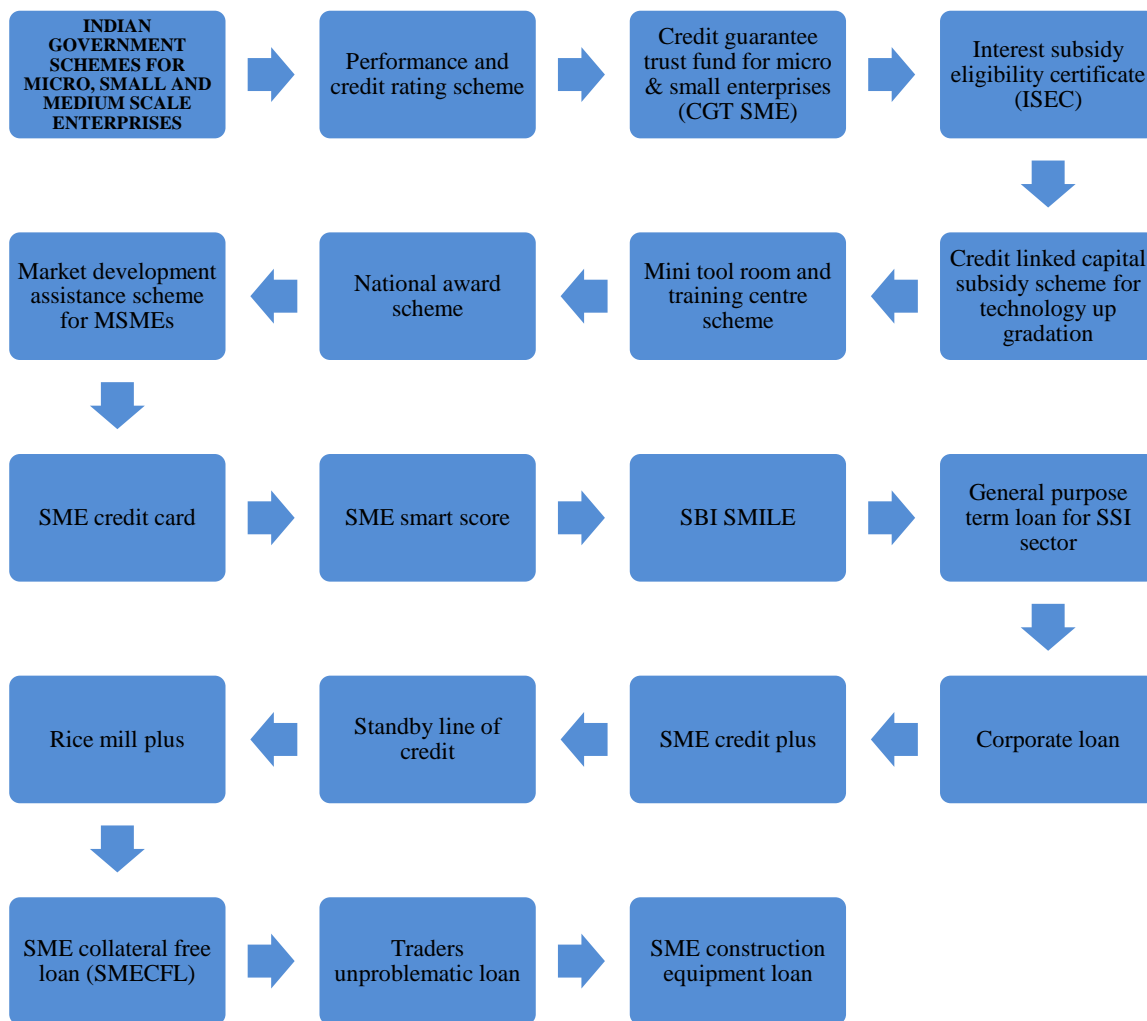
A brief of the Indian banking industry would motivate at the back of the right situation ruled with the aid of the banking regulation act of India 1949 categorized our banking system into two classes scheduled banks and non-scheduled banks. Further, it has been classified into public sector banks, private sector banks, industrial development banks, foreign banks, rural banks and small finance banks. Banking segments in our country have been booming of late due to high liquidity, altering demographic profiles changing interest rates, and growing demand for consumer finance.

On July 19 1969 fourteen banks were nationalized by the government of India with the objective of economic development and increasing financial Inclusiveness. Minimum portfolio sector and priority sectors have been assigned for the development process; it recognized the year 1970 the manufacturing sectors total productivity was increased. Through this development additionally six banks were nationalized in 1980. Also, increase the number of branches throughout the nation.

After the 1990s the government of India has introduced liberalization for economic development and financial sector reforms, many new private banks and foreign banks were first made after the guidelines was issued in January 1993. Healthy competitions created between the public sector and private sector banks. Private players can't fit the publicsector banks great reach, first-rate dimension and low cost credit. Now a day's private banks were introduced many services to the customers, also specially focused on retails segment, including house loans, auto finance, educational loans, credit cards, and insurance services.

INDIAN GOVERNMENT SCHEMES FOR MICRO, SMALL AND MEDIUM SCALE ENTERPRISES

The KVIC functioning as a nodal company at the national level carries out a scheme known as PMEG. The scheme is carried out at state level through State KVIC Directorates, State KVIBs, DICs and banks. In such situations, KVIC gives government subsidies through certain banks for ultimate dispersal to the beneficiaries or entrepreneurs directly to their bank accounts. The amount given as subsidy to the entrepreneurs under this scheme is 15 % for Urban area, 25% for rural, SC/St, minorities, ex-serviceman and physically challenged. The subsidy is given in hill areas and women entrepreneur benefits to 25% in case of an urban area and to 35% in case of rural.



PERFORMANCE AND CREDIT RATING SCHEME-The strength and weaknesses of MSME and their creditworthiness can be analyzed with the help of the Performance and Credit Rating Scheme. It helps in identifying and improving the potentiality and creditworthiness in order to get the credit at a cheaper rate.

CREDIT GUARANTEE TRUST FUND FOR MICRO & SMALL ENTERPRISES (CGT SME)-In order to support CGT SME, the Ministry of MSME and SIDBI started a trust named CGT SME. It was set up by the Government of India and SIDBI. The trust fund guarantees loan amount up to 75% to the financial institution. On payment of guarantee charge to bank through the MSE, individuals of medium size enterprises can claim collateral-free credit up to a maximum of Rs. 1 crore.

INTEREST SUBSIDY ELIGIBILITY CERTIFICATE (ISEC)-In order to mobilize the fund and to fill up the gap between the actual fund demand and cash sources the ISEC Scheme is undertaken by khadi institutions. The MSME entrepreneurs can avail up to 4% of the interest as a subsidy from the Central Government for meeting its working capital needs and for repayment of term loans from the lending banks.

CREDIT LINKED CAPITAL SUBSIDY SCHEME FOR TECHNOLOGY UP GRADATION-The MSME entities can claim credit up to Rs. 1 crore for the purpose of technology up-gradation and it involves a 15 % of subsidy rate for the rate of plant or machinery.

MINI TOOL ROOM AND TRAINING CENTRE SCHEME-Small scale Tool room and preparing focus of Rs.15 crores worth is being wanted to be set up by the State Government. The business visionaries will be taught with respect to structuring and assembling of instruments, additionally learning among the labourers, administrators and fashioners. It additionally gives data with respect to consultancy, data administration and documentation. The fundamental target of this plan is to make installations, instruments measures, a press apparatus, a plastic mould, producing kicks the bucket and weight throwing bites the dust, among different devices. Instruction is being given in territories like device assembling and apparatus planning to create a workforce among educated labourers, directors, engineers/architects, and so forth likewise this plan fills in as a core centre in giving consultancy, data administration, and documentation. What's more, for settling troubles related to toolings of enterprises in the area.

NATIONAL AWARD SCHEME-Selected entrepreneurs and corporations under this scheme are given National awards annually by The Ministry of MSME. The yearly awards are given to the deserving entrepreneurs of MSME who is having permanent registration. The entrepreneurs who have filed a Memorandum with the authorities under the respective country's government as per the requirements of the MSME act 2006 are also eligible for the National award scheme. The MSME have been manufacturing or servicing continuously for four years.

MARKET DEVELOPMENT ASSISTANCE SCHEME FOR THE

MSMEs-Under the MSME India stall the Market Development Assistance Scheme provides contribution to manufacturing MSMEs in international exchange fairs/ exhibitions. Sector-specific market studies is also been funded by means of industry associations/ export merchandising councils/ FIEO. It also initiates or contests anti-dumping instances by means of MSME associations. This scheme also provides 75% repayment for one time registration fee and 75% of annual prices paid to GSI by using Small and Micro devices for the first three years.

SME CREDIT CARD-These advances are given for smaller-scale ventures including SSI units, private venture endeavours, proficient and independently employed people, little retail merchants, transport administrators and so on for gathering any sort of credit necessity including buying of shops which incorporates a most extreme limit up to 10 lakhs including the term advance and working capital advance. The credit will be authorized for a time of three years with a yearly survey.

SME SMART SCORE-The credit is given for assembling exchange and administrations to meet the working capital needs and for obtaining fixed resources. To institutionalize the evaluation procedure a rearranged examination model has been created for the credits up to 50 lakhs in SSI and up to 25 lakhs for exchange and administration segment which is accessible under alluring loan costs. These credits will be endorsed for a time of two years under a yearly survey.

SBI SMILE-To help the qualified, proficient and actually qualified business visionaries for setting up of new miniaturized scale and little undertakings the plan gives premium free credit as value help towards part of value edge necessities of the venture which is being secured under the bank's task take-up for innovation up degree. The value help is given up to a limit of Rs. 10 lakhs. The intrigue free advance is repayable inside three years with a ban of 5-7 years.

GENERAL PURPOSE TERM LOAN FOR SSI SECTOR-Term Loan for SSI segment (up to 50 lakhs INR) Such sorts of advance is given for officially existing borrowers for some business purposes like sharing of net working capital, the substitution of staggering expense obligation, R&D, ISO confirmation, and so forth which are liable to dispensing

being made with explicit reason endorsement. The greatest advance is given up to 50lakhs which are repayable inside a most extreme time offive years

CORPORATE LOAN-The plan gives term advance to every current client and set up non-clients (subject to takeover standards of the bank) in assembling division. Quantum of the fund is at least 25 lakhs INR and limit of 10 crores INR for non-corporate and there is no top for corporate borrowers. Under this plan, no edges are required. A limit of three corporate advances can be extraordinary per borrower at anytime of time.

SME CREDIT PLUS-To meet possibilities this plan gives a perfect money acknowledge office for existing just as new borrowers. 20% of total WC or max 25 lakh INR reserve-based breaking point can be profited under this plan. no edges are required under this plan and the loan fee will stay the same as relevant to the money credit limit. The office is repayable in two months and can be benefited from 12 times each year.

STANDBY LINE OF CREDIT-For existing units including sending out units, an extra working capital (support based and non-finance based) limit by method for money credit, pressing credit and bills limiting against a stock, receivables to meet possibilities, for example, batching of requests, delay in shipment, unexpected increment in crude material costs, befuddle in real money streams. Under this 15% of total working capital or a maximum of 5 crores INR can be benefited. Edges are appropriate as far as possible.

RICE MILL PLUS-The term credit is given for obtaining of hardware, manufacturing plants working for modernization, development and working capital needs of rice factories which are occupied with processing, arranging, evaluating and cleaning. There is no upper roof on credit sum.

SME COLLATERAL FREE LOAN (SMECFLL)-Collateral free loan with maximum guarantee covering to 1 crore INR is been provided for viable projects of micro small and medium enterprises in the manufacturing and service sector under the CGTMSE guarantee scheme for working capital and term loan (FB+NFB) facilities.

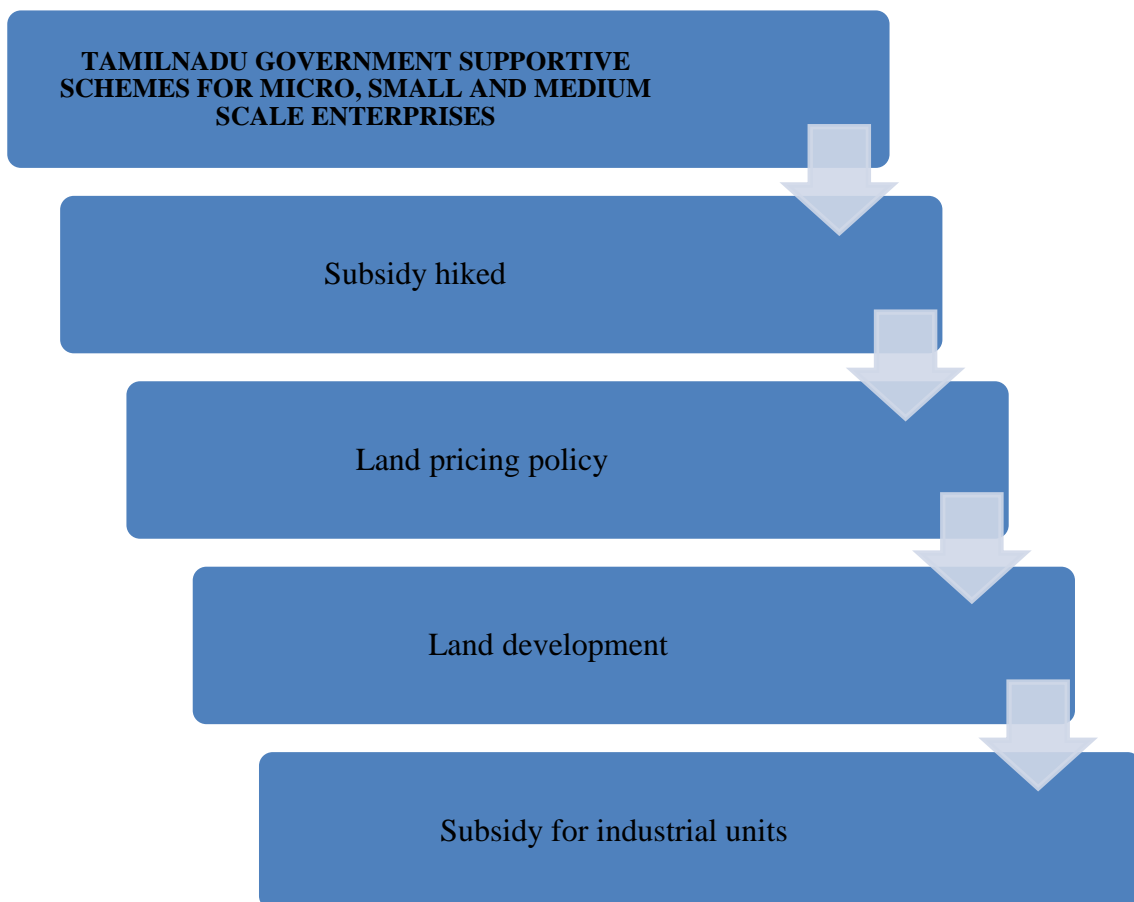
TRADERS UNPROBLEMATIC LOAN-Under this plan, the credits are given by simple intention to explicit business needs of dealers, independently employed, private company ventures, operators who are occupied with buy and clearance of sustenance grains

and so forth these advances are benefited for everyday business prerequisites or for buy of hardware/fixed resources. These credits are accessible up to 5 crores INR with a focused rate of intrigue.

SME CONSTRUCTION EQUIPMENT LOAN-These advances are accessible to a limit of 25crore with a base edge material of up to15%. The advanced residency can be reached out to a most extreme time of four years.The term advances are given for buy of development types of gear viz. loaders, excavators, cranes and so on, for contractual workers and firms that are occupied with development activities.

TAMILNADU GOVERNMENT SUPPORTIVE SCHEMES FOR MICRO, SMALL AND MEDIUM SCALE ENTERPRISES

The Small and Medium industrial sector has been set up to get a boost with the Tamil Nadu Government asserting a wide variety of encouragements and help for investments in this sector. Space will additionally be allotted at aggressive expenditures to aid MSMEs.



SUBSIDY HIKED

Tamil Nadu government subsidy on plant and machinery for minuscule, small and medium scale corporations will be hiked to 25 percent from the prevailing 15 percent. The SIDCO will construct a 2,000 acre land financial institution for allocation to tiny and MSME enterprises.

LAND PRICING POLICY

SIDCO will revamp its land pricing policy to undertake a no profit approach. It will additionally allocate land and manufacturing unit space on a 30-year rent to the tiny and MSME units. The industrial units will be given a choice to buy the liberty at the quit of the hire period. A single window approval committee will be fashioned to manage the preliminary paperwork concerned in obtaining clearances and no-objection certificates to begin a business.

LAND DEVELOPMENT

To furnish an opportunity for small units to come up shut to their large counterparts for the common advantage, the State Industries Promotion Corporation of Tamil Nadu, the enterprise that units up to industrial estates for giant units, will earmark 20 percent of its industrial area for allocation to the tiny and MSME sector. It will hand over the land to SIDCO at rates suitable for the sector, which in flip will advance the land for the tiny and MSME units.

SUBSIDY FOR INDUSTRIAL UNITS

To inspire industrial devices to shift out of cities and city areas, the Government will furnish a 75 percent subsidy up to a restriction of Rs 15 crores for electrical connection, water supply, exhibition and advertising services and different common infrastructure to the private sector if it set up industrial estates. The Government will additionally lengthen a subsidy of 50 percent up to a restriction of Rs 10 crores for private agencies and industrial associations that come ahead to set up industrial parks. SIDCO will take 10 percent equity in personal industrial estates if any unit or industry body sets up such facilities. The State Government will take an extra Rs 16 crores stake in SIDCO to assist its initiatives to motivate the sector.

STATEMENT OF PROBLEM

The unemployment problem in developing countries like India can be solved through self-employment. The balanced development of our nation can be achieved through the development of its rural economy. Since the capital availability in the Indian economy is scarce, the development of the economy rests on the development of the enterprises which need only limited capital. Despite being in the business for several years, the MSME entrepreneurs are in Coimbatore District. Businesses were not escalating or growing in volume and continue to operate on the same premises. The main challenge faced by MSME is a lack of capital. The absence of capital restricts their capacity to develop and extend their organizations. Stringent loan condition put by banks on MSMEs means that selling products at international markets fail to get capital for running their businesses; as a result, they fail to grow and remain stagnant.

This study is an attempt evaluates micro small medium enterprises preferences on banking services. It also aims at analyzing the socio-economic condition of entrepreneurs in MSME sector. In order to develop entrepreneurial skills and expose the scope of business in a rural area, and in depth study is highly essential. The present study provided the motivation for the researcher to make an in depth study on micro, small and medium Enterprises preferences on banking services.

RESEARCH QUESTIONS

The study focuses on the micro small medium enterprise entrepreneurs preferences on banking services in the Coimbatore District. The study has been undertaken to find the answers to the following questions:

- What are all the services provided by banks to MSME entrepreneurs?
- MSME entrepreneurs aware and satisfied with these banking services?
- Why do MSME entrepreneurs prefer banks?
- What are the factors responsible for the growth of MSME entrepreneurs?
- What extent the entrepreneurs of MSME are satisfied with their banking services/schemes?

SCOPE OF THE STUDY

The research study has an enormous scope. Coimbatore acts as one of the major players in micro small and medium enterprises. The study focused awareness, preferences, factors and satisfaction of MSME Entrepreneurs.

OBJECTIVES OF THE STUDY

- To find out the MSME entrepreneurs level of awareness of bank services/schemes.
- To identify motives for preferring the banks by the entrepreneurs of the MSME sector.
- To study the motivation factors responsible for MSME entrepreneurs growth.
- To measure the MSME entrepreneurs level of satisfaction on availing bank services/schemes.

LIMITATIONS OF THE STUDY

- The demographic region for the study is restricted to Coimbatore. So the results may not generalize to other areas.
- The study has been conducted micro small and medium enterprises the Coimbatore district, due to the time limit only 150 respondents were selected for sampling it does not cover overall industries.

CHAPTER SCHEME

The following are the chapter scheme of the study as under

CHAPTER I	The first chapter deals with the introduction about “ Micro Small Medium Enterprise Entrepreneurs Preferences on Banking Services ”
CHAPTER II	The second chapter covers the “ Review of Literature ”, under which a brief description of earlier studies have been included.
CHAPTER III	This chapter deals with the “ Research Methodology ”, which includes a description regarding sources of data, collection of data and tools used for analysis of data.
CHAPTER IV	This chapter deals with “ Analysis and Interpretation ”, under which data collected through questionnaires were analyzed and interpreted.
CHAPTER V	This chapter deals with a summary of “ Findings, Conclusion and Suggestions ”

REVIEW OF LITERATURE

CHAPTER II

REVIEW OF LITERATURE

INTRODUCTION

Generally, a writing survey recognizes, assesses and incorporates the applicable writing inside a specific field of examination. It enlightens how information has developed inside the field, featuring what has just been done, what is by and large acknowledge, what is arising and what is the present status of deduction on the theme. Moreover, inside examination based messages, for example, a theory, a writing survey distinguishes an exploration hole and verbalizes how a specific examination project tends to the hole.

Saud Ilahi (2012)¹, conducted a study on “**Micro, Small and Medium Enterprises (MSMEs) in Delhi: Problems and Prospects**” Micro, Small and Medium Enterprises (MSMEs) are key to accelerate the pace of economic and social development. They play a significant role in the economic growth of the country owing to their contribution to production, employment and exports. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. Delhi has emerged as one of the biggest centres of MSMEs in the country .Over the years Delhi has evolved the role of a facilitator in the development of the industries in the NCT. This paper focuses on the problems and prospects of MSMEs in Delhi. Though this sector has been struggling with various problems in the field of finance, technology, infrastructure, marketing, labor etc still it has the potential to play a significant role in the emergence of the Indian economy. A survey has been conducted to study the problems of entrepreneurs of Delhi and consequently some measures have been suggested for better and effective environment for MSMEs.

Rupali Sharma and Zia Afroz (2014)², conducted a study on “**Growth and Performance of MSME’s in Present Scenario for the Development of India**” Rama Degree College, Lucknow, India (2014),This is the fact that Micro, Small and Medium Enterprises (MSMEs) play a catalytic role in the development process of most economies of any country. Similarly, MSMEs form the backbone of the Indian economy and have become engine of economic growth in India. Today, MSME occupies a very important position in Indian Economy System due to its very significant and important contribution in terms of output, exports and employment. The MSMEs are the biggest employment provider after

agriculture, providing employment to nearly 32 million people. This paper closely analyses the growth and development of the Indian MSME sector since opening of the economy in 1991. It also looks into the present scenario of MSMEs and the challenges they face like lending, marketing, and license raj issues.

Sri Ulfa Sentosa, Ariusni, Mike Triani (2015)³, conducted a study on **“The Development Strategy of Small Scale Industries Crackers Sanjai to Increase Income and Employment Opportunities in Bukittinggi, Indonesia”**, The development of the small-scale industry in the development of an area is very important, mainly about employment opportunities and income for the community. Small-scale industry development strategy crackers Sanjai in Bukittinggi can be determined by analyzing the data of internal and external factors. 1). Samples were collected 60 people and 8 policymakers, 2). Data were analyzed using SWOT analysis and combined with the analysis of the Analytic Hierarchy Process (AHP). The study found that there are four strategies used for the development of small scale industries crackers Sanjai, namely, 1.Promotion and development of institutional (business groups and cooperatives); 2.determination brands; 3.Strategy competition with low cost and product development; 4.market orientation strategies to improve financial access. Based on the analysis of strategic priorities showed that the first priority is the strategy 1, followed by strategy 2, 3 and 4.

N. Aruna (2015)⁴, conducted a study on **“Problems Faced By Micro, Small and Medium Enterprises-A Special Reference to Small Entrepreneurs in Visakhapatnam”** Small businesses often face a variety of problems related to their size. A frequent cause of bankruptcy is undercapitalization. This is often a result of poor planning rather than economic conditions. It is a common rule of thumb that the entrepreneur should have access to a sum of money at least equal to the projected revenue for the first year of business in addition to his anticipated expenses. MSMEs in India face a number of problems - absence of adequate and timely banking finance, non-availability of suitable technology, ineffective marketing due to limited resources and non availability of skilled manpower. These are often confronted with problems that are uncommon to the larger companies and multi-national corporations. These problems include the following: Lack of ITs Support, Lack of ITs Literacy, Lack of Formal Procedure and Discipline, Uneven ITs Awareness and Management Skill, Lack of Financial Resources, Lack of Human Resources, Raw Material problems, Production problem, etc.

Mrs. Manju Prava Das (2015)⁵, conducted a study on “**SWOT Analysis of Micro, Small and Medium Enterprises in Rural Society: A study conducted in the Ganjam District of Odisha**” Micro, Small and Medium Enterprises (MSME) play vital role in the process of development. It generates employment at low cost and helps the society to move on the path of prosperity & growth. As more than 65% of Indians live in villages and as there is little scope for establishment of Large-scale industries in these areas, MSME is an important aspect with regard to development of rural areas. The State of Odisha is one of the states of India filled with heavenly natural resources. The irony is that despite of being rich in natural resources particularly in rural areas, it is still one of the backward states in industrialization. Even though the State has huge potential for industrialization, especially for MSME sector, its potential has not been fully harnessed so far. Thus the present paper is an attempt towards finding out the Strengths, Weaknesses, Opportunities and Threats of MSMEs in Rural Society of Odisha. The study is conducted in the District of Ganjam, which is one of the coastal districts of the state. At the end, some suggestions by which the challenges of threats can be reduced are recommended.

Dr. Tarkeshwar Pandey (2015)⁶, conducted a study on “**Problems Of Small-Scale And Cottage Industries In India**”, The small scale and cottage industries face number of problems. As a result many small scale units turn sick and a large number have to close down. The magnitude of sickness among the small-sector units would be clear from the fact that at the end of March 2013, as many as 2, 49,903 of these units were sick and an amount of rupees 12,799cr was blocked in them. Let us now consider the main problem that the small scale units have to face.

Balvinder Singh and Dr. Shashi Shekhar (2015)⁷, conducted a study on “**Growth of Small Scale Industries in Punjab**” Punjab is the developing state, small scale industries plays an important role .Small Scale Industries are labour oriented industry and require less capital investment Punjab is labour surplus state and faces shortage of capital and here is shortage of natural resources like Iron, coal and minerals. These resources are far away from the state and attract the high transport cost, whereas small scale industry uses local raw material or it is labour oriented industry. In the recent past years small scale industry has made the very good progression the state but still they face number of problems which are highlighted at the end of report these problems are high transportation cost, high labour cost,

shortage of powers, high rate of state taxes, lack of central assistance This industry uses the obsolete technology recommendation is given to overcome these problems.

Dr. Mateen Ahmed Siddiqui (2015)⁸, conducted a study on **“Engines of Growth -A Study of the Growth and Performance of Indian MSMEs in the Present Scenario”** The MSMEs contributes extensively to the country’s manufacturing output, employment and exports and is accredited with generating the highest employment growth as well as accounting for a major share of industrial production and exports. The labour intensity of the MSME sector is much higher than that of large enterprises. MSMEs comprise more than 80% of total enterprises in most of the economies. In recent years, the MSME sector has consistently registered higher growth rate compared with the overall industrial sector. MSMEs are complementary to large industries as ancillary units. The key focus areas for the growth of MSMEs are finance, technology, infrastructure, marketing, entrepreneurship development, sickness and conducive regulatory environment.

Dr. Mateen Ahmed Siddiqui (2015)⁹, conducted a study on **“Problems and Challenges of MSMEs in Telangana”** MSMEs play a major role in the development of the most of the economies globally. MSMEs form the backbone of the Indian economy and are also called as engine of economic growth. Despite the fact that these play a very significant role in GDP, manufacturing, exports and also employment, they continue to face very distinctive set of challenges. The primary problem they continue to face is unavailability of finance; among other problems are skilled labour not available, shortages of raw material and marketing of their products. This research paper explores the specific problems and challenges congregate by the MSME sector. In this study the researcher has surveyed those MSMEs who have availed finance from banks and financial institutions and try to find out the other problems faced by them affecting their performance. Here stratified random sampling was adopted based on the interviews of 112 entrepreneurs and managers of MSMEs; the data was collected with the help of structured questionnaire. It was found that for MSMEs Excessive competition from LSI, MNCs and other units is a major problem, whereas availability of cheap substitutes is also affecting their performance.

Sangeetha S (2016)¹⁰, conducted a study on **“A study on problems and challenges faced by micro small and medium enterprises: A special reference to manufacturing sector in Coimbatore District”** In the Current Scenario MSME plays a catalytic role in the development process of most economies. The MSMEs are providing job more than 6 crores

people. The MSME sector is contributing 8% of country's GDP, 45% of manufacture and 36% it exports. The MSME's sector has consistently registered higher growth rate compare to the overall Industrial sector. The distribution of MSME's in all over India is not equal because of inaccessibility of raw material, unfamiliarity or lack of entrepreneurial skills development and absence of support of financial and technical assistance from in relation to local authorities at district or state and central level. The absence of adequate and timely credit facility, extraordinary cost of credit, deficiency of modern technology, no research and innovations, insufficient training and skill development, multifaceted labor laws are the main problems of the MSME's. Although there are various opportunities available in the development of MSME's.

Anjali M Chandak (2016)¹¹, conducted a study on **“Challenges faced by Micro and Small Enterprises in raising bank finance: A special reference Micro and Small Enterprises in Nagpur”** Worldwide, Micro, Small and Medium Enterprises (MSMEs) play a crucial role in sustaining and accelerating the competitiveness of an economy in turn form an integral part of economic growth, providing significant contributions to every aspect of economic development. MSMEs have been playing a momentous role in overall economic development of a country like India. The MSME sector contributes about 8 percent of the GDP of India, 45 percent of the manufactured output and 40 percent of the total exports. The sector provides employment to more than 80 million persons through more than 36 million enterprises producing over 6,000 products. In spite of this importance, this sector face number of constraints like absence of adequate and timely supply of bank finance, difficulties in procuring raw materials, marketing and distribution challenges and non availability of suitable technology. The study is based upon the primary data collected from the 100 MSMEs owners in Nagpur city of Maharashtra. The data has been analyzed with the help of percentage. The study attempts to submit some recommendations to enhance the overall credit accessibility to MSMEs sector.

Parthajeet Das (2016)¹², conducted a study on **“Micro, Small and Medium Enterprises (MSME) in India: Opportunities, Issues & Challenges”** Micro, Small and Medium Enterprises constitute the backbone of an economy in maintaining an appreciable growth rate and in generating employment opportunities. This sector has been regarded as engine of economic growth and social development in many developed and developing countries. Contribution of to the Indian economy in terms of employment generation,

containing regional disparities, fostering equitable economic growth and enhancing export potential of the country has been quite phenomenal. Despite some infrastructural deficiencies and challenges like flow of institutional credit and inadequate market linkages, this sector has registered remarkable success with regard to increase in number, quantum of investment, scale of production and overall contribution to national GDP. The study makes an attempt to focus on the huge growth potential and opportunities available in India for development of MSME sector, to identify important issues and challenges and offer suggestions to address the same.

Barkha Jamwal (2017)¹³, conducted a study on **“Initiatives by Indian government to develop micro, small & medium enterprises, International Journal of Academic Research and Development”** The Indian government merged the Ministry of Small Scale Industries, Agro, Rural Industries into one Ministry called Micro Small and Medium Enterprises (MSMEs). There are many schemes initiated by the government but still there exist many problems that are faced by this sector. Most of the studies found that less than 10% of the MSMEs are able to access finance from financial institutions. Hence government in order to promote these organizations have started and initiated many schemes like: Procurement Preference Policy, providing access to easy credit policy, Coir Vikas Yojana, SFURTI scheme, ASPIRE scheme, TREAD for women empowerment, Pradhan Mantri MUDRA Yojana, reduced tax rates for micro, small and medium enterprises. Sustainable Development is need of the hour which demands that the industries and corporate carry on their production process without harming the environment. The paper also talks about the sustainable development and MSMEs which shows that this sector has a potential to grow the economy sustainably and contribute to the economic welfare.

Dr.P Chinnurappa (2017)¹⁴, conducted a study on **“Role and contribution of small scale industries in economic development in India, International Journal of Academic Research and Development”** Industry is the segment of economy concerned with production of goods. Small scale industry (SSI) is a term which applies to the small entrepreneurs who are engaged in manufacture and production on a micro scale. The SSI sector continues to remain an integral part of Indian economy with significant contribution to GDP, industrial production and employment generation in India. Worldwide, the SSIs have been accepted as the engine of economic growth and for promoting equitable development. The importance of MSME has been recognized in recent years in both developed and

developing countries for its significant contribution in gratifying various socio-economic objectives such as higher growth of employment, output, promotion of exports and fostering entrepreneurship. They play a crucial role in the industrial development of any country. The MSME sector is an important pillar of Indian economy as it contributes greatly to growth of Indian economy. The present paper is an attempt to focus the present status of performance of MSMEs in India & future prospects. It is concluded that this sector contributes significantly to manufacturing output, employment, exports of the country.

Dr. Raj Kumar Agarwal (2017)¹⁵, conducted a study on “**A study of financial management in small scale industries in India**” India was famous all over the world in ancient times for goods Manufactured in small scale industries. It was a symbol of Indian Culture and Civilization. But up to nineteenth century the small industries had lost their utility. After independence, the government started paying attention towards these industries. Today, small scale industries are as important as large industries. Small Scale industries encompass vast scope covering activities like manufacturing, servicing, financing, construction, infrastructure etc. In view of Government of India’s ever increasing importance given to the small scale industries in the national economy more & more small scale industries are to be set up in the years to come. Small scale enterprises, given their small resources find it difficult to have these own. Finance has been the important resource to start & run an enterprise because it facilitates the entrepreneur to procure land, labour, material, machine& so on from different parties to run his/her enterprise. This paper is an attempt to understand various financial techniques to help the entrepreneurs to avoid the situation of industrial sickness.

Ms. K.Sumathi, G.Kavitha (2017)¹⁶, conducted a study on “**A Study On Challenges Faced By Micro Small And Medium scale Enterprises With Special Reference To Ganapathy In Coimbatore District**” The study plays a vital role in the economic and social development of the country. The primary purpose of this research work was to assess the challenges of Micro and Small scale Enterprises (MSMEs) face in marketing. The study was confined to area in Coimbatore district. Where a sample of 25 Micro Small and Medium scale Enterprises was adopted. Data was obtained through Interviews and Distribution of questionnaires. From the research findings, it emerged that MSMEs are not getting financial supports and also marketing problems. The study also relieved that an unstable macroeconomic environment was hindering micro and small enterprises sector growth.

Dr. Puja Archana Sahu (2017)¹⁷, conducted a study on “**A Study on Small Scale Sector in Bangalore**” In most of the developing countries like India, Small Scale Industries (SSI) constitutes an important and crucial segment of the industrial sector. Economic development of a country is directly related to the level of industrial growth. SSI plays a key role in the planned development with its advantages of low investment, high potential for employment generation, diversification of the industrial base and dispersal of industries to rural and semi urban areas. In this context, this research paper focuses on small scale industries , their importance , the problems that they face and the factors which are contributing towards the success of SSI’s . The emphasis is on understanding the problems and providing concrete solutions for the future growth of SSI’s.

Kateshiya Sumeet (2017)¹⁸, conducted a study on “**Problems Of Small Scale Industry In Jamnagar City In Context Of Brass Part Units**” Small scale industries play a very important role in the development of economy, mainly in developing countries like India. If population of India is taken into consideration it can be said that this sector has a wide scope in India also in Jamnagar city as a brass part units. If small scale industrial sector is developed other economy related problems can be dissolved automatically. But these have to face so many problems while competing with other large scale industries. If these problems are solved or efforts are taken to promote these challenges this sector can prove itself as a developing engine.

Gururaj Barki, Dr.S.G.Vibhuti (2017)¹⁹, conducted a study on “**Growth Prospective of Indian Economy-a study on Micro Small Medium Enterprises in India**” The capacity of Micro, Small and Medium Enterprises (MSMEs) around the world for powerful economic growth, in fact the development of MSMEs at global level, national level and regional level cannot be overemphasized. As India accelerates up to retrace the high growth path, the MSME sector assumes a essential role in driving the growth engine. The MSME sector in India continues to exhibit extraordinary exhibility in the face of testing global and domestic economic circumstances. The sector has sustained a good annual growth rate from the past few years. The sector has shown estimable remarkable innovations and its exhibility to survive economic changes. The significance of MSMEs is attributes more employment generation, low rate of capital requirement and technology requirement, promotion of industrial development in rural areas, use of traditional skill, use of local resources, mobilization of resources and exportability of products.

Dr. Harani. B. Naresh Babu K S (2017)²⁰, conducted a study on **“MICRO-SMALL AND MEDIUM ENTERPRISES (MSMES) In India: Challenges And Opportunities For Sustainable Development”** In a developing country like India, Micro Small and Medium Enterprises (MSMEs) are vital for contribution to Gross Domestic Product (GDP), employment, exports, balanced development and being nursery of entrepreneurs in India. They have been accepted as the engine of economic growth and for promoting equitable development. During past years the production of MSMEs has grown at a higher rate compared to overall production of industry in India. Hence the relative importance of MSMEs for revival of growth in Indian economy is considerably high. In an increasingly globalized economy, it is therefore, imperative that MSMEs focus on sustainable business practices, leading to their sustainable development. The present paper is an attempt to study sustainability, for example environmental and energy efficiency concerns among MSMEs in India.

Dr. Samuel Muiruri Muriithi (2017)²¹, conducted a study on **“African Small and Medium Enterprises (SMES) Contributions, Challenges and Solutions”** Small and medium enterprises (SEMs) are notably the engines that drive economic development. The businesses account for almost 90% of businesses in both leading and developing economies through job creations, employment, tax provision and contribution to Gross Domestic Product (GDP). However, in Africa, besides their critical and positive role, many SMEs face numerous challenges ranging from power shortage, lack of capital, poor management skills and competencies, and inadequate information and corruption. It is notable that most African governments give very little support to SMEs thereby neglecting a vital economic trigger and should form pillars of development. This paper explored the role played by SMEs, their contributions, challenges and solutions. The paper is based on empirical evidence and current research on SMEs worldwide with a major focus on African SMEs and how to improve their operations and profitability. The paper calls for African governments to develop policies favourable to SMEs development and put them in their development agenda.

Dr. Porwal Mukesh and Dr. Mahajan Tushar (2017)²², conducted a study on **“Success Factors for Small Scale Industries in Madhya Pradesh: A Study of Entrepreneurial Skills in Indore Division”** We have to admit the Small Scale Sector, either to known as SSI or generally as the Small and Medium enterprises have always been important for India’s economic growth and its development. They are established for several

regions. They not only feed the heavy industries but also provide constant support and strength. This sector has always been looked upon as a source of employment generation, given the labor intensive nature of the industries result under it. Therefore, the importance of SSIs in the economic development of the Country is of immense significance and they act as a nursery for entrepreneurship. In spite of impressive growth figure of small scale Industries, we cannot ignore that large number of small scale Industries had turned out either to be sick Industries or could not survive more than five years. Entrepreneurial skills are the combination of necessary characteristics to enable an entrepreneur to succeed in the concerned area. The present paper analyzes the important factors responsible for the success of the small scale industries.

Krishnendu Malakar (2017)²³, conducted a study on “**Problems Faced By Micro, Small and Medium Enterprises-A Special Reference to Small Entrepreneurs in Karimganj District, Assam**” The small scale industries have a very important and effective role in the developed countries generally and in developing countries especially because it is considered the backbone of their economies. Small businesses often face a variety of problems related to their size. A frequent cause of bankruptcy is undercapitalization. This is often a result of poor planning rather than economic conditions. MSMEs in India face a number of problems - absence of adequate and timely banking finance, non-availability of suitable technology, ineffective marketing due to limited resources and non availability of skilled manpower. These are often confronted with problems that are uncommon to the larger companies and multi-national corporations. In respect of this, the main purpose of this study is to identify the problems and importance of small enterprise in Assam special reference to the selected Districts Karimganj. To do this, data were collected from both primary and secondary sources. The main instrument of data collection was the questionnaire and supported by interview.

Waseem Khanand Sana Fatima (2017)²⁴, conducted a study on “**Issues Faced by Micro Entrepreneurs in Banking: A Comparative Analysis of Public and Private Sector Banks**” Banking is one of the fastest growing industries in India. In spite of dominant position of public sector banks private sector banking in India revolutionizes the business environment. But micro enterprise in India is still under developed due to financial hindrance while they account good share in production and export. For the development of micro enterprises there should be a strong linkage with the banks. A primary study of 80

respondents has done to identify the issues associated with banking. Simple statistical technique chi-square and ANOVA is used to analyze the data. This study is helpful for banks to design a policy to deliver the service particularly to micro enterprises.

K. Archunan, Dr. G. Gurusamy, and Dr. S. Raju (2017)²⁵, conducted a study on “**A Study On The Problems Of Manufacturing Of Korai Mats (Pai) In Tirunelveli And Thoothukudi Districts**” The objective of this research was to find out the problems of manufacturing and marketing of mats (PAI) in Tirunelveli and Thoothukudi Districts. To achieve the purpose of the study, a sample data was collected from 390 entrepreneurs of Korai Mats (PAI) in Tirunelveli and Thoothukudi Districts, as a sample by adopting the Snow ball sampling technique. This work adopted the relevant research designs, namely a comprehensive research design (descriptive and explanatory). A well structured and pre-tested questionnaire was used to collect the information required for the study. The appropriate analyses were carried out with the help of popular statistical package SPSS 21 and AMOS 21. The study proved that the respondents of the study faced the problems of marketing significantly. The study confirmed the significant impact of the problems of entrepreneurs in the marketing of Korai Mats (PAI) on their quality of life. The study suggested that the state and central governments should give the shoulder to the Korai Mats (PAI) industry, so that it will grow by leaps and bounds.

Dr. N. Viswanadham (2017)²⁶, conducted a study on “**A Study of the Challenges of the Indian MSME Sector**” Small businesses irrefutably remain critical to the development of any nation’s economy as they are an excellent, source of employment creation, help in improvement of local skill, and extend a original entrepreneurs. The small scale entrepreneurs who (either registered, unregistered, service or manufacturing many other type) and have more than three years experience of entrepreneurship comprised the populace of the study. The method of convenience sampling was employed in arriving at the 100 Small firms. The major challenge could be lack of financial (Capital) resources. In the event funding institutions become flexible in their requirements for loan applications, respondents registered their willing to increase the number of their employees; the number of branches and willingness to accept specialized recommendation. In other ways, the only best way to help Small firm’s right of entry economic resources lies in the hands of funding institutions a acceptable and suggested by the best part of undersized entrepreneurs who submitted that the key determinants for seed resources attainment are: fair and low interest rates.

Dr. Hiral Sheth (2018)²⁷, conducted a study on “**Micro Small And Medium Enterprises (MSMES) In India-Beating The Odds**”, India’s Micro, Small and Medium Enterprises (MSMEs) sector has appeared as a vibrant and dynamic sector for the economy. It has been recognized as a catalyst in promoting the growth and development of the economy. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. Still MSMEs have to follow a long path, which is not free from obstacles. There are infrastructural deficiencies and challenges like inadequate flow of institutional credit and inadequate market linkages which needs to be addressed. It is quite intriguing to understand the performance of MSMEs in India beating these odds. This research study is an attempt to focus on the huge growth potential and opportunities available in India for development of MSME sector, to identify important issues and challenges and offer suggestions to address the same.

Arpit Jain (2018)²⁸, conducted a study on “**Impact of goods and service tax (GST) on small business enterprise in reference to automobile, industry**” The research paper is regarding the impact of GST on the small business enterprise and the automobile industry. The implementation of GST created a condition of chaos and confusion among the people. GST was a game changer taxation system for Indian economy. It is one of the biggest reforms to unify all the indirect taxes. It covered those goods which were earlier not covered under the taxation system. The GST was implemented to reduce the concept of ‘tax on tax’ and to increase the GDP of the country. The implementation of GST fixed the rates for particular commodity to avoid fluctuation in the price from state to state. GST helped to lower the prices in the automobile sector. The cost of vehicles has reduced due to the fixed rate at 18% and 28% on the vehicles while the prices of the automobile spares have increased by implementation of GST. The basic aim behind the implementation of GST was to the upliftment of people below poverty line and the boost in business activities. It is a tax imposed at each point of supply of the good.

Meseret Meresa (2018)²⁹, conducted a study on “**Factors Affecting the performance of Small-Scale Enterprise(Restaurant and Hotels) Inraya Azebo Wereda: The Case of Mohoni, Maychew and Korem**” This study focused on the assessment factors affecting of small-scale enterprise the case of restaurants and hotels business in the raya

Azebo Wereda southern Tigray. The objective of the study was to investigate the factors affecting of small-scale enterprise (restaurant and hotels) in raya Azebo Wereda: the case of mohoni, maychew and Korem. The study used stratified random sampling to group the businesses into homogeneous entities. This study to select the number of sample respondents proportionally from each stratum then drawn from the each group. Questionnaires with both open and closed items used to obtain data. Statistical Package for Social Sciences (SPSS) version 20 was used to analysis of quantitative data obtained from questionnaire questions. The study finding that had revealed that restaurant and hotels operating in the study area have been confronting with a number of problems.

Dr.Surendar Gade (2018)³⁰, conducted a study on “**MSMEs Role in Economic Growth-a Study on India’s Perspective**” India’s Micro, Small and Medium Enterprises (MSMEs) sector has appeared as a vibrant and dynamic sector for the economy. It has been recognized as a catalyst in promoting the growth and development. MSMEs are playing a pivotal role in creating a huge amount of employment at meager cost of capital in comparison to large industries, helping in establishment of industries in economically backward regions and truncating regional inequalities, promising justifiable dispersion of national income and wealth. This paper attempted to examine the contribution of MSMEs Sector in the nation’s growth and also the areas which are required to strengthen the MSMEs sector to its continuous contribution to the development of India. It is found from the study that MSMEs can be boon and a hope for Indian economy in near future. The MSMEs are very helpful to remove the regional imbalances if it is establish in the underdeveloped areas. The MSMEs are providing more employment per unit. If this contribution is to be sustained, then their uniqueness needs to be nurtured in an overt and explicit manner.

RESEARCH GAP

The above literatures states that only a few studies have been carried out in the area of banking preferences of MSME entrepreneurs. This research gap was found out. A research study is needed to fulfil this research gap and to find out a solution to the research problem. There is a need to learn about the MSME entrepreneurs level of awareness of bank services/schemes, motives for preferring the banks by the entrepreneurs of the MSME sector, motivation factors responsible for MSME entrepreneurs growth and to measure the MSME entrepreneurs level of satisfaction on availing bank services/schemes.

RESEARCH METHODOLOGY

CHAPTER III

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

Research Methodology is the best approach to methodically pay attention to the examination issue. The explanation for the exploration is to search out an answer to handle through the employment of logical ways. The first purpose of the analysis is to get a reality that is roofed up and that has been not found at the purpose. The assortment of data and investigation procedure square measure organized in like manner.

RESEARCH DESIGN

The Research design refers to the strategy used to complete the research that defines a compact and coherent arrangement to handle set up research question through the assortment, understanding, investigation and conversation of information. The research design adopted in this study is descriptive in nature. It describes the characteristics of a particular institution, or a group, situation and involves a fact finding investigation with adequate and appropriate interpretation.

AREA OF THE STUDY

The geographical location of the study as per the convenience area in Coimbatore District which is situated in Tamil Nadu State in India, it is the second largest city in Tamil Nadu and the fastest growing tier-II city which is considered as a major heart of manufacturing, education and healthcare in Tamil Nadu. It houses more than 25,000 MSMEs with the primary industries being engineering and textiles.

PERIOD OF STUDY

The study was dispensed during the period of December 2021 to January 2022.

SOURCES OF DATA

Data collection is the way towards gathering and estimating information on focused factors in a set up framework, which at the point empowers one to respond to pertinent, inquires and assesses results. Data collection is the assortment part in all the examination fields, including physical and sociologies, humanities and business.

Data collection empowers an individual or organization to address applicable inquiries, assess results and make forecasts about future probabilities and patterns. Precise data collection is a fundamental one to keep up the trustworthiness of examination, settling on educated business choices and guaranteeing quality affirmation.

Data collection is the most important step in research. Data can be collected through interviews, questionnaires, surveys, observations, documents, records, focus groups, etc. In this research study, the following data are used.

Both primary and secondary sources were used.

PRIMARY DATA

The primary data were collected using a structured questionnaire.

SECONDARY DATA

Secondary data were collected from various journals, magazines, newspapers, printed sources and websites.

METHOD AND SAMPLE SIZE

The present study is based on a non-probability sampling method namely convenient sampling. The sample size of the study was 150 MSME Entrepreneurs in Coimbatore.

TOOLS USED FOR ANALYSIS

Data collected was analyzed by using SPSS. The following are the tools applied in the study:

- Frequency analysis
- Mean score analysis
- Weighted mean
- Factor analysis
- Analysis of Variance (ANOVA)
- Likert scale

FREQUENCY ANALYSIS

Frequency or simple percentage methods refer to the specific kind which is used in making comparisons between two or more series of data collected. Frequencies are based on descriptive relationships. It compares the relative items. Through the use of frequency, the data are reduced in the form of a base equal to 100%, which facilitate relative comparison.

The formula to calculate the frequency is,

$$\text{Frequency} = \frac{\text{No of Respondents}}{\text{Total No of Respondents}} \times 100$$

MEAN SCORE ANALYSIS

Mean is the simplest measurement of central tendency and is a widely-used measure. Its chief use consists in summarizing the essential features of a series and in enabling data to be compared. Calculating the mean is much more quantitative and reliable than using simple averages, especially in economic and social studies where direct quantitative measurements are possible.

Thus we have a basic statistical formula,

$$\bar{X} = \frac{\sum X_i}{N}$$

Where,

\bar{X} = Mean

\sum = Symbol for summation

X_i = Value of the i th item X , $i= 1, 2, \dots, n$

N = Total number of items.

WEIGHTED MEAN

The weighted mean is a mean where there is some variation in the relative contribution of individual data values to the mean. Each data value (X_i) has a weight assigned to it (W_i). Data values with larger weights contribute less to the weighted mean.

The formula is,

$$\overline{X_w} = \frac{\sum W_i X_i}{\sum W_i}$$

Where,

$\overline{X_w}$ = Weighted item

\sum = Symbol for summation

W_i = Weight of ith item X

X_i = Value of the ith item X

FACTOR ANALYSIS

Factor analysis is a method of data reduction. The Factor Analysis is an explorative analysis. Much like the cluster analysis grouping similar cases, the factor analysis groups similar variables into dimensions. This process is also called identifying latent variables. Since factor analysis is an explorative analysis, it does not distinguish between independent and dependent variables. Factor Analysis reduces the information in a model by reducing the dimensions of the observations.

KMO Bartlett's test is used to find out the adequacy with a minimum of 0.5 levels and the common factors are taken in to the decision making process of the study.

ANALYSIS OF VARIANCE (ANOVA)

Analysis of variance (ANOVA) is a collection of statistical models and their associated estimation procedures used to analyze the differences among means. ANOVA is used in the analysis of comparative experiments, those in which only the difference in outcomes is of interest.

The statistical significance of the experiment is determined by a ratio of two variances. This ratio is independent of several possible alterations to the experimental observations: Adding a constant to all observations does not alter significance. Multiplying all observations by a constant does not alter significance.

The below-mentioned formula represents one-way Anova test statistics:

$$\mathbf{F = MST/MSE}$$

$$\mathbf{MST = SST/p-1}$$

$$\mathbf{MSE = SSE/N-p}$$

$$\mathbf{SSE = \sum (n-1) s^2}$$

Whereas,

MST stands for mean square total,

MSE stands for the mean sum of square due to error,

SST stands for the total sum of the square,

P stands for the total number of population,

SSE stands for the sum of square due to error,

N stands for the total number of observations,

S stands for standard deviation of the sample.

So ANOVA statistical significance result is independent of constant bias and scaling errors as well as the units used in expressing observations. In its simplest form, ANOVA provides a statistical test of whether two or more population means are equal.

LIKERT SCALE

A Likert scale could be a psychology scale normally concerned with analysis that employs questionnaires. It's the foremost wide used approach to scaling responses in survey analysis, such the term is usually used interchangeably with rating scale though there square measure alternative sorts of rating scales. Responders could specify their level of agreement to an announcement generally in 5 points:

- **Highly satisfied** -5
- **Satisfied** -4
- **Neutral** -3
- **Dissatisfied** -2
- **Highly satisfied** -1

This technique is used to ascertain the entrepreneurs level of satisfaction.

ANALYSIS AND INTERPRETATION

CHAPTER IV

ANALYSIS AND INTERPRETATION

The present chapter of the study deals with the analysis and interpretation of the collected data. To achieve the objectives of the study, the primary data has been collected and it was classified under various heads.

The analysis of the study is presented under the following sections:

- I. Socio Economic Profile of MSME Entrepreneurs.
- II. Business Profile of MSME Entrepreneurs.
- III. MSME Entrepreneurs level of awareness of bank services/schemes.
- IV. Motives for preferring the banks by the entrepreneurs of the MSME sector.
- V. Factors are responsible for MSME entrepreneurs growth.
- VI. MSME entrepreneurs level of satisfaction with availing bank services/schemes.

I. SOCIO ECONOMIC PROFILE OF MSME ENTREPRENEURS

The following table describes the socio-economic profile of the MSME Entrepreneurs. The profile includes gender, age, marital status, educational qualification and monthly income.

TABLE 1. SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

Particulars		Frequency	Percentage
Gender	Male	96	64
	Female	54	36
	Total	150	100
Age	Below 25 years	21	14
	26-30years	24	16
	31-35years	40	27
	36-40years	44	29
	Above40years	21	14
	Total	150	100
Marital status	Married	107	71
	Unmarried	43	29
	Total	150	100
Educational qualification	Illiterate	15	10
	Up to school level	25	17
	Diploma	40	27
	Undergraduate	49	33
	Postgraduate	21	14
	Total	150	100
Monthly income	Less than 15,000	50	33
	Rs.15,000-20,000	26	17
	Rs.20,000-25,000	30	20
	Above 25,000	44	29
	Total	150	100

GENDER

The above table shows that the results of gender of the respondents. Out of 150 respondents, 64 percent are male and 36 percent are female. It shows that most of the respondents are male.

AGE

From the above table, it is revealed that the results of age of the respondents. Out of 150 respondents, 14 percent are below 25 years of age, 16 percent are between 26-30 years of age, 27 percent are between 31-35 years of age, 29 percent are between 36-40 years of age and 14 percent are more than 40 years of age. It shows that most of the respondents are between 36-40 years of age.

MARITAL STATUS

The above table depicts the marital status of the respondents. Out of 150 respondents, 71 percent are married and 29 percent are unmarried. It shows that most of the respondents are married.

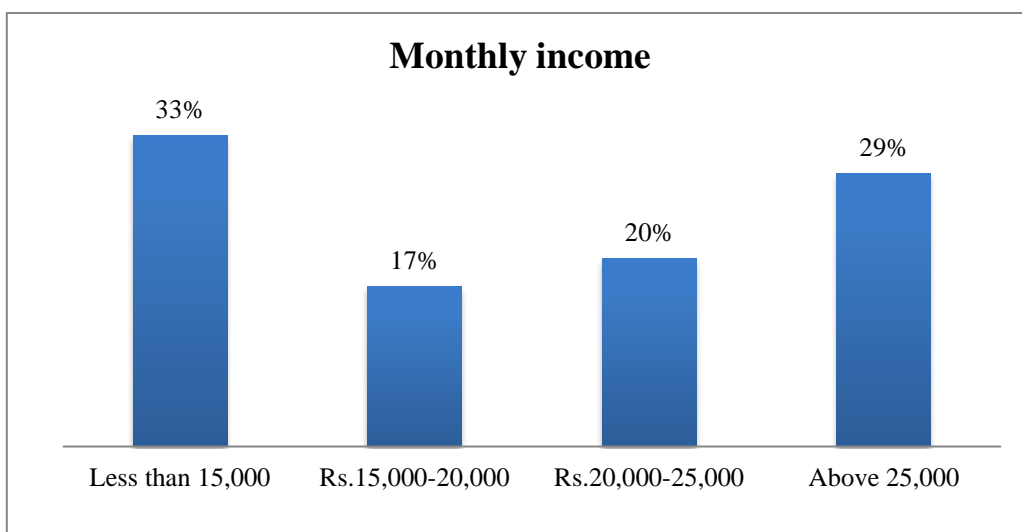
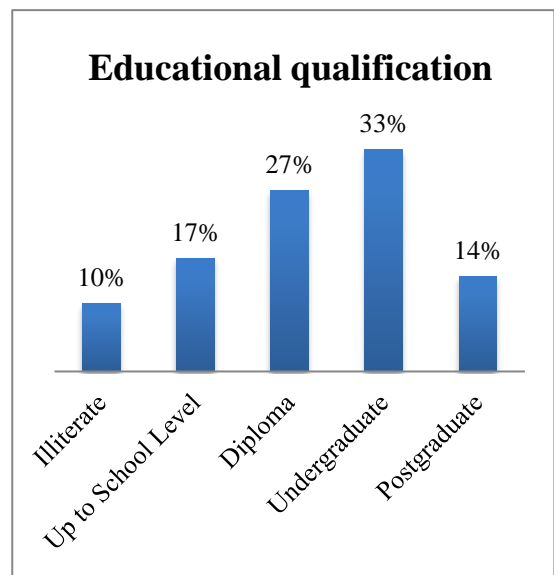
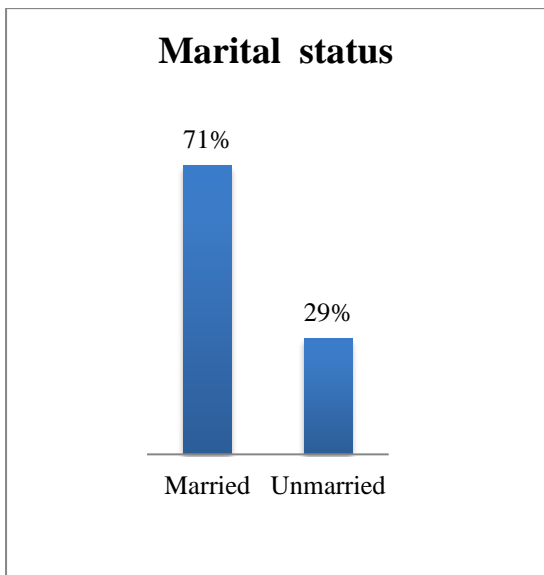
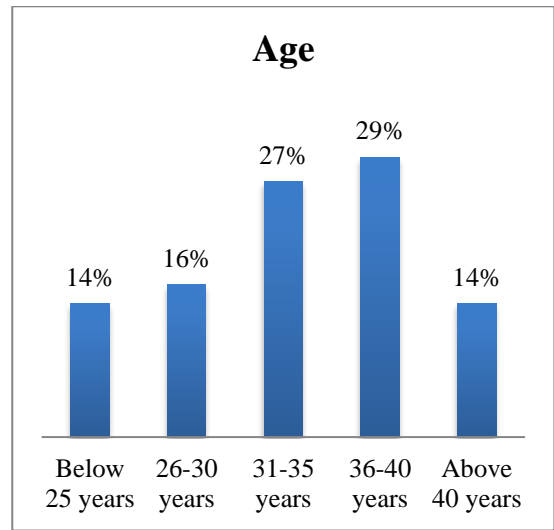
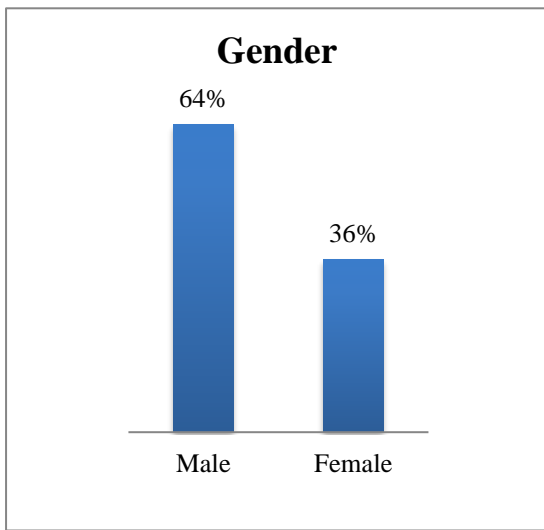
EDUCATIONAL QUALIFICATION

The above table indicates the results of educational level of the respondents. Out of 150 respondents, 10 percent are illiterate, 17 percent completed their school level education, 27 percent completed a diploma, 33 percent completed their under graduation and 14 percent completed their post-graduation. It shows that majority of the respondents have completed their UG.

MONTHLY INCOME

The above table shows that the results of monthly income of the respondents. Out of 150 respondents, 33 percent of respondents earn below 15,000, 17 percent of respondents earn from 15,000 - 20,000, 20 percent of respondents earn from 20,000 - 25,000 and 29 percent of respondents earn above 25,000. It shows that most of the respondents earn less than 15,000.

CHART 1. SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS



II. BUSINESS PROFILE OF MSME ENTREPRENEURS

The following table describes the business profile of MSME Entrepreneurs. The profile includes nature of business, form of business, location of the unit, place of the business unit, age of the business unit, initial investment while starting the business, induce to start/establish business, member in entrepreneurial association, prefer bank loan and insufficiency of fund management.

TABLE 2.1 BUSINESS PROFILE OF THE RESPONDENTS

Particulars		Frequency	Percentage
Nature of business	Manufacturing	51	34
	Trading	52	35
	Service	47	31
	Total	150	100
Form of business	Sole proprietorship	49	33
	Partnership	51	34
	Joint family firm	50	33
	Total	150	100
Location of the unit	Rural	30	20
	Urban	60	40
	Semi urban	60	40
	Total	150	100
Place of the business unit	Own house	43	29
	Rented place	58	39
	Leased place	49	33
	Total	150	100
Age of the business unit	Up to 5 years	24	16
	5 to 10 years	37	25
	11 to 15 years	49	33
	Total	150	100

NATURE OF BUSINESS

The above table shows that the results of nature of business of the respondents. Out of 150 respondents, 34 percent were in the manufacturing sector, 35 percent doing trading and 31 percent were in the service sector. It shows that most of the respondents are doing trading.

FORM OF BUSINESS

The table above illustrates the form of business of the respondents. Out of 150 respondents, 33 percent running sole proprietorship concerns, 34 percent running partnership concerns and 33 percent running joint family firms. It shows that a maximum of the respondents have partnership firms.

LOCATION OF THE UNIT

The above table shows that the results of location of the unit of the respondents. Out of 150 respondents, 20 percent are firms were located in rural areas, 40 percent are located in urban areas and 40 percent are located in semi-urban areas. It shows that most of the respondents business units are located in urban and semi-urban areas.

PLACE OF THE BUSINESS UNIT

The above table shows that the results of place of the business unit. Out of 150 respondents, 29 percent of the respondents are in their own house, 39 percent of the respondents are in their rented house and 33 percent of the respondents are in leased places near where the business unit is functioning. It shows that most of the respondents placed a business in a rented place.

AGE OF THE BUSINESS UNIT

The above table depicts the age of the business unit of the respondents. Out of 150 respondents, 16 percent are running their firm for up to 5 years, 25 percent had business experience between 5 to 10 years, 33 percent had business experience between 11 to 15 years and 27 percent had more than 15 years of experience. It shows that most of the respondents are had business experience between 11 to 15 years.

CHART 2.1 BUSINESS PROFILE OF THE RESPONDENTS

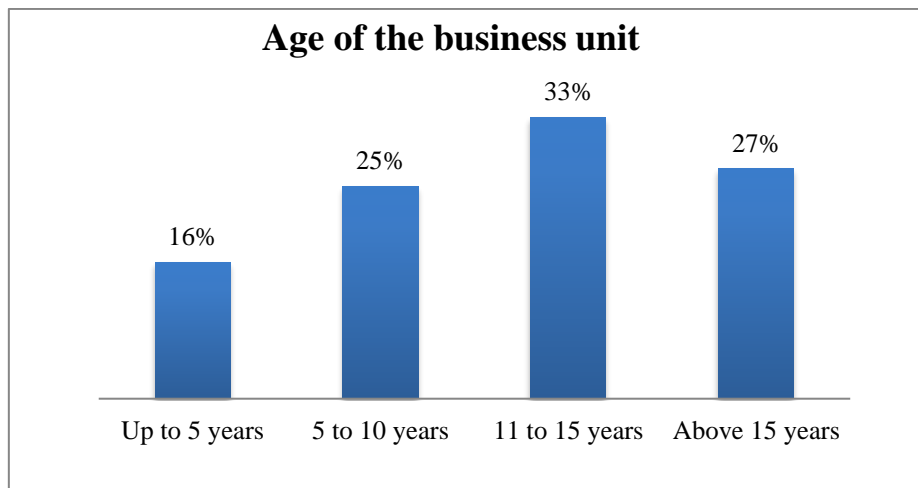
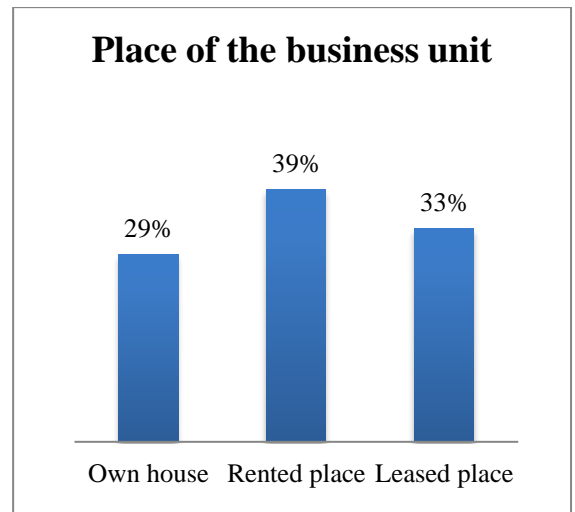
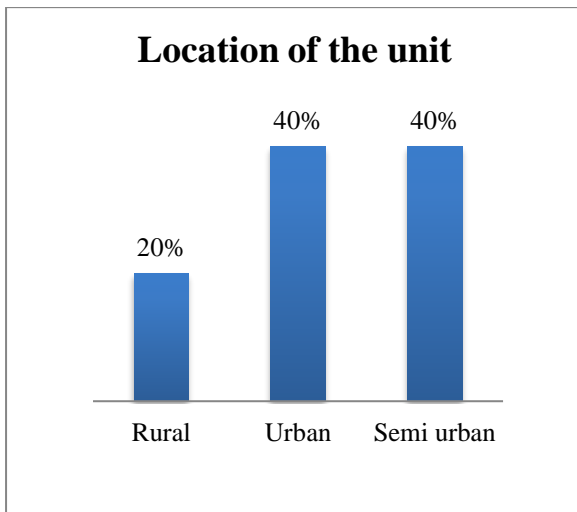
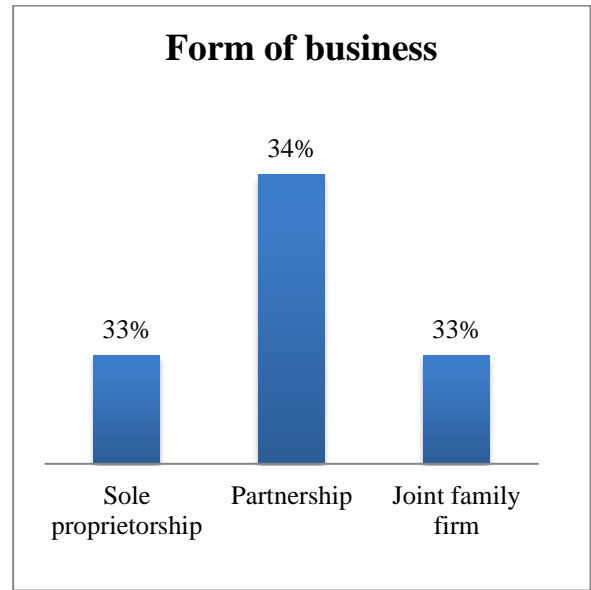
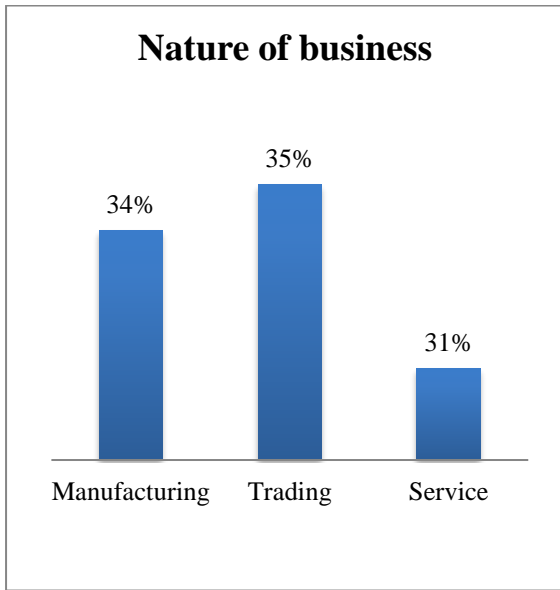


TABLE 2.2 BUSINESS PROFILE OF THE RESPONDENTS

Particulars		Frequency	Percentage
Initial investment while starting the business	Less than 25,000	17	11
	25,000 to 50,000	28	19
	50,000 to 75,000	40	27
	Total	150	100
Induce to start/establish Business	Self	29	19
	Parents	39	26
	Relatives	51	34
	Total	150	100
Member in Entrepreneurial association	Yes	67	45
	No	83	55
	Total	150	100
Prefer bank loan	Low rate of interest	28	19
	Easy repayment facility	40	27
	Subsidy	51	34
	Total	150	100
Insufficiency of fund management	Borrowings from friends/relatives	33	22
	Borrowings from money lenders	40	27
	Own savings	47	31
	Borrowings from other financial agencies	30	20
	Total	150	100

INITIAL INVESTMENT WHILE STARTING THE BUSINESS

The above table shows that the results of initial investment made while starting the business. Out of 150 respondents, 11 percent invested less than Rs.25,000 initially, 19 percent invested between 25,000 to 50,000, 27 percent invested between 50,000 to 75,000, 29 percent

invested between 75,000 to 1,00,000 and 14 percent invested more than Rs. 1,00,000. It shows that most of the respondents invested between Rs. 75,000 to 1, 00,000 initially.

INDUCE TO START/ESTABLISH BUSINESS

The above table shows that induce to start/establish a business. Out of 150 respondents, 19 percent of the respondents said that self, 26 percent of the respondents said that parents, 34 percent of the respondents said that relatives and 21 percent of the respondents said that friends induce to start/establish a business. It shows that most of the respondents said that relatives induce them to start/establish a business

MEMBER IN ENTREPRENEURIAL ASSOCIATION

The above table shows that the member in entrepreneurial association. Out of 150 respondents, 45 percent of the respondents said that they are a member in entrepreneurial association and 55 percent of the respondents said that they are not member in entrepreneurial association. It shows that most of the respondents said that they are not a member in entrepreneurial association

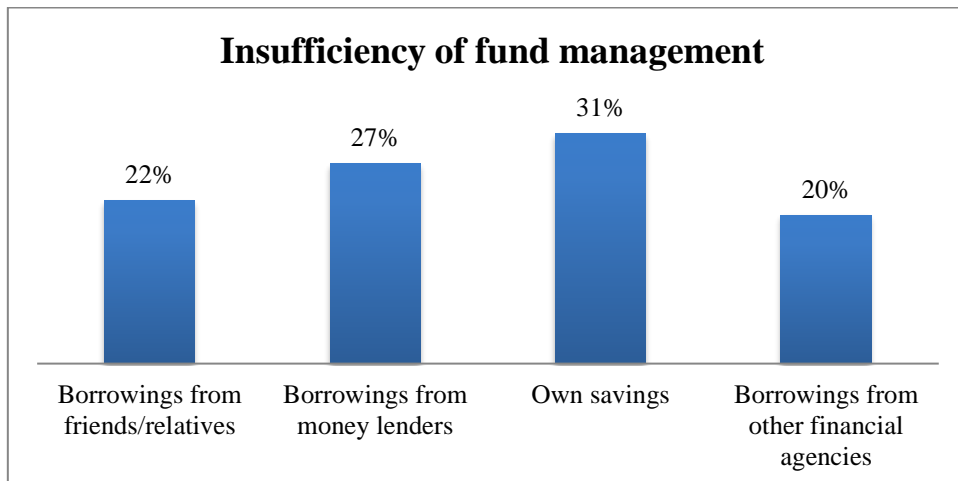
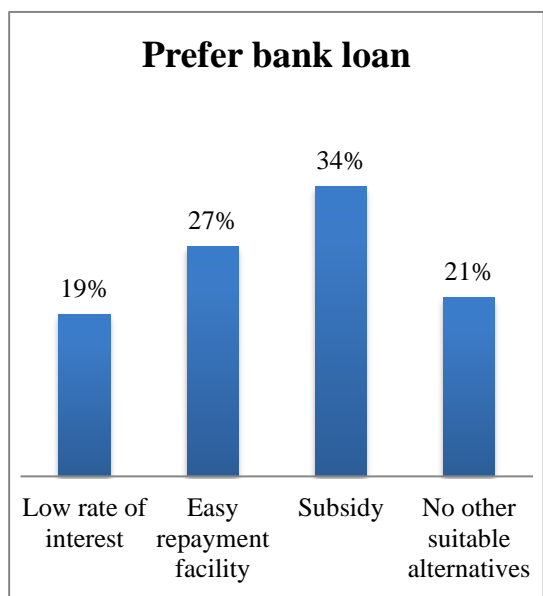
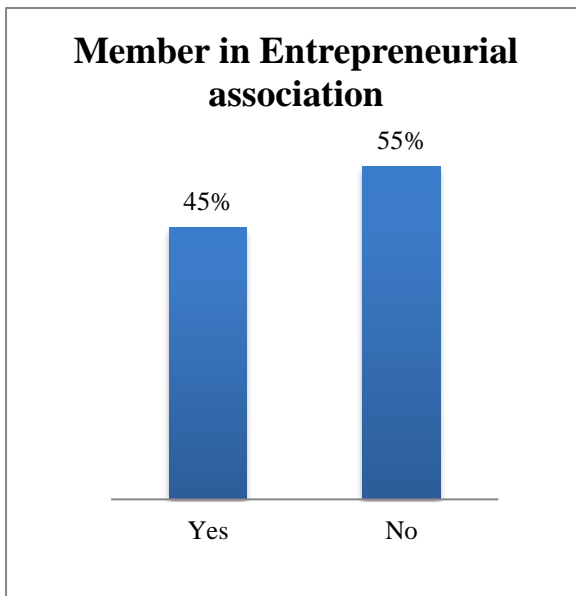
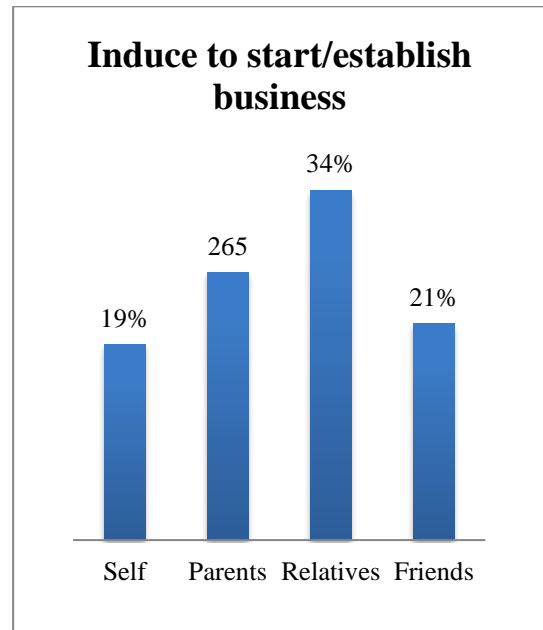
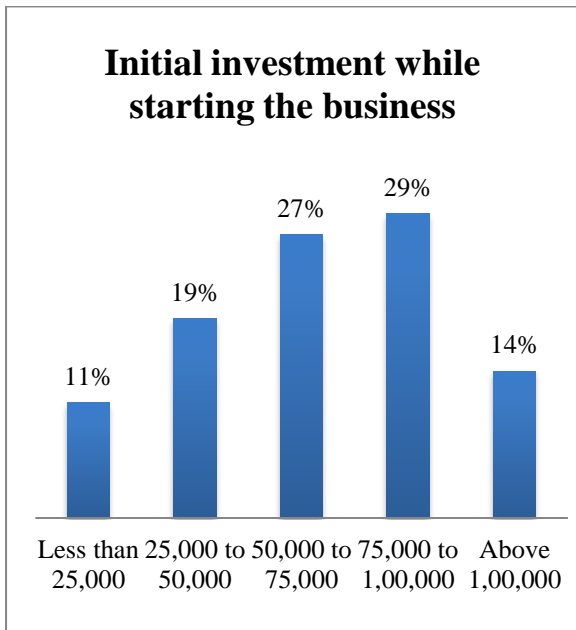
PREFER BANK LOAN

The above table shows that prefer bank loan. Out of 150 respondents, 19 percent of the respondents said that low rate of interest, 27 percent of the respondents said that easy repayment facility, 34 percent of the respondents said that subsidy and 21 percent of the respondents said that no other suitable alternatives towards prefer bank loan. . It shows that most of the respondents said that subsidy towards prefer bank loan.

INSUFFICIENCY OF FUND MANAGEMENT

The above table shows that insufficiency of fund management. Out of 150 respondents, 22 percent of the respondents said that they borrowings from friends/ relatives, 27 percent of the respondents said that they borrowings from money lenders, 31 percent of the respondents said that their own savings and 20 percent of the respondents said that they borrowings from other financial agencies. It shows that most of the respondents said that their own savings are managed by the insufficiency of funds.

CHART 2.2 BUSINESS PROFILE OF THE RESPONDENTS



III. MSME ENTREPRENEURS LEVEL OF AWARENESS OF BANK SERVICES/SCHEMES

The following table represents the MSME Entrepreneurs Awareness towards Bank Services/Schemes.

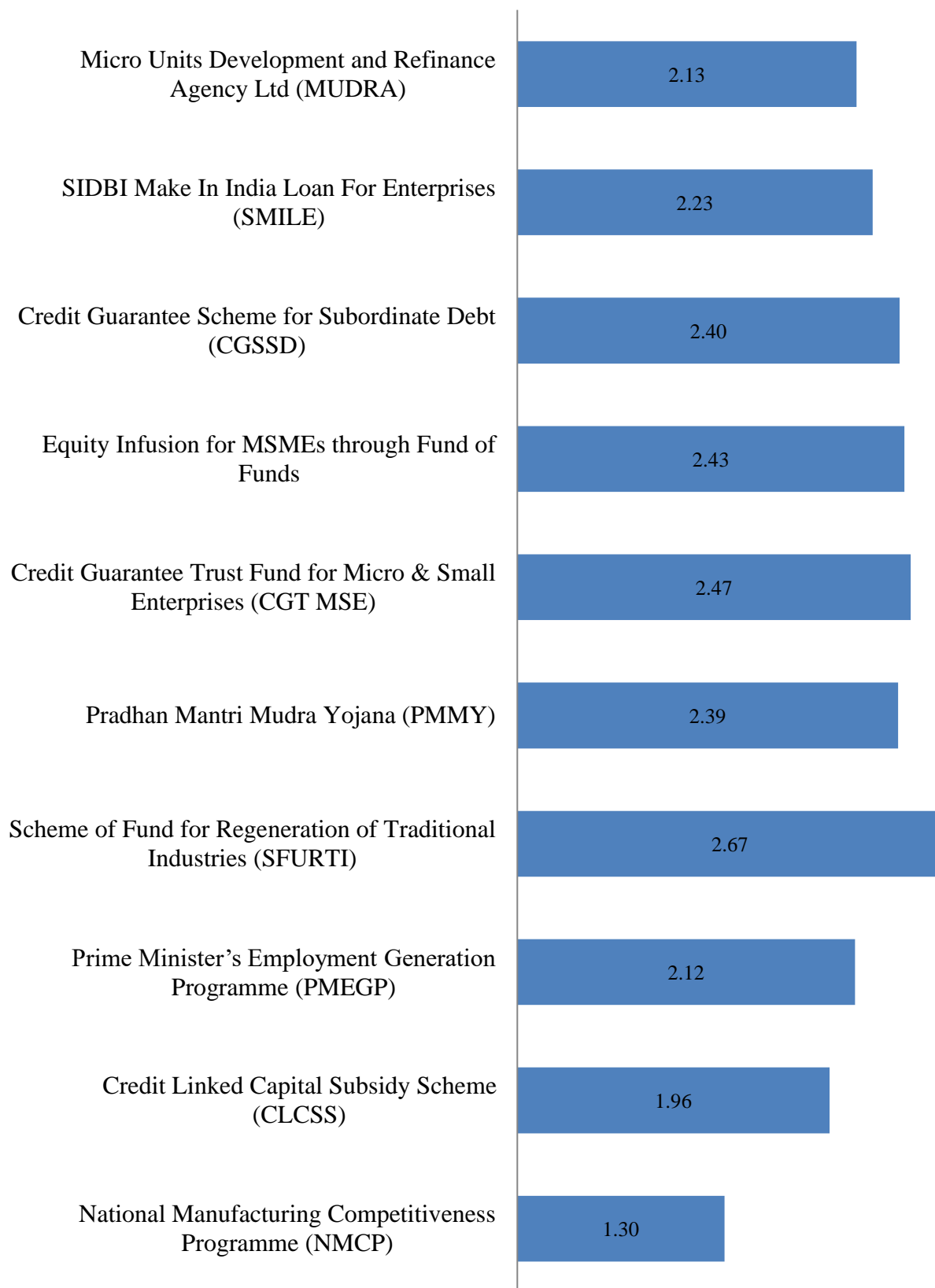
TABLE 3. MSME ENTREPRENEURS AWARENESS

Particulars	HA		A		N		SA		UA		Mean Score	Standard Deviation
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%		
National Manufacturing Competitiveness Programme (NMCP)	117	78.0	24	16.0	07	4.7	01	0.7	01	0.7	1.30	0.653
Credit Linked Capital Subsidy Scheme (CLCSS)	24	16.0	113	75.3	10	6.7	01	0.7	02	1.3	1.96	0.612
Prime Minister's Employment Generation Programme (PMEGP)	58	38.7	20	13.3	69	46.0	02	1.3	01	0.7	2.12	0.976
Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	28	18.7	36	24.0	47	31.3	36	24.0	03	2.0	2.67	1.097
Pradhan Mantri Mudra Yojana (PMMY)	44	29.3	52	34.7	23	15.3	13	8.7	18	12.0	2.39	1.315

Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT MSE)	44	29.3	41	27.3	35	23.3	11	7.3	19	12.7	2.47	1.324
Equity Infusion for MSMEs through Fund of Funds	35	23.3	51	34.0	34	22.7	24	16.0	06	4.0	2.43	1.132
Credit Guarantee Scheme for Subordinate Debt (CGSSD)	39	26.0	40	26.7	51	34.0	12	8.0	08	5.3	2.40	1.117
SIDBI Make In India Loan For Enterprises (SMILE)	44	29.3	52	34.7	34	22.7	15	10.0	05	3.3	2.23	1.083
Micro Units Development and Refinance Agency Ltd (MUDRA)	60	40.0	37	24.7	35	23.3	09	6.0	09	6.0	2.13	1.185

From the above table it is clear that the level of awareness scores that was found to be the highest in the schemes of MSME entrepreneurs are the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE) with a mean score of 2.67 and 2.47 respectively. This was followed by Equity Infusion for MSMEs through Fund of Funds and Credit Guarantee Scheme for Subordinate Debt (CGSSD) with the mean score of 2.43 and 2.40 respectively. Pradhan Mantri Mudra Yojana (PMMY) and SIDBI Make in India Loan For Enterprises (SMILE) with the mean score of 2.39 and 2.23 respectively. Micro Units Development and Refinance Agency Ltd (MUDRA) and Prime Minister's Employment Generation Programme (PMEGP) with the mean score of 2.13 and 2.12 respectively. Credit Linked Capital Subsidy Scheme (CLCSS) and National Manufacturing Competitiveness Programme (NMCP) with the mean score of 1.96 and 1.30 respectively are the lowest level of awareness in the schemes of MSME entrepreneurs.

CHART 3. MSME ENTREPRENEURS AWARENESS



IV. MOTIVES FOR PREFERRING THE BANKS BY THE ENTREPRENEURS OF MSME SECTOR.

The following table represents the motives for preferring the banks by the entrepreneurs of MSME sector.

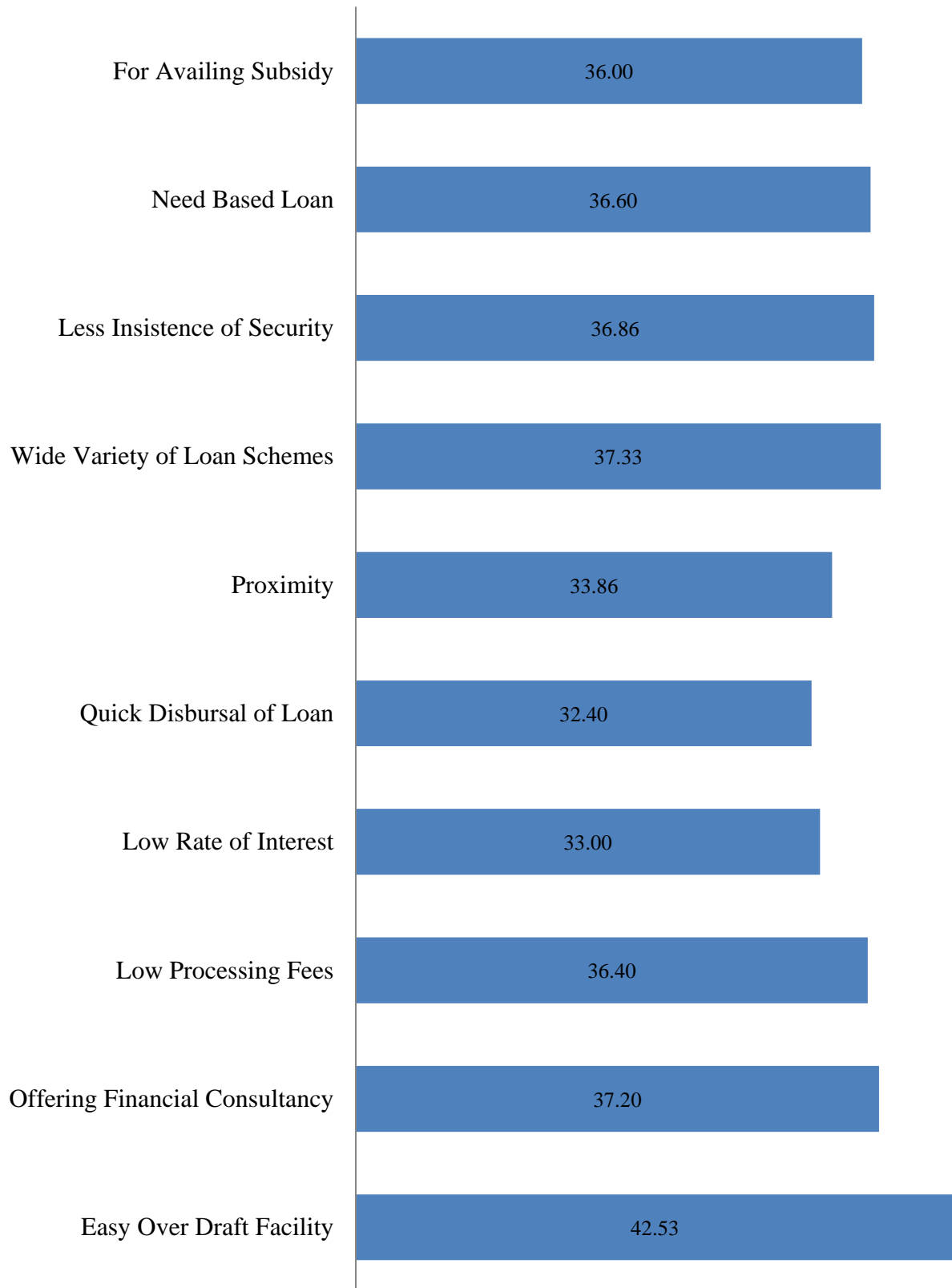
TABLE 4. MOTIVES FOR PREFERRING BANKS

Particulars	No of respondents					Weighted Average Score	Mean Score	Rank
	HS (5)	S (4)	N (3)	DS (2)	HDS (1)			
Easy Over Draft Facility	91 (455)	19 (76)	32 (96)	4 (8)	3 (3)	638	42.53	I
Offering Financial Consultancy	12 (60)	94 (376)	37 (111)	4 (8)	3 (3)	558	37.20	III
Low Processing Fees	38 (190)	28 (112)	78 (234)	4 (8)	2 (2)	546	36.40	VI
Low Rate of Interest	31 (155)	39 (156)	27 (81)	50 (100)	3 (3)	495	33.00	IX
Quick Disbursal of Loan	36 (180)	30 (120)	40 (120)	22 (44)	22 (22)	486	32.40	X
Proximity	32 (160)	41 (164)	45 (135)	17 (34)	15 (15)	508	33.86	VIII
Wide Variety of Loan Schemes	42 (210)	50 (200)	36 (108)	20 (40)	2 (2)	560	37.33	II

Less Insistence of Security	46 (230)	43 (172)	39 (117)	12 (24)	10 (10)	553	36.86	IV
Need Based Loan	35 (175)	57 (228)	37 (111)	14 (28)	7 (7)	549	36.60	V
For Availing Subsidy	44 (220)	40 (160)	41 (123)	12 (24)	13 (13)	540	36.00	VII

The above table indicates that the Easy over draft facility (With the mean score of 42.53, Rank I) followed by a Wide variety of loan schemes with Rank II, Offering financial consultancy with Rank III, Less insistence of security with Rank IV, Need based loan with Rank V, Low processing fees with Rank VI, For availing subsidy with Rank VII, Proximity with Rank VIII, Low rate of interest with Rank IX and Quick disbursal of loan with Rank X, The table shows that the Easy over draft facility holds the top rank.

CHART 4. MOTIVES FOR PREFERRING BANKS



V. FACTORS ARE RESPONSIBLE FOR MSME ENTREPRENEURS GROWTH

To identify the foremost promising factors responsible for MSME entrepreneurs growth, factor analysis had been carried out. This analysis is useful in identifying the factors and it's significant and component analysis is carried out to get extraction.

TABLE 5. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.663
Bartlett's Test of Sphericity	Approx. Chi-Square	772.607
	Df	105
	Sig.	.000

VARIABLES OF FACTOR ANALYSIS

To perform factor analysis, the top 10 factors are converted into 2 factors and rotated into a component matrix.

TABLE 6. FACTORS TABLE

S.No	Factors
1.	Introduction of new technology
2.	Launching new divisions
3.	Introducing of new products
4.	Exporting
5.	Pressure from the competition
6.	Perception of risk
7.	Business prospects.
8.	Strong management and leadership
9.	Skilled labour

10.	Customer focus
11.	EDP programmes & SIDBI
12.	Accounting system
13.	Labour law compliance issues
14.	Registration of enterprise
15.	Collateral financing.

TABLE 7. TOTAL VARIANCE EXPLAINED

Compo nent	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.893	25.955	25.955	3.893	25.955	25.955
2	1.958	13.055	39.009	1.958	13.055	39.009
3	1.777	11.845	50.855	1.777	11.845	50.855
4	1.471	9.804	60.658	1.471	9.804	60.658
5	1.201	8.006	68.664	1.201	8.006	68.664
6	.913	6.088	74.752			
7	.639	4.259	79.011			
8	.633	4.220	83.231			
9	.521	3.474	86.705			
10	.509	3.397	90.102			
11	.411	2.737	92.839			
12	.359	2.395	95.234			
13	.289	1.928	97.162			
14	.215	1.434	98.596			
15	.211	1.404	100.000			
Extraction Method: Principal Component Analysis.						

TABLE 8. ROTATED COMPONENT MATRIX

		Components	
Component No	Component Name	1	2
1	Introduction of new technology	.048	.583
2	Launching new division	.300	.628
3	Introducing of new products	.538	.414
4	Exporting	.455	.307
5	Pressure from the competition	.721	.389
6	Perception of risk	.733	.215
7	Business prospects	.647	.054
8	Strong management and leadership	.567	-.204
9	Skilled labour	.413	-.419
10	Customer focus	.365	-.290
11	EDP programme & SIDBI	.318	-.409
12	Accounting system	.372	-.354
13	Labour law compliance issues	.546	-.247
14	Registration of enterprise	.607	-.257
15	Collateral financing	.544	-.193
Extraction Method: Principal Component Analysis.			
a. 2 components extracted.			

The above table indicates the extracted component matrix. This contains the loading of every variable into each factor. All loadings has been stifled and remaining components are taken for the investigation. With the above table, output has been yield. From the above table, the significant components are taken as factors.

TABLE 9. EXTRACTED FACTORS

S.No	Factors
1.	Perception of risk
2.	Pressure from the competition
3.	Business prospects
4.	Registration of enterprise
5.	Strong management and leadership
6.	Labour law compliance issues
7.	Collateral financing
8.	Introducing of new products
9.	Exporting
10.	Skilled labour

The above table shows that the extracted factors from the various factors. The most significant factors are responsible for MSME entrepreneurs growth are the perception of risk, pressure from the competition, business prospects, registration of enterprise, strong management and leadership, labour law compliance issues, collateral financing, introducing of new products, exporting and skilled labour.

DISTRIBUTION OF RESPONDENTS BY THEIR MOTIVES FOR PREFERRING THE BANKS

Relationship between educational qualification and their motives for preferring the banks by the entrepreneurs of MSME sector.

In this section an attempt is made to analyze the educational qualification of the respondents and their motives for preferring the banks. It was decided to measure the association between the educational qualification of the respondents and their motives for preferring the banks by applying ANOVA. The identified personal and educational qualification which influences the motives for preferring the banks by the entrepreneurs of the MSME sector is Educational qualification.

ASSOCIATION BETWEEN THE EDUCATIONAL QUALIFICATION OF THE RESPONDENTS AND THEIR MOTIVES FOR PREFERRING THE BANKS

It is expected that the educational qualification of the respondents would influence their motives for preferring the banks. An attempt has been made to examine the association between the educational qualification and motives for preferring the banks. For which the following null hypothesis has been framed.

Null Hypothesis (H₀): There is no significant difference between educational qualification and motives for preferring the banks by the entrepreneurs of the MSME sector.

TABLE 10. EDUCATIONAL QUALIFICATION AND MOTIVES FOR PREFERRING BANKS

Particulars	Sources	Sum of Squares	Df	Mean Square	F	Sig.
Easy over draft facility	Between Groups	15.148	4	3.787	3.808	0.006
	Within Groups	144.185	145	0.994		
	Total	159.333	149			

Offering Financial Consultancy	Between Groups	3.695	4	0.924	1.750	0.142
	Within Groups	76.545	145	0.528		
	Total	80.240	149			
Low Processing Fees	Between Groups	10.185	4	2.546	3.067	0.018
	Within Groups	120.375	145	0.830		
	Total	130.560	149			
Low Rate of Interest	Between Groups	19.517	4	4.879	3.685	0.007
	Within Groups	191.983	145	1.324		
	Total	211.500	149			
Quick Disbursal of Loan	Between Groups	12.491	4	3.123	1.723	0.148
	Within Groups	262.869	145	1.813		
	Total	275.360	149			
Proximity	Between Groups	16.468	4	4.117	2.882	0.025
	Within Groups	207.105	145	1.428		
	Total	223.573	149			
Wide Variety of Loan Schemes	Between Groups	6.150	4	1.538	1.375	0.245
	Within Groups	162.090	145	1.118		
	Total	168.240	149			
Less Insistence of Security	Between Groups	1.298	4	0.325	0.229	0.922
	Within Groups	205.342	145	1.416		
	Total	206.640	149			
Need Based Loan	Between Groups	0.816	4	0.204	0.173	0.952
	Within Groups	171.158	145	1.180		
	Total	171.973	149			
For Availing Subsidy	Between Groups	3.982	4	0.995	0.655	0.624
	Within Groups	220.212	145	1.519		
	Total	224.193	149			

[Significant (P values <0.05); Non Significant (P values >0.05)]

The above table shows that there is a significant difference between Easy over draft facility (0.006), Low processing fees (0.018), Low rate of interest (0.007), Proximity (0.025) and Motives for preferring the banks by the entrepreneurs of MSME sector. Hence the hypothesis is rejected.

There is no significant difference between Offering Financial consultancy (0.142), Quick disbursal of loan (0.148), Wide variety of loan schemes (0.245), Less insistence of security (0.922), Need based loan (0.952), For availing Subsidy (0.624) and Motives for preferring the banks by the entrepreneurs of MSME sector. Hence the hypothesis is accepted.

VI. MSME ENTREPRENEURS LEVEL OF SATISFACTION WITH AVAILING BANK SERVICES/SCHEMES.

To find out the MSME entrepreneurs level of satisfaction the 5 point likert scale is carried out.

TABLE 11. MSME ENTREPRENEURS SATISFACTION

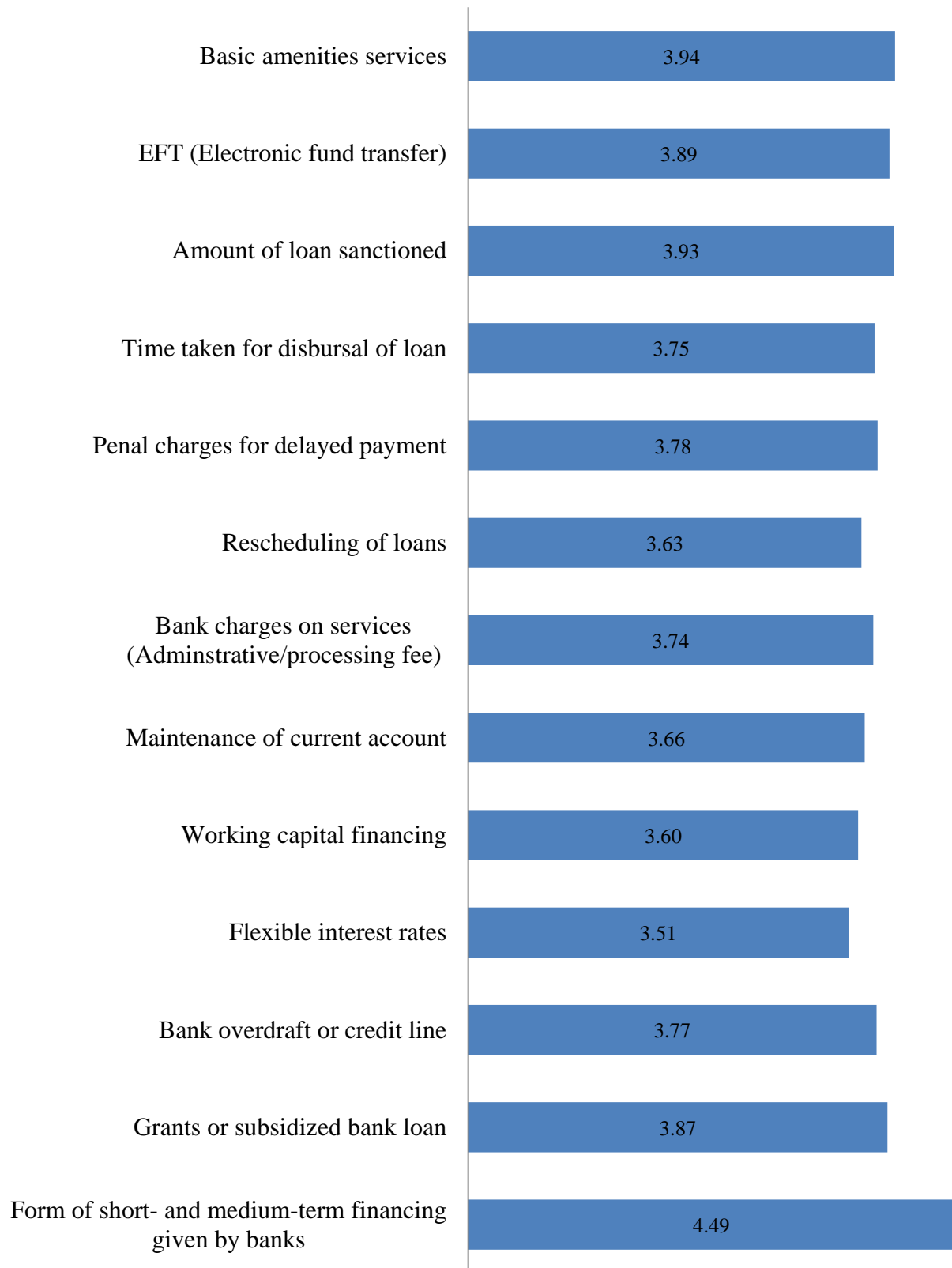
Particulars	No of respondents					Total Score	Mean Score	Rank
	HS (5)	S (4)	N (3)	DS (2)	HDS (1)			
Form of short- term and medium-term financing given by banks	103 (515)	24 (96)	19 (57)	2 (4)	2 (2)	674	4.49	I
Grants or subsidized bank loan	16 (80)	107 (428)	21 (63)	4 (8)	2 (2)	581	3.87	V
Bank overdraft or credit line	40 (200)	51 (204)	48 (144)	7 (14)	4 (4)	566	3.77	VII
Flexible interest rates	28 (140)	5 (208)	45 (135)	19 (38)	6 (6)	527	3.51	XIII
Working capital financing	37 (185)	50 (200)	39 (117)	14 (28)	10 (10)	540	3.60	XII
Maintenance of current account	43 (215)	46 (184)	39 (117)	11 (22)	11 (11)	549	3.66	X
Bank charges on services (Administration/processing fee)	51 (255)	42 (168)	29 (87)	23 (46)	5 (5)	561	3.74	IX

Rescheduling of loans	37 (185)	49 (196)	41 (123)	18 (36)	5 (5)	545	3.63	XI
Penal charges for delayed payment	41 (205)	56 (224)	33 (99)	19 (38)	1 (1)	567	3.78	VI
Time taken for disbursal of loan	45 (225)	49 (196)	35 (105)	16 (32)	5 (5)	563	3.75	VIII
Amount of loan sanctioned	53 (265)	48 (192)	38 (114)	8 (16)	3 (3)	590	3.93	III
EFT (Electronic fund transfer)	39 (195)	68 (272)	33 (99)	8 (16)	2 (2)	584	3.89	IV
Basic amenities services	52 (260)	56 (224)	29 (87)	8 (16)	5 (5)	592	3.94	II

From the above table, indicates that the MSME entrepreneurs strongly agree with the Form of short- and medium-term financing given by banks (Mean Score = 4.49, Rank I), Basic amenities services with Rank II, Amount of loan sanctioned with Rank III, EFT (Electronic fund transfer) with Rank IV, Grants or subsidized bank loan with Rank V, penal charges for delayed payment with Rank VI, Bank overdraft or credit line with Rank VII, Time taken for disbursal of loan with rank VIII, Bank charges on services (Administration/processing fee) with Rank IX, Maintenance of current account with Rank X, Rescheduling of loans with Rank XI, Working capital financing with Rank XII and Flexible interest rate with Rank XIII.

The table shows that the flexible interest rate and other factors determine the MSME entrepreneurs level of satisfaction with availing banking services and schemes.

CHART 5. MSME ENTREPRENEURS SATISFACTION



FINDINGS, CONCLUSION AND SUGGESTIONS

CHAPTER V

FINDINGS, CONCLUSION AND SUGGESTIONS

FINDINGS

I. SOCIO ECONOMIC PROFILE OF MSME ENTREPRENEURS

- The result of the study shows that 64 percent of the respondents are male. It shows that male MSME entrepreneurs are more than female.
- The result of the study shows that among the five age groups most of the respondents belonged between 36 to 40 years of age.
- The result of the study shows that 71 percent of the respondents are married.
- The result of the study shows that most of the respondents were undergraduates. Educated MSME Entrepreneurs easily avail bank services.
- The result of the study shows that 33 percent of the respondents are having monthly income of less than 15,000.

II. BUSINESS PROFILE OF MSME ENTREPRENEURS

- The result of the study shows that 35 percent of the respondents are into trading business.
- The result of the study shows that 34 percent of the respondents are running their business as partnership firms.
- The result of the study shows that 40 percent of the respondents operating their business in urban and semi urban areas.
- The result of the study shows that 39 percent of the respondents function at carry out the business in rented places.
- The result of the study shows that 33 percent of the respondents are having business experience between 11 to 15 years.
- The result of the study shows from the study that 29 percent of the respondents invested between Rs.75, 000 to 1,00,000 initially.
- The result of the study shows that 34 percent of the respondents start the business with relatives influence.

- The result of the study shows that 55 percent of the respondents are not a member of the entrepreneurial association.
- The result of the study shows that 34 percent of the respondents avail bank loans for subsidy purposes.
- The result of the study shows that 31 percent of the respondents manage the insufficiency of funds by utilizing their own savings.

III. MSME ENTREPRENEURS LEVEL OF AWARENESS OF BANK SERVICES/SCHEMES

The study indicates that the MSME entrepreneurs level of awareness was found to be the highest among the schemes for MSME entrepreneurs are Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE) with a mean score of 2.67 and 2.47 respectively. This was followed by Equity Infusion for MSMEs through Fund of Funds and Credit Guarantee Scheme for Subordinate Debt (CGSSD) with the mean score of 2.43 and 2.40 respectively. Pradhan Mantri Mudra Yojana (PMMY) and SIDBI Make In India Loan For Enterprises (SMILE) with the mean score of 2.39 and 2.23 respectively. Micro Units Development and Refinance Agency Ltd (MUDRA) and scores of the Prime Minister's Employment Generation Programme (PMEGP) with the mean score of 2.13 and 2.12 respectively. Credit Linked Capital Subsidy Scheme (CLCSS) and National Manufacturing Competitiveness Programme (NMCP) with the mean score of 1.96 and 1.30 respectively.

IV. MOTIVES FOR PREFERRING THE BANKS BY THE ENTREPRENEURS OF MSME SECTOR

WEIGHTED MEAN RESULTS

The study indicates that the Easy over draft facility (With the mean score of 42.53, Rank I) followed by a Wide variety of loan schemes with Rank II, Offering financial consultancy with Rank III, Less insistence of security with Rank IV, Need based loan with Rank V, Low processing fees with Rank VI, For availing subsidy with Rank VII, Proximity with Rank VIII, Low rate of interest with Rank IX and Quick disbursement of loan with Rank X, The table shows that the Easy over draft facility holds the top rank.

ANALYSIS OF VARIANCE (ANOVA) RESULTS

The study indicates that there is a significant difference between Easy overdraft facility (0.006), Low processing fees (0.018), Low rate of interest (0.007), Proximity (0.025) and Motives for preferring the banks by the entrepreneurs of MSME sector. Hence the hypothesis is rejected.

There is no significant difference between Offering Financial consultancy (0.142), Quick disbursement of loan (0.148), Wide variety of loan schemes (0.245), Less insistence of security (0.922), Need based loan (0.952), For availing Subsidy (0.624) and Motives for preferring the banks by the entrepreneurs of MSME sector. Hence the hypothesis is accepted.

V. FACTORS ARE RESPONSIBLE FOR MSME ENTREPRENEURS

The study indicates that the extracted factors from the various factors. The most significant factors responsible for MSME entrepreneurs' growth are the perception of risk, pressure from the competition, business prospects, registration of enterprise, strong management and leadership, labour law compliance issues, collateral financing, introducing of new products, exporting and skilled labour.

VI. MSME ENTREPRENEURS LEVEL OF SATISFACTION WITH AVAILING BANK SERVICES/SCHEMES

The study indicates that the MSME entrepreneurs strongly agree with the Form of short and medium-term financing given by banks (Mean Score = 4.49, Rank I), Basic amenities services with Rank II, Amount of loan sanctioned with Rank III, EFT (Electronic fund transfer) with Rank IV, Grants or subsidized bank loan with Rank V, penal charges for delayed payment with Rank VI, Bank overdraft or credit line with Rank VII, Time taken for disbursement of loan with Rank VIII, Bank charges on services (Administration/processing fee) with Rank IX, Maintenance of current account with Rank X, Rescheduling of loans with Rank XI, Working capital financing with Rank XII and Flexible interest rates with Rank XIII.

The table shows that flexible interest rates and other factors determine the MSME entrepreneurs' level of satisfaction with availing banking services and schemes.

CONCLUSION

MSME plays a crucial role in the Indian economy, it has offered huge employment opportunities. The findings of the study found that the majority of the MSME entrepreneurs are well aware of the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE). At the same time, awareness of the Credit Linked Capital Subsidy Scheme (CLCSS) and National Manufacturing Competitiveness Programme (NMCP) scheme is low. Hence, MSME entrepreneurs need to be made aware of banking services/schemes. Most of the MSME entrepreneurs prefers banking services/schemes like easy over draft facility and the wide variety of loan schemes offered by the bank. The factors that influence the MSME entrepreneurs preferences on banking services are the perception of risk, pressure from the competition, business prospects, registration of enterprise, strong management and leadership, labour law compliance issues, collateral financing, introducing of new products, exporting and skilled labour. Hence, it indicates that governments and banks are focusing on more attractive offers and schemes to encourage MSME entrepreneurs. To conclude that the MSME entrepreneurs are highly satisfied with the form of short-term and medium-term financing given by banks.

SUGGESTIONS

- ✓ The registration process of MSME should be simplified.
- ✓ Banks may request to develop and encourage schemes for technology up gradation.
- ✓ The rural and illiterates are not aware of the MSME subsidy schemes, so they should be educated to them.
- ✓ MSMEs have to pack their product which avoid damages, ensures quality and improves the value of the products.
- ✓ The procedures of sanctioning loan should be simplified and loan applications should be appraised as early as possible.
- ✓ The utilization level of MSME special schemes is very low. It is the responsibility of the bank to motivate entrepreneurs to use the special schemes available for MSME entrepreneurs.

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ANNEXURE

ANNEXURE

I. SOCIO ECONOMIC PROFILE

1) **Name:** _____

2) **Gender:**

a) Male []

b) Female []

3) **Age:**

a) Below 25 years []

b) 26-30 years []

c) 31-35 years []

d) 36-40 years []

e) Above 40 years []

4) **Marital status:**

a) Married []

b) Unmarried []

5) **Educational qualification:**

a) Illiterate []

b) Up to School Level []

c) Diploma []

d) Undergraduate []

e) Post Graduate []

6) **Monthly income:**

a) Less than 15,000 []

b) 15,000-20,000 []

c) 20,000-25,000 []

d) Above 25,000 []

II. PROFILE OF THE MSME

7) Nature of business:

- a) Manufacturing []
- b) Trading []
- c) Service []

8) Form of business:

- a) Sole Proprietorship []
- b) Partnership []
- c) Joint family firm []

9) Location of the unit:

- a) Rural []
- b) Urban []
- c) Semi urban []

10) Place of the business unit:

- a) Own House []
- b) Rented Place []
- c) Leased Place []

11) Age of the Business Unit:

- a) Up to 5 years []
- b) 5 to 10 years []
- c) 11 to 15 years []
- d) Above 15 years []

12) Initial investment while starting the business:

- a) Less than 25,000 []
- b) 25,000 to 50,000 []
- c) 50,000 to 75,000 []
- d) 75,000 to 1,00,000 []
- e) Above 1,00,000 []

13) Who induce you to start/establish business?

- a) Self []
- b) Parents []
- c) Relatives []
- d) Friends []

14) Are you a member in entrepreneurial association?

- a) Yes []
- b) No []

15) Why do you prefer bank loans?

- a) Low rate of interest []
- b) Easy Repayment Facility []
- c) Subsidy []
- d) No other suitable alternatives []

16) How would you manage the insufficiency of funds?

- a) Borrowings from friends/ relatives []
- b) Borrowings from money lenders []
- c) Own savings []
- d) Borrowings from other financial agencies []

III. MSME ENTREPRENEURS LEVEL OF AWARENESS OF BANK SERVICES/SCHEMES

17. Select the column which you think appropriate for the question

S.No	Particulars	HA	A	N	SA	UA
1	National Manufacturing Competitiveness Programme (NMCP)					
2	Credit Linked Capital Subsidy Scheme (CLCSS)					
3	Prime Minister's Employment Generation Programme (PMEGP)					
4	Scheme Of Fund For Regeneration Of Traditional Industries (SFURTI):					
5	Pradhan Mantri Mudra Yojana (PMMY)					
6	Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT MSE)					
7	Equity Infusion for MSMEs through Fund of Funds					
8	Credit Guarantee Scheme for Subordinate Debt (CGSSD)					
9	SIDBI Make In India Loan For Enterprises (SMILE)					
10	Micro Units Development and Refinance Agency Ltd (MUDRA)					

IV. MOTIVES FOR PREFERRING THE BANKS BY THE ENTREPRENEURS OF MSME SECTOR

18. Mark your responses accordingly (SA-Strongly Agree, A-Agree, N-Neutral, DS-Disagree, SD-Strongly Disagree)

S.No	Particulars	SA	A	N	D	SDA
1	Easy Over Draft facility					
2	Offering Financial consultancy					
3	Low processing fees					
4	Low rate of interest					
5	Quick disbursal of loan					
6	Proximity					
7	Wide variety of loan schemes					
8	Less insistence of security					
9	Need based loan					
10	For availing Subsidy					

V. FACTORS ARE RESPONSIBLE FOR MSME ENTREPRENEURS GROWTH

19. A-Strongly Agree, A-Agree, N-Neutral, DS-Disagree, SD-Strongly Disagree

S.No	Particulars	SA	A	N	D	SDA
1	Introduction of new technology					
2	Launching new divisions					
3	Introducing of new products					
4	Exporting					
5	Pressure from the competition					
6	Perception of risk					
7	Business prospects.					
8	Strong management and leadership					
9	Skilled labour					
10	Customer focus					
11	EDP Programmes& SIDBI					
12	Accounting System					
13	Labour Law Compliance issues					
14	Registration of enterprise					
15	Collateral financing.					

VI. MSME ENTREPRENEURS LEVEL OF SATISFACTION WITH AVAILING BANK SERVICES/SCHEMES

20. What is your selection criterion of level of satisfaction? (SA-Strongly Agree, A-Agree, N-Neutral, DS-Disagree, SD-Strongly Disagree)

S.No	Particulars	HS	S	N	DS	HDS
1	Form of short- and medium-term financing given					
2	Grants or subsidized bank loan					
3	Bank overdraft or credit line					
4	Flexible interest rates					
5	Working capital financing					
6	Maintenance of current account					
7	Bank charges on services					
8	Rescheduling of loans					
9	Penal charges for delayed payment					
10	Time taken for disbursement of loan					
11	Amount of loan sanctioned					
12	EFT (Electronic fund transfer)					
13	Basic amenities services					