Review of Literature
CHAPTER II

REVIEW OF LITERATURE

2.1 INTRODUCTION

Women Entrepreneurs has attracted the attention of many researchers these days due to its recognized importance. This has created greater interest among the public as well as the Government. It is essential one to review the research work so far done in the field of Women Entrepreneurs. A review of literature places a research study in its proper perspective by showing the amount of work already carried out in the related areas of the study. The following are the studies which enabled the researcher to undertake this study. A number of studies have been conducted in this area in India as well as in other countries. Reviews of the existing foreign studies are highlighted below:

Staley.E and Morse.R (August, 1965)\(^1\), in a classic text book on “Modern Small Industry for Developing Countries” identified the areas in which the small scale industry could contribute positively to national economic development.

Vepa.R.K (June, 1980)\(^2\), in a text book on “Mao,s China – A Nation in Transition” examines now development of Small and Medium Enterprises in China has been accorded a high priority particularly in the rural areas since the revolution of 1949.

Stiglitz.J and Morse.R (June, 1981)\(^3\), in his article titled “Credit Rationing In markets with Imperfect Information” revealed that financial barriers affecting Small and Medium Enterprises include the high cost of Credit, relatively high bank charges and fees, high collateral requirements and a lack of outside equity and venture capital. It is further pointed out that information asymmetries between lenders and borrowers make it hard for banks to determine the real value of a project and lead to credit rationing.

Vepa.R.K (April, 1983)\(^4\), in his book “Small Industry: The Challenge of Eighties” discussed on flow Japan began as a developing country in the latter half of the 19th century and was quick to appreciate the importance of Small Entrepreneurs for generating economic growth.

Asian Development Bank (December, 1987)\(^5\), in a study “Korea: Study of the manufacturing Sector with Special Reference to New Technology Based Small and
Medium Industries” have found that in Korea, expansion and Modernization together accounted for more than 50 per cent of the total investment demand of Small and Medium industries for finance in the 1980s, when the Korean economy was undergoing industrial restructuring.

Krongkaew. M  (October,1988)⁶, in an article titled, “The current Development of Small and Medium Scale Industries in Thailand” describes and analyzes the status and development of Small and Medium Industries in Thailand where initially the emphasis of industrial development was on import substitution and government took certain promotional measures to encourage private investment both from within and outside the country to expand industrial development.

Eyo and Clement.1.B  (June,1989)⁷, in an article “Public Policy and the Development of Small Scale Industries in Nigeria: A Policy Analysis Perspective” examines the impact of public policies on the development and performance of small scale industries in Nigeria.

Dias.S.  (March,1990)⁸, in a book entitled “Developing Rural Entrepreneurship” found that nearly 90 per cent of the Srilankan rural Enterprises faced the problem of lack of access to Institutional finance and credit. A major obstacle in borrowing money from commercial banks or other financial institutions was the lack of collateral and the lack of good accounting systems.

Berry.A and Mazumdar .D  (January,1991)⁹, in their article titled, “Small Scale Industry in the Asian – Pacific Region”, opined that Small Scale Industry has been important in the successful development of many of the economics of East and Southeast Asia, in cases like Japan, Korea, Taiwan and Hong Kong where import substitution preceded and/or accompanied the manufacturing and exporting phase.

Ang.J.  (January,1992)¹⁰, in his article titled “On the Theory of Finance for Privately Held Firms” made an attempt to examine two data sets, one from the UK (n=15750) and one from the US (n=3239), to show that Small and Medium Enterprises’ financial behavior demonstrates substantial financial contentment, or happiness and they find fewer than 10 per cent of the UK firms seek significant growth and only 1.32 per cent of US firms list a shortage of capital other than working capital as a problem younger and
less educated Small and Medium Enterprises proprietors more actively use external financing – even though more education reduces the fear of loan denial – while old and more educated (wiser) Small and Medium Enterprises proprietors are found to be less likely to seek or use external financing.

**Tambunan.T. (October,1992)**\(^{11}\), in an article titled “The Role of Small Firms in Indonesia” examines the relative pattern of change and development of small firms in the manufacturing sector in Indonesia in the last two decades and possible factors affecting their growth. Also the relative importance of small firms in terms of income generation was assessed.

**John Cullinane (June,1993)**\(^{12}\), in an article titled “The Entrepreneur’s Survival Guide -101 Tips for Managing Good Times and Bad” has Observed that in most cases the Small Scale Manufactures lose out due to factors like size, financial sustainability, depth and range of products, marketing clout, brand image and bargaining power.

**Storey (April,1994)**\(^{13}\), in his article titled “Understanding the Small Business Sector” revealed that overview of bank lending to Small and Medium size Enterprises highlights a number of assumptions that underpin the research literature, asymmetric in formation, agency issues, higher objective risk in lending to Small firms, costly monitoring, competing banks, the variability of Entrepreneurs with regard to their ability, honesty and motivation, and the view that entrepreneurs gain from increased project valuation while banks gain only from repayment.

**Pousson.J. (August,1996)**\(^{14}\), in his article titled “Corporate Failure: The Lessons To Be Learnt”, highlighted the main causes of Business failure and classified them under three categories: management weakness, financial weakness and strategic weakness. Management weakness ranges from technical incompetence, lack of interpersonal skills or simply lack of general management and business experience. Financial weakness often stems from lack of understanding of the financial impact of the key strategic decisions, inadequate financing, too much dept, little or no dept management and a wrong financing mix. Finally the main strategic reasons for business collapse include lack of clear strategy and direction, inability to respond to change and recognize new competitors and taking on too much at one time.
Mc.Cormick.D and Pederson.P.O (October,1996)\textsuperscript{15}, in their article titled “Small Enterprises : Flexibility and Networking in an African Context” explained the determinants of supply of Entrepreneurial activities. Utilizing the Scott and Twomey Model, they distinguish between predisposing and triggering factors and how these are created in economic reforms. Predisposing factors include Entrepreneur’s background and personality which are important human capital that influences the ability of an Entrepreneur in dealing with the business environment. Triggering factors are those that promote Entrepreneurial activity such as increase in the domestic demand for a particular commodity, increased processing capacity, market opportunity or an opportunity to processing capacity, market opportunity or an opportunity to export due to linkage to a particular chain. Triggering and predicting factors jointly condition the supply of entrepreneurial activities. In addition, there are constraining factors like lack of financial resources, lack of information, lack of appropriate education and weak markets.

Vepa.R.R (June,1997)\textsuperscript{16}, in his article titled “Small can be Beautiful : Recommendations on Small Enterprises” has indicated the importance of the Small Scale Sector nor merely for providing jobs at reasonable cost but also as a dynamic engine of growth for the national economy.

Mester.L (September,1977)\textsuperscript{17}, in his article titled “What is the point of Credit Scoring?” indicated that banks discovered that business owner characteristics rather than business characteristics are better predictors of commercial business loan performance.

Cole.R.A (January,1998)\textsuperscript{18}, in his article titled “The Importance of Relationships to the Availability of Credit” revealed that potential lenders are more likely to extend credit to Small and Medium sized Enterprises in the presence of pre-existing transactions. This behaviour follows from the fact that previous banking relations help convey private information about Small and Medium sized Enterprises near – term financial performance.

Hamilton.R.T and Fox.M.A (June,1998)\textsuperscript{19}, in their article titled “The Financing Preferences of Small Firm’s proprietors” have found that the high risk of credit to Small and Medium Enterprises with information asymmetry may explain the relatively high interest rates charged to those borrowers and the demands made on Small and Medium Enterprises by Banks for high collateral and loan guarantees. Venture capital funds which
supply equity rather than loan capital are often proposed as a solution but entrepreneurs may be reluctant to access formal sources of outside equity capital which dilutes their control of the firm.

**Vepa. R.K (June, 1998)**\(^{20}\), in an article titled “Modern Small Industry in India: Problems and Prospects”, discussed the Organizational issues and suggested setting up of a department for Small Scale Industry in the Ministry of Industries and to include all Organization and agencies relating to Small Scale Industry in that department.

**Berger. A.N and Udele .G.F (June, 1998)**\(^{21}\), in their article titled “The Economics of Small Business Finance: The Roles of Private Equity and Debt Markets in the Financial Growth Cycle” studied Small and Medium Enterprises capital structure decisions. They found that most SMEs rely on internal sources of funds in their early years of operation. As Small and Medium Enterprises grow in size and age these firms ought to have better access to external funds. They say that their concept follows from the fact that bigger and older Small and Medium Enterprises have better collateralizable assets and technical sophistication to reduce informational capacity.

**Bhattacharya (October, 1998)**\(^{22}\), in a paper titled “Russia’s Evolution from Marx to Market: The Emergence of the Small Business” has found that the banks were not interested in giving long-term credit to risky productive activities. The bulk of entrepreneurs did not even apply for loans to banks. The loan charges were high and it was dangerous for the entrepreneurs to take long-term loan credits. No serious effort has been made by the Government to promote Small enterprises in the manufacturing sector. The legal framework to support Small business is poor. The Institutional bottlenecks are having adverse impact on Small enterprise.

**Pissarides .F (January, 1999)**\(^{23}\), in his article titled “Is Lack of Funds the Main Obstacles to Growth? EBRDs experience with Small and Medium Businesses in Central and Eastern Europe” argued that credit constraints constitute one of the main obstacles to growth of Small and Medium enterprises. These credit constraints operate in a variety of ways. In most transition countries, underdeveloped market forces entrepreneurs to rely on self financing or borrowing from friends and relatives. It is pointed out the lack of access to long term credit forced small and medium enterprises to rely on high cost Short – term finance.
Boiko .A. (June,1999)\textsuperscript{24}, in an article entitled “Hungarian Government Strategy for Development and Promotion of SMEs” has revealed that the Hungarian Development Bank should play a significant role in the operation of venture capital funds.

Bitler.M.P, A.Mand Wolken. J.D (April,2001)\textsuperscript{25}, in their article titled “Financial Services used by Small Businesses: Evidence from the 1998 survey of small Business Finances”, pointed out that Understanding the factors that affect the Small business financing require a rigorous analytical framework that accounts for the financial characteristics of the borrowers and the markets in which they operate.

Vladimir Bukric and Will Bartlett (October,2003)\textsuperscript{26}, in their survey titled “Financial Barriers to SME Growth in Slovenia” aimed to identify the critical barriers to small business growth and development in Slovenia, Bosnia and Macedonia. The research was based on a sample survey of more than 200 Slovenian Small and Medium Enterprises carried out in 2000-01. Among financial barriers, some specific issues such as the high cost of capital, high collateral requirements and bank bureaucratic procedures were highlighted as worrying constraints. The key barriers to growth identified in the research also include other factors linked to financial constraints like customers’ late payment of bills and inadequate information on finance. The research suggested that there will be a continuing need to develop and implement more effective policies to ease financial constraints facing small and medium enterprise and to there by enhance job creation, competitiveness and innovation in Slovenia.

Joseph Andrew Kuzilwa (July,2005)\textsuperscript{27}, in his article titles “The Role of Credit for Small Business Success” examined the role of credit in generating entrepreneurial activities. The study was based on a recent research combining case studies with a sample survey of business that gained access to credit from a Tanzanian government financial source. A substantially increased output is observed following access to credit. The findings revealed that the enterprises whose proprietors received business training and extension advice performed better than those that did not.

Inegbenebor .U (January,2006)\textsuperscript{28}, in a case study titled “Financing Small and Medium Industries in Nigeria – Case Study of the Small and Medium Industries Equity Investment Scheme (SMIEIS): Empirical Research Findings” has found that Small and
Medium Industries Equity investment scheme is the latest of the schemes designed to tackle the problem of financing Small and Medium Industries in Nigeria. It requires all banks to reserve 10 percent of their pre-tax profit for equity investment in Small and Medium Enterprises. The study focused on the role of entrepreneurs and examined their awareness, readiness and capacity to access and utilize the fund. Data used in this study were collected in the course of the Central Bank of Nigeria sponsored baseline economic survey of Small and Medium Scale industries in the South Zone of Nigeria. The sample consisted of 1255 firms selected to represent 13 identified industrial Sub-sectors in the Zone. The results showed that the level of awareness of the scheme was only 39 percent. It was found that even though managerial capacity in the firms was high; their capacity to utilize the fund was weak.

Stephanou Constantinous and Rodriguez Camila (January, 2008)\textsuperscript{29}, in their article titled “Bank Financing to Small and Medium Sized Enterprises (SMEs) in Columbia” have attempted to analyze the trends and policy challenges in the financing of Small and Medium Sized Enterprises by banks in Columbia. Based on data collection and interviews with the authorities of a representative sample of banks and other relevant entities the authors analyzed the evolution and characteristics of this market in recent years. Bank financing to Small and Medium Sized enterprises is becoming a strategic segment for Colombian credit institution. The current business and risk management models for Small and Medium sized enterprise lending are still relatively under developed but greater sophistication is expected as the market matures. Important institutional and policy constraints to Small and Medium Sized Enterprises lending remain but are not yet binding.

A review of previous studies carried out in India relating to the present study is given below:

Ramakrishna. K.T (May,1962)\textsuperscript{30}, in his article titled “Finances of Small Scale Industry in India” analyzed the causes of the prejudice of financial institutions against small industries in the matter of lending.

Ram. K. Vepa (March,1971)\textsuperscript{31}, in his article titled “Small Industry in the Seventies” found that despite a well developed institutional framework, it was the Urban – based and comparatively bigger entrepreneurs who obtained the bulk of the advances made to the Small scale Sector.
Indwejit Singh and Gupta N.S (June, 1971)\(^3\), in their survey titled “Financing of Small Industry in Jammu and Kashmir” pointed out the inadequacy of institutional credit available for Small Scale Industrial Sector and it is accounted for only 5.1 per cent of the borrowings.

Ramakrishnan P. (March, 1975)\(^3\), in his study titled “New Entrepreneurship in Small Scale Industry in Delhi; found that entrepreneurs were prepared to pay or had paid a much higher rate of interest to non–banking sources to avoid bank formalities.

Soundarraj (April, 1980)\(^3\), in his article titled “Financing Small Scale Industries: A profit,” Indicated that the Reserve Bank as a Central Bank and Banker’s Bank and the Prime Lending Bank to the government should take initiatives to promote the Small and Medium Enterprises sector. The author is very much interested in financing the Small and Medium Scale Industries in India, because it is providing more employment than any other sector. It arrests the migration to the cities from the villages in search of better jobs and better facilities.

Raghava Reddy (March, 1981)\(^3\), in his article titled, “Bank Finance for village and Small Industries” pointed out that village and Small – Scale Industries contributed 49 percent of the net domestic products in the manufacturing sector but received only 24 percent of the bank credit going to this sector. He advocated that the bank credit available to them should at least be equivalent to their contribution.

Brahmanadam G.N, Rai H.L and Dakshina Murthy D (May, 1981)\(^3\), in their article entitled “Financing Small Scale Sector; The Role of Banks” analyzed the role of Banks in financing the Small and Medium Enterprises in the year 1981. At those times the Indian banking was not at all interested in financing the Small and Medium Enterprises, because of their credit worthiness. Later due to changes in the Industrial policy of India, the commercial banks came forward and rendered immense help to the growth of Small and Medium Enterprise.

Apparao Balla (March, 1982)\(^3\), in his study on “Small Enterprises promotion in Andhra Pradesh : Role of Andhra Pradesh State Financial Corporation” examined the
role played by Andhra Pradesh State Financial Corporation in the promotion and operation of Small Scale Industrial units in the State of Andhra Pradesh and identified the problems of these industries in obtaining term loans and working capital loans.

**Mishra J.N. (March, 1983)**

In his study titled “Small – Scale and Cottage Industry in Saugur District” found that industrialists preferred a bania (Private money – lender) to a co-operative bank for meeting their needs because of complicated formalities, cumbersome procedures and undue delay.


In their article titled “Small Scale Sector : Problems and Prospects revealed the various problems like marketing raw material, labor, technical and financial problems faced by the Small Scale Sector. The focus on the finance related issue is very limited. The study has given more importance to the procurement of raw materials and marketing and labor problems in Small and Medium Enterprises segment.

**Ahmad N. (June, 1987)**

In his study titled “Problems and Management of Small Scale and Cottage Industries” traced the problems of varied nature both at the Micro and Macro levels faced by the Small Scale Industries and Cottage Industries in Jammu and Kashmir. This is attempted on the basis of three factors i.e., Entrepreneurship Development, Quality up gradation and Industrial sickness of three industrial units viz., Shawl Weaving and Embroidery Industries, Carpet and Fruit Preservation industries faced the problems of developing entrepreneurship and marketing.

**Neelamegam R (January, 1990)**

In his article “Small Business Financing” emphasized the fact that small firms suffered due to the lack of capital and adequacy of capital resulted in less productivity and less profit. The short life span of small firms was attributed to inadequate capital.

**Amiya Kumar Bagchi (June, 1992)**

In his article titled “European and Indian Entrepreneurship in India, 1990-1930” found that most of the Indian industries have faced difficulties in raising capital for their enterprises as the capital market was extremely imperfect, in small industries in particular.

**Kashyap S.P (June, 1995)**

In his article titled “Emerging Industrial Policy Reforms: “Implications for Small Size Enterprises” has stated that 1.48 lakh units of the
total were not able to survive because of financial (35 per cent) and Marketing Problems (14 per cent). It is concluded that the small units require timely credit rather than cheap credit. The Government expects that by speeding up procedures through an enlargement of the scope of the single window clearance to cover projects up to two million rupees and working capital up to one million rupees investment in small sized enterprise sector would be facilitated.

**Bala Subramanya (June, 1995)**, in an article titled “Reservation Policy for Small Scale Industry: Has it Delivered the Goods?”. Observed that the small scale industrial entrepreneurs had faced a number of problems in running their units, particularly regarding raw materials, finance and marketing. In the case of finance, small scale units did not have much dealing with commercial banks and were often forced into borrowing at higher interest rates than the larger firms did.

**Shinde.S.R and Patel.K.V (June, 1995)**, in their study titled “Are our SSI units Receiving Adequate Institutional Credit?” revealed that in spite of various measures undertaken, Small Scale Industries Promoters and their Associations have been frequently complaining about non-availability, inadequacy and delays in getting institutional finance, besides the unhelpful attitude of the bankers. The study also revealed that delay in commencement of production after completion of the projects has a direct bearing on long term viability of small scale industries. The sample data of the study indicated that about 84 per cent of the units could commence commercial production immediately after completion of the projects, while the remaining 16 per cent took some time in doing so. Effort was made to find out the extent of delays in the cases where the commercial production could not start immediately after completion of the projects through the study. The data revealed that about 27 percent of the time-over run cases had delay up to three months; another 24 percent had delay between 3 to 6 months. Remaining 49 percent had delays exceeding 6 months, out of which about 20 per cent had delay exceeding 12 months. As regards the reasons for delay in the commencement of commercial production, it was found that non-availability of working capital, delay in disbursement of term loans, and delay in obtaining power connection, Non-availability of skilled labour, defective machinery, etc., were the major factors.
Rudramurthy D.G (March, 1998) conducted a study “Industrial Finance for the Development of Small Scale Industries in Karnataka” with the objectives of analyzing the pattern, trends and magnitude of financial assistance to the SSI sector in Karnataka, to analyze the change in attitude of financial institutions since 1969, to evaluate the impact of institutional finance on industrial development and do assess the financial problems of the entrepreneurs and the nature of dependent on the financial institutions. The results of the study indicated that the availability of institutional finance to small scale industries in Karnataka feel that the rules and procedures of financial institutions are very cumbersome, time consuming and the rule and procedures should be modified suitably.

Mathew (April, 1998) in a study titled “Towards an Alternative Methodology for identifying Entrepreneurial potential in a Regional Setting” conducted a study on micro level enterprises at Kalady Villages in Kerala and it has revealed that the first generation entrepreneurs failed to get appropriate support from the banking system.

Nath (June, 1998) in his paper titled “Relative Efficiency of Modern Small Scale Industries in India: An Interstate Comparison” has observed that persistent efforts have been made to promote small scale industries in India as a source of large scale industries in India as a source of large scale employment generation and equitable distribution of income.

Elumalai K (December, 1998) in his study entitled “An Evaluation of the Operations of the Tamilnadu Small Industries Corporation Limited” has taken TANSI as a case and it is found that the financial assistance available to small units is not up to the expectation and there is undue delay in sanctioning monetary assistance from the Government of Tamilnadu as well as from the financial institutions and the study also revealed that the financial institutions charge higher rate of interest on the lending.

Kaura M.V and Sharma G.L (March, 1999) in their article titled, “Financing Small Industries – Institution should change their Attitudes, Procedures” stated very vividly the attitudes of the financial institution whether they belong to the Central Government of State Government of the Governmental Agencies promoted for this purpose. In the wake of the Micro, Small and Medium Enterprises Act, 2006, passed in the interest of the Small Scale Sector by the Government of India, the attitude of the
The financial institutions towards SME sector was totally changing. The employees of above said financial institutions are very much helpful and friendly with the promoters of the SMEs.

**Vasant Desai (March, 1999)** in his study “Small Scale Enterprises Credit Delivery Scheme” pointed out that the State Financial Corporations were playing a significant role by giving them loans and other facilities to Small Scale Industries. In the long run, State Financial Corporations should also extend their support to the promotion of medium and large scale industries in backward areas so that this would give a fillip to the growth of Small Scale Industries clustered around them, creating and upgrading industrial as well as social infrastructure in these areas.

**Mishra S.K and Puri V.K (March, 2000)**, in a book titled “Indian Economy” has observed that world over Small and Medium Scale Enterprises are regarded as the fountain heads of entrepreneurship, innovation, nimble-footed change agents, major employers in terms of absolute numbers and major contributors to the society’s economy. The importance of the Small Scale Sector in India can be gauged from the fact that this sector contributes to 40 percent of the gross turnover in the manufacturing sector and 33 percent of the total exports.

**Balasubramanya M.H (September, 2000)**, in his article titled “Small Industry Modernization in India: A Perspective of Emerging Dimensions of Needs for Finance” has suggested that in India, to meet the diversity of investment demand requirements, it is essential to broaden the financial infrastructure for the development of industries. Moreover the exclusive financial institutions like SIDBI are required to widen the scope of Small Industry Sector in India to contribute to the overall development of competitive industrial sector.

**Srinivas Subba Rao P. (March, 2001)**, in his study titled “Role, Organization and Problems of Small Scale Units in Vizianagaram, Srikulam and Visakhapatnam Districts (AP)” has concluded that the borrowed capital plays an important role in the development of small scale units and it is found that most of the small scale industrial units have been facing financial problems mainly due to security, delay in sanction, insufficient finance, high rate of interest and cumbersome procedures. The author has
suggested that the banks may follow liberal procedures in regard to security by sanctioning loans to small scale industrial units. Banks and financial agencies may reduce the cumbersome procedures and also reduce the processing fees, other servicing charges like values fees, documentation charges, legal consultant’s fees etc., to a reasonable extent. She further suggested that for easy understanding, the banks and financial agencies should supply all types of loan applications in regional languages.

Sundar.K, Kumar Gandhi.R and Gangatharan .G(May,2002)\textsuperscript{55}, in their article titled “The Role of SIDBI in Financing SSIs” have concluded that the role of SIDBI in providing financial assistance is generally commendable both in terms of number of schemes sanctioned and the quantum of loans disburses from 1991-1998. The performance of the bank in providing promotional and development assistance is not so impressive. It is suggested that the bank should widen its horizon of loan assistance to cater to diverse credit requirements of small scale units.

Anilkumar (May,2002)\textsuperscript{56}, in his article titled “Role of SFCs in Financing SSI in India During Post –Reform period” has recommended that the State Financial Corporations should make efforts to sanction the loans in a balanced manner for different purposes. More emphasis is laid on small size category of loans because it will help in promoting entrepreneurship development in the country. State Financial Corporations should concentrate towards growth of services sector in terms of loans sanctioned and disbursed, which is considered to be essential for rapid economic growth. The State Financial Corporations should diversity their activities along with reduction in rate of interest, which will help State Financial Corporations to increase the amount of loan sanctioned and disbursed during recessionary phase of the economy.

Gribanova.S (February,2003)\textsuperscript{57}, in his article on “New Generation, Money are in the Business”, Stated that the small business support centers and associations can render more assistance and support. They can help further by providing training, explaining the laws relating to businesses and suggesting ways as to how business proprietors should deal with government officials and at the same time, look into the various ways to support business proprietors in improving their know-how and embracing new technologies.
Anitha.H.S. (March, 2003)\textsuperscript{58}, in her study titled “Financial Role of Specialized Commercial Banks – From Entrepreneurs Perspective” has concluded that insufficient lending by the specialized commercial banks in the state has forced the small enterprises to rely on multiple agencies to meet their term loan requirements. Moreover, the banks lack commitment regarding the working capital side of small scale industries. Banks should come forward to consider the opinions of entrepreneurs who facilitate the development of entrepreneurship among the poor and weaker sections of the society.

Alagappah .V and Nagammai.R.M (December, 2003)\textsuperscript{59}, in their study titled “Entrepreneur’s Response to Financial Assistance from Institutions” have taken a sample of 120 small scale industry units in Madurai District, representing eight categories of industries, and 55 statements were identified and given and the results were analyzed using factor analysis and concluded that the small scale industry units under study in Madurai District have an average level of satisfaction towards the lending of financial institutions. They are satisfied with the format of the loan application and method of sanctioning loans and they are not satisfied with the quantum of loan sanctioned, high margin fixed and other service charges levied by the financial institutions.

In a study conducted by Honakeri.P.M (December, 2003)\textsuperscript{60}, entitled “Financing of Small Scale Automobile and Hardware Retail Entrepreneurship: A Case Study”, conducted with the objectives of sources of finance for small retail business and to suggest suitable financial institutions for the financing of retail entrepreneurship based on their needs. One hundred and fifty entrepreneurs of Hubli and Dharwad cities of Karnataka were taken as sample for the study and it is found that 50 percent of the entrepreneurs need expansionary finance. It is found essential that SFC should be extended to retail business also and the sources of capital for each sector should be well organized and the development of financial institutions exclusively for trade is likely to eliminate flow of unaccounted money.

Natesan.A.K (September, 2004)\textsuperscript{61}, in his researcher titled “A study on Financial support to Small Scale Industries in Coimbatore District, Tamilnadu” has concluded that small scale industries depend more on Institutional Finance in Coimbatore and they are facing the problem of fund mobilization significantly because of processing formalities.
Small Scale Industries were highly dissatisfied with the rate of interest, size of loan, processing time, repayment conditions etc., followed by banks and financial institutions. He concluded further that a change in the existing system to provide finance to small scale industries will be of great help to small scale industrial sectors for attaining their growth.

Renuka (September, 2004)\textsuperscript{62}, in her research titled “Role of Small Industries Development Bank of India in Financing Small Scale Industries” has made an attempt to analyze the increasing trend of financial assistance provided by SIDBI to small scale industries and found that in the context of the changing economic order, SIDBI has retained its strategies and introduced many new schemes to set up the flow of credit to small industry sector and the growth of small scale industries in India in the last decade has been largely contributed by the SIDBI.

Ananthat.K.H, Jayasheela and Vishwanathan (December, 2004)\textsuperscript{63}, in their article titled “Small Scale Industries in India: Are they Contributing Enough?” revealed that small scale industrial units must be assured of prompt supply of raw materials and timely finance as this industry can be an effective instrument in creating employment opportunities with limited range of capital requirements.

Chinnaiyab .P and Nandagopal.R (March, 2005)\textsuperscript{64}, in their article titled “Accessibility of Bank Finance to SSI: A case study”, suggested that apart from financial documents, selective entrepreneurial traits could also be considered for sanctioning loans. It could be also be of help to many of the first generation entrepreneurs who need the institutional support without having their own financial backup.

Yerram Raju.B (March, 2005)\textsuperscript{65}, in his article “Financing options: Banks and Small Industries” has indicated that the impact of reforms on the small industries seems they have upset the apple cart and many small industries be moan that the financing institutions distance them because of the fear of accumulation of Non-Performing Assets (NPA). The author suggested setting up of information banks of different products by banks, assessing working capital on the projected cash flows of the projects, offering a flexi loan scheme to tackle seasonal and order based demands for credit, extending the factor market after modifying the relevant laws and setting up of a Disaster Relief Fund by the banks are some of the financing options that could be exercised by the Banks and Financial Institutions.
Pandey Adya Prasad (March, 2005)\textsuperscript{66}, in his article “Financing of Small Scale Industries in Eastern Uttar Pradesh” explained that timely availability of adequate finance is an important issue which determines the survival and growth of small firms. While large firms have alternative sources of finance, small firms are largely dependent on bank credit to meet their financing requirement. Despite policy support, the credit flow of small industries is not being met out properly.

Jailal Saaw (April, 2005)\textsuperscript{67}, in his article titled “Growth of small scale industrial in India” revealed that the expected growth was not there because of a lot of root causes to sickness and under development in the SME sector.

Veenapani.A (September, 2005)\textsuperscript{68}, in his article “Strategic Repositioning of SMEs for Globalizing India” stresses that the government should take steps to protect the local SME sectors from the WTO regime.

Rashid.R.Pansare (November, 2005)\textsuperscript{69}, in his article “Trends in Financing SSI Sector in India” has analyzed the flow of bank credit to small scale industrial sector from 1995-2005 and found that the small scale industrial sector units received only 27 percent of the total small scale industrial sector against the stipulated minimum of 40 percent. He further identified that out of the target of 60 percent, the actual flow of credit was only 20.71 percent which requires serious attention to prevent failures of small scale industrial sectors. It is further for working capital has serious repercussions on small scale industries.

Kulkarni.P.R and Kareri.V.S (January, 2006)\textsuperscript{70}, in their article titled “Role of Financial Market for SMEs in India” have concluded that banks have a long way to go in order to meet the increasing credit requirements of small scale industrial sector. Banks have many tasks on hand and hurdle to overcome, and when completed, it will certainly strengthen the banker-borrower relationship.

Pathrose.P.P (February, 2006)\textsuperscript{71}, in his article entitled “SME Financing: Strategic perspectives for Banks” concluded that banks should innovate internet banking, mobile banking and ATM Cards for the purpose of providing adequate financial benefits to small and medium enterprises.

Chandawarkar.M.R and Kullkarani.P.K (May, 2006)\textsuperscript{72}, in their article entitled “Small Scale Industries: A Glance” revealed that the banks hesitate to lend loans
and advances for revival and restructuring of small scale industries – Nearly 50 percent of small scale industries have been forced to close because of scarcity of working capital and their inability to market their products. They suggested that the banks should work in close conjunction with small scale industries. It will ensure appropriate and right use of funds. This can also help in the timely injection of additional funds to small scale industries.

Kamala Kannan .K and Namasivayam .N (May, 2006)\(^73\), conducted a study “SIDBI and Small Scale Industries: A Study” with the objective of analyzing trends in loans sanctioned and disbursed by SIDBI from 1990-91 to 2002-03. They have concluded that SIDBI should make efforts to sanction loans in a balanced manner to different states, earmark adequate funds i.e., equal to 5 percent of an expected production of small scale sector, motivate the officials of commercial banks and cooperative banks to provide adequate assistance to small scale industries and allocate at least 2 percent of the total assistance to equity to encourage technically qualified graduates and women entrepreneurs for undertaking new enterprises.

Viswanadha Reddy .C and Himachalam .D (June, 2006)\(^74\), in their article entitle “APSFC: Entrepreneurs perception on Financial Services” have suggested that financial institutions should take efforts to reduce the time gap between the submission of loan application and sanction and disbursement of loans for the purpose of extending credit to improve the small and medium enterprises sector.

Hasanbanu .S (June, 2006)\(^75\), in her article titled “Doubling the SME Credit – Challenges and Strategies”, has revealed that the main handicap of the SME is finance. Unfortunately, unless they are big enough to have earned a name and fame, they cannot enter the capital market to raise the requisite finance through the issue of stocks and shares. Some times to raise the loans from banks also they do not have good collateral or security margin. The author further analyzed the risk associated with small and medium enterprise finance like lack of knowledge on SME borrowers, not producing audited statements, unable to determine the marketing skill etc. it has created a situation where the banking sector needs to equip itself to meet the challenges in small and medium enterprises credit as well as remove the bottle necks by adopting proactive measures to achieve the Government’s aim to double the flow of credit from Rs.67600 crore in the year 2004 to Rs135200 crores by the year 2009-10 within the span of five years.
Anu Lathwal (December, 2006)\textsuperscript{76}, in her article titled “SSI in Haryana: Problems and Prospects” has remarked that non-availability or inadequate financing for working capital, non-availability of collateral free loans, high cost of loans and delayed disbursements of the sanctioned loans are the main obstacles in the development of small scale industries in the state of Haryana. He further suggested that concessional rate of interest should be given to small scale industrial units for the development of this sector in the state of Haryana.

Jayalakshmi Srikumar .U (December, 2006)\textsuperscript{77}, in her article “SMEs and Global Competitiveness Strategies for Survival and Growth in the WTO Era” has concluded that the small and medium enterprises entrepreneurs felt that the Government only frames the schemes but does not implement them effectively.

Venkataramanaiah .S and Parashar.S.P (January, 2007)\textsuperscript{78}, in their article “Enhancing the competitiveness of SMEs through Industrial Clusters: The Indian Experience” has highlighted that many small and medium size organizations are on the way to becoming medium and larger ones. Many SMEs are also trying the Initial Public Offering (IPO) channel to raise funds, but the capital market is still not SME friendly. The inherent strength of SMEs and their potential to growth have nonetheless started winning them the sympathy of many banks, Financial Institutions (FI’s) State Financial Corporation’s (SFC’s) and other support agencies.

Sanjeev Gupta, Shaveta Gupta, Anu sahi and Nitish Kamra (June, 2007)\textsuperscript{79}, in their article titled “Small and Medium Enterprises Financing and Investment Decision: An Empirical Study” have made an attempt to show case the current practices of the small and medium enterprises of Punjab regarding their financing and investment decisions as small and medium enterprises are important of small and medium enterprises. A few researchers have studied on the problems faced by the entrepreneurs in availing financial institutions. There is no study conducted previously related to the problems faced by the proprietors of MSME units in availing financial assistance in Coimbatore District. Hence, an attempt is made by the researcher in the present study to assess the problems faced, satisfaction derived and the perception of the proprietors of MSME units in availing financial assistance from financial institutions. for social and
economic development of any economy and they significantly account for the GDP of a country. Around 75 small and medium enterprises of Punjab were surveyed and the results were based on their response to various attributes. Though all firms are facing financial constraints, small and medium enterprises face more problems like dearth of finance, imperfect financing and investment decisions.

Kulkarni. P.R (March,2008)\textsuperscript{80}, in his article titled “A New Deal for SME in India” has suggested that the main thrust of small and medium enterprises policy to face Liberalization, Privatization and Globalization policy should be to upgrade technology, modernize existing units and promotion of technology oriented entrepreneurship which is possible only through shifting the focus of the existing definitions from investment criterion to work force criterion.

Sobha Rani.B and Koteswara Rao.D (March,2008)\textsuperscript{81}, in their article entitled “Financing Small Enterprises: Recent Trends” have concluded that small and medium enterprises sector is a vibrant and dynamic one and an engine of growth for the present millennium. Financing of micro and small enterprises has been given special attention by banks and financial institutions and is included in priority sector lending. In spite of the special efforts, only 14.3 percent of registered small enterprises have availed institutional credit as per the Third All India Census of Small Scale Industries of 2001-02. From 2000 to 2004 institutional credit for medium and small enterprises has shown disturbing trends despite the high level of liquidity in the banking system and the initiatives taken by the union government and RBI. This paper examined the recent trends in credit flow to medium and small enterprises in particular to the medium enterprises in a limited way from commercial banks and the Small Industries Development Bank of India (SIDBI). The Union Finance Ministry’s directive to public sector banks is to double the credit flow to small and medium enterprises during the five year period from 2005 to 2010. The year 2005-06 has shown good progress in this direction. The year 2006-07 has been completed with encouraging performance small and medium enterprises need special treatment through devising special instruments for credit for strengthening their competitiveness.
Hasan Banu.S and Sangeetha.P (December, 2008)\textsuperscript{92}, in their study entitled “Role of Nationalized Banks in SME Credit: A Study in Theni District” have suggested that Nationalized Banks should simplify loan application formalities and reduce time gap in disbursing the loan after processing the loan application.

From the above survey of literature it is obvious that a good number of research studies have been undertaken on various aspects of small scale sector. Researchers have studied on the role of small and medium enterprises in Indian Economy and reviewed the contribution of small and medium enterprises in Indian Economy from time to time. A few studies have dealt with the role of development banks, commercial banks and Financial Institutions in the development

Sujata Mukherjee (2009)\textsuperscript{83}, the rapidly changing economy has forced women to venture out as entrepreneurs. Although there are no concrete evidences of discrimination against women micro entrepreneurs, failure to provide collateral or guarantees reduces the likelihood of obtaining credit. Further, lack of marketing skills and technological know-how also act as impediments to the growth of their businesses the present paper discusses the factors impeding the growth of women micro entrepreneurs and the catalytic role played by the Non-Governmental Organizations (NGO) in creating appropriate entrepreneurial environment. The paper also discusses the supporting role in the process of entrepreneurship development among women.

Tambunan (2009)\textsuperscript{84}, made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. The study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95\% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.
Cohoon, Wadhwa & Mitchell (2010), present a detailed exploration of men & women entrepreneur’s motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

Darrene, Harpel and Mayer (2010), performed a study on findings the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women. The percentage of occupancy of managerial job is found to be comparatively higher in case of self employed women as compared to other working women. This study also shed light on similarity and dissimilarity of situations for self employed men and self employed women. Self employed men and women differ little in education, experience and preparedness. However, the main difference lies in occupational and industry experience. The percentage of population holding management occupation is lower for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be less than of self employed men in industries like communication, transportation, wholesale trade, manufacturing and construction. The analysis is based on data from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) from 1994 to 2008.

Rajesh k. Pillania, Madhurima Lall, Shikha Sahai (2010), Entrepreneurship has again gained currency across the globe and female-entrepreneurship has become an important component. India is one of the fastest emerging economics and the importance
of entrepreneurship is realized across the spectrum. This research is preliminary investigation in which the researchers identified 43 motives for starting business amongst women entrepreneurs. Principal component matrix was used for factor analysis and varimax rotation with Kaiser Normalization was used for rotation, which yielded 8 factors. The 8 factors were labeled as Independence, Flexibility, Achievement, and Money, Opportunity, Escape, Family support and Recognition from other. The motives were further classified into push and pull elements (Turner, 1993) on which wilcoxon – signed rank test was performed, the statistical test revealed that relatively pull motives attract women entrepreneurs more than the push motives for starting business.

Hansraj (2011) discusses two innovative approaches to fostering group entrepreneurship to address the urgent employment and income needs of urban and rural workers in developing countries and countries undergoing privatization and structural changes. The study concludes that group entrepreneurship provide the basis for a dynamic employment and enterprise development strategy.

2.2 SUMMARY

From the above survey of literature, it is obvious that a good number of research studies have been undertaken on various aspects of small scale sector. Researchers have studied on the role of small and medium enterprises in Indian economy and reviewed the contribution of small and medium enterprises to Indian Economy from time to time. A few studies have dealt with the role of development banks, commercial banks and financial institutions in the development of small and medium enterprises.

A few researchers have studied on the problems faced by the women entrepreneurs in availing financial assistance from banks and financial institutions. There is no study conducted previously related to the satisfaction and perception of MSME Women Entrepreneurs in Coimbatore District. Hence, an attempt is made by the researcher in the present study to assess the problems faced, satisfaction derived and the perception of the Women Entrepreneurs of MSME units in availing financial assistances from Banking Companies.
References


44. **Bala Subramanya**, ‘Reservation Policy for Small Scale Industry Has it delivered the Goods?’ Economic and Political Weekly, June 1995.


