

EPRA INTERNATIONAL JOURNAL OF ECONOMICS, BUSINESS AND MANAGEMENT STUDIES

ISSN: 2347- 4378, InnoSpace, (SJIF) Impact Factor: 3.957 (Morocco)

Vol-4 | August – July | 2016-17

ROLE OF SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI) IN THE DEVELOPMENT OF MSME ENTREPRENEURS IN KARNATAKA STATE

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ABSTRACT

MSMEs play a paramount role in the unending and equitable economic development of India. The MSMEs come through significantly in the growing GDP rate. SIDBI plays a crucial role in economic development of the nation. One of the major difficulties suffered by MSMEs is lack of finance to advance business growth. MSMEs sector requires the setup capital assets and investment capital to survive and grow during dynamic and predatory competitive business surroundings. The business strategy of SIDBI is to address the financial and non-financial gaps in MSME eco-system. Financial support to MSMEs is provided by way of (a) Indirect refinance to banks / Financial Institutions for onward lending to MSMEs and (b) direct finance in the niche areas like risk capital/equity, sustainable finance, receivable financing, service sector financing, etc. As on March 31, 2015, SIDBI has made cumulative disbursements of over 3.90 lakh crore benefitting about 346 lakh persons. By this way, SIDBI would be complementing and supplementing efforts of banks/ FIs in meeting diverse credit needs of MSMEs. The Bank has now embarked on reorientation of the programmes to converge with the current national initiatives of “Make in India”, “Digital India” & “Skill India”. Some of the initiatives taken by SIDBI so far are indicated in the brochure.

The present study is focused on overall satisfaction of SIDBI in terms of Branches, Cluster Places and Cluster Activities. Branches are more convenient to the customers, Cluster Places and Cluster activities are more useful in the present market. Hence, it implies that overall satisfactions of SIDBI regarding Branches, Cluster Places and Cluster activities are convenient and more betterment to the entrepreneurs. For the present study chi-square test has been used for the data analysis, results of data analysis is Branch, Cluster places and Cluster Activity are no different significant, which implies that overall satisfactions of SIDBI is better among existing activities.

KEY WORDS: Financing, P & D activates, Nodal/ Implementing agency, and Beneficiaries.