Role of MSME in rural development

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Abstract: Microfinance moneylenders give little credits to current and hopeful entrepreneurs. These advances help give individuals who might not have the credit or the admittance to conventional financing the chance to procure a higher pay and give occupations to their nearby networks. The measure of microfinance advances differ by loan specialist and can go from $25 up to $2,000. Descriptive research design is adopted to measure the selected topics. The sample size of the study is 46 members of MSME. The study primarily uses primary data. The tools of frequency analysis, mean analysis and ANOVA used in the study to analyse the data.

Keywords: MSME, Manufacture, Industry, Entrepreneurship, Investments, Banks, Government.

INTRODUCTION
MSME stands for Micro, Small, and Medium Enterprises. In agreement with the Micro, Small, and Medium Enterprises Development (MSMED) Act in 2006, The MSMEs area is a significant supporter of the financial advancement of the country. In India, the area has acquired huge significance because of its commitment to Gross Domestic Product (GDP) of the country and fares. MSME has been majorly growing in indian economy. MSMEs are a significant segment for the Indian economy and have provided monstrously to the nation’s financial turn of events. It creates business open doors as well as works inseparably towards the improvement of the country’s regressive and provincial zones. MSME activities in India are backwoods and logging, fishing and hydroponics, discount, retail exchange and fix of engine vehicle and cruisers, discount exchange aside from engine vehicles and cruisers, retail trade except of motor vehicles and cruisers, exercises of families as representatives for homegrown workforce, undifferentiated products and ventures creating exercises of private family units and exercises of extraterritorial associations and bodies. Our research idea is based on the rich knowledge acquired by our peer teams across the university (Narayanan et al. 2009; Danda et al. 2009; Venugopalan et al. 2014; Danda and Ravi 2011; Prasanna et al. 2011; Panchal et al. 2019; Rajeshkumar et al. 2019; Dua et al. 2019; Ezhilarasan et al. 2019; Ramesh et al. 2016; Krishnan and Chary 2015; Neelakantan et al. 2013; Narayanan et al. 2012; Ramadurai et al. 2019; Ramakrishnan et al. 2019; Neelakantan et al. 2011; Neelakantan and Sharma 2015; A.C.Gomathi, S.R.Xavier Rajarathinam,...; Priya S et al. 2009; Manivannan, I., Ranganathan, S., Gopa...)

REVIEW OF LITERATURE
(Sivachithappa, 2013) aims to find out the part of investments and its effect on financial advancement of recipients from Self-help Groups and self-organisation. A move in focusing on systems from 'singular recipients' to 'self-improvement gatherings of ladies associated with miniature money. It was considered instrumental for carrying out the investigation. The investigation uncovered that miniature money programs have had the option to diminish destitution and weakness by growing capital/asset course of action at the family level, improving family and adventure pay rates, redesigning the restriction of individuals and families to direct danger, growing undertaking activity inside families, expanding work openings for the poor in non-farm endeavors, empowering women and improving the transparency of other financial organizations at the neighborhood.
(Bhattacharya and Londhe, 2014) have studied Micro Entrepreneurship Sources of Finance & Related Constraints. Money shapes the most basic contribution for a business undertaking whether big or little. All organizations expect financing to develop and endure. Wellsprings of money might be outside, for example, credits, value implantations, appropriations and government awards, or inner, for example, created incomes or claimed reserves. Numerous organizations are self-financed first and foremost.
(Roy and Chowdhury, 2009) have studied public-private associations in miniature money. The public–private associations in smaller than expected assets, non government organisations can help in focus credit to destitute individuals, both in borrower assurance, similarly as in endeavor use. We fight that a mutilation may arise far removed that the private associate, for instance the non government organisation, is a convinced subject matter expert. We find that at whatever point the undertaking is neither pointlessly beneficial, nor nonsensically
inefficient, decreasing such bending requires unbundling borrower choice and undertaking execution, with the NGO being secured with borrower affirmation as it were. (Kamath and Ramanathan, 2015) have studied Informal organizations and miniature credit – evidence from monetary journals: An investigation in Ramanagaram, India the casual business including selling of vessels and various things. (Chowdhury et al., 2014) have studied successive loaning with dynamic joint obligation in miniature money. The study aims to develop a theory of sequential lending in microfinance gatherings. Gives a hypothesis of quick and continuous reimbursement. Shows why, truly, the two frequently go together. Endogenizes project size, outreach, and the loaning system. Clarifies the change from gathering to singular loaning.

The least favored wellspring of financing is outside value. The examination adds to the surviving writing on small and medium enterprises funding by contrasting the fund inclinations and practices of Small and mid-size enterprises and distinguishing a financing hole (Kent Baker et al., 2020).

(Bairagya et al., 2020) Strikingly, we see that both these advancing associations have a beneficial outcome, notwithstanding the way that the terms and conditions are bad in the easygoing business sector. (Ramcharran, 2017) shows expanding profitability (yield versatility) of bank credit from 0.76 to 1.23; the efficiency of work is negative, yet increments from −1.57 to −0.628. The division's effectiveness improved from re-visitations of size of −0.89 to 0.607 mostly because of the expanding profitability of bank credit. (Thampy, 2010) examines the critical issues in the financing of small mid-size enterprises in the Indian setting, for instance, the information lopsidedness going up against banks and the reasonability of measures, for instance, credit scoring for SMEs.

(Prohorovs and Beizitire, 2015) have studied patterns, sources and measures of financing for miniature undertakings in Latvia. The propensities, sums and wellsprings of financing for the entire populace of miniature endeavors (MEs) in one nation. The adjustments in the sums and the structure of ME financing concerning the three fundamental sources — bank advances, renting and calculating — are broken down and contrasted and the individual information on all undertakings in Latvia in 2013 and 2014.

(Gonzales Martinez et al., 2020) have studied bifurcations in business benefit: A specialist based reproduction of homophily in self-financing gatherings. Formal budgetary establishments insufficiently disseminate startup cash-flow to undertakings of ethnic minorities, ladies, low-taught, and youngsters. Higher standards of investment funds help benefits, yet just up to an edge, after which a bifurcation design—commonplace of intricacy elements—develops.

(Wellalage and Fernandez, 2019) have studied advancement and SME account: Evidence from non-industrial nations. Examination of firm-level development and outer money for little and medium ventures. Pencil score coordinating recommends a positive connection between formal account and advancement. Casual money decidedly impacts more established firms’ development cycle. Proof features strategy suggestions for nations wanting to upgrade the development of their SMEs by improving the outer money of these SMEs.

(Wang et al., 2020) The ghastly market influence sway is more grounded for small and mid-size enterprises who are altogether the more educationally cloudy, more hazardous and more dependent on external cash.

(Morduch, 2000) has studied microfinance have put forward an enticing “win-win” proposition: microfinance establishments that follow the standards of good financial will likewise be those that reduce the most destitution. This vision shapes the center of broadly coursed "best practices," yet as an overall recommendation the vision is completely upheld neither by rationale nor by the accessible experimental proof.

(Cull et al., 2009) have studied microfinance meets the market. The financial rationale behind financing associations and consider the improvement from socially masterminded beneficent microfinance establishments to income driven microfinance.

**RESEARCH METHODS**

Descriptive research design was used for research. Data was collected by using a questionnaire with five-point Likert scale. The data was collected from 46 members of MSME and their responses are analysed by frequency, mean and anova. The demographics are displayed in pie chart.

![Fig.1](Image)

**Fig.1:** The above pie chart shows the percentage of gender. It is clear from the table

![Fig.2](Image)

**Fig.2:** The above pie chart shows the percentage of age. It is clear that the majority of the respondents are lesser than 35 Years (73.9%) followed by 35- 45 Years (10.9%), 46
that the majority of respondents are female (52.2%) followed by male (47.8%).

Fig.3: The above pie chart shows the percentage of educational qualification. It is clear that the majority of the respondents are those whose educational qualifications are College level (82.6%) followed by Others (10.9%), School level (4.3%) and Certification program (2.2%).

Fig.4: The above pie chart shows the percentage of Years of Relationship with MSME. It is clear that the majority of the respondents are less than 3 Years (80.4%) followed by 3 - 5 Years (4.3%) and greater than 5 Years (15.2%).

Table 1: Perception about features of ministry of MSME

<table>
<thead>
<tr>
<th>S.No</th>
<th>Variables</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ministry of MSME helps in development of artisan and workers .</td>
<td>3.24</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>MSME contribute funding facilities through bank.</td>
<td>3.57</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>MSME promotes entrepreneurship development and skills up gradation by specialized training centres.</td>
<td>3.35</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Supports technology up gradation, infrastructural development and modernization for rural development.</td>
<td>3.35</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>MSME offers aid for improved access to local and export markets for rural development.</td>
<td>3.28</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>For rural development, MSME provides quality certification and modern testing facilities.</td>
<td>3.33</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>MSME not only supports in design and also to help in packing and product development.</td>
<td>3.35</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 1 shows the mean value of perceptions about features of ministry of MSME. It is clear from the table that “MSME contribute funding facilities through bank” has the highest mean value of 3.57.

Table 2: Age, Education Qualification and Years of experience Vs Perception

<table>
<thead>
<tr>
<th>Age</th>
<th>F</th>
<th>Significant</th>
</tr>
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<tbody>
<tr>
<td>Perception</td>
<td>.053</td>
<td>.818</td>
</tr>
<tr>
<td>Education Qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception</td>
<td>1.093</td>
<td>1.093</td>
</tr>
<tr>
<td>Years of experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception</td>
<td>.270</td>
<td>.847</td>
</tr>
</tbody>
</table>

Table 2 shows the results of one-way analysis of variance. It is seen from the table that all the demographic variables have the significant value of greater than 0.05. It tells that there is no difference between age vs perception, years of experience vs perception and education qualification vs perception.

CONCLUSION
The main conclusion of this paper is about the study of the role of MSME in rural development. MSMEs currently uphold item advancement, plan development, mediation, and bundling. Function of MSMEs in India since its arrangement, the MSME fragment has demonstrated to be a profoundly powerful Indian area. MSMEs make and assemble an assortment of items for both homegrown just as global business sectors. Thus MSME is more
digitalised for the industry sector which all over INDIA business people can use the opportunity. The members have the perception that funds will be forwarded through banking institutions.

REFERENCES