

## The Role of NBFCs in Satisfaction of MSMEs Towards the Terms of Disbursements of Loan for Encouraging Green Innovations

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### ABSTRACT

The (MSME) industry has developed as a thriving and dynamic segment of the Indian economy. MSMEs help in broadening economic activity, making significant contributions to manufacturing growth in both rural and urban areas, thus minimizing regional imbalances, ensuring a more equitable share of national revenue and assets, and promoting exports, with minimal capital necessities, operational flexibility, low intensive imports, the ability to develop desirable indigenous technology, substituted imports, involvement in defence manufacture, and technology-oriented. The study's major objective is to investigate the effect of NBFCs on MSMEs' satisfaction with loan disbursement terms. It can be concluded that result is insignificant and there is no a significant difference in the level of satisfaction between micro and small entrepreneurs with regard to the terms of loan disbursements such as amount of loan, amount of loan, interest payable, collateral security for the loan, procedural formalities, documentation, sanctioned time, amount of instalments, schedule for repayment of each instalments, time lag between date of application and date of disbursements of loan and expenditure incurred in getting the loan.

**Keywords:** Micro, Small & Medium Enterprises, level of satisfaction, the disbursements of loan etc.

### INTRODUCTION

Micro, Small, & Medium Enterprises (MSMEs) are widely recognized as economic growth engines that promote equitable development. Micro, Small, & Medium Enterprises (MSMEs) are devices that serve to generate jobs while also reducing poverty and boosting the country's economic growth. It promotes new ideas and develops entrepreneurial abilities. These are adaptable enough to meet quickly changing market demands. MSMEs assist in diversified economies and make an important addition to the growth of industry in rural as well as urban areas, thus minimizing disparities between regions, fostering equal distribution of national wealth and income, increasing exports, low investment necessities, flexible operation, low-intensive purchasing, capacities for developing desirable regional technologies, substituting imports, contributions to defence manufacture, and other technologically.

Recent policy interventions illustrate this link. The MSE-Green Investment Financing for Transformation (MSE-GIFT) and MSE-SPICE schemes encourage MSMEs to adopt renewable energy and circular economy practices through subsidized loans and faster approvals (SIDBI, 2025). Similarly, SIDBI's Green Loan Incentive provides up to 100% financing for rooftop solar projects, energy-efficient machinery, and clean technologies, with simplified sanction and disbursement procedures (Economic Times, 2025). Such initiatives highlight the importance of NBFCs in aligning financial satisfaction of MSMEs with environmental sustainability. Therefore, examining the role of NBFCs in MSME satisfaction towards loan disbursement terms, particularly for encouraging green innovations, is essential to understand how financial inclusion and environmental responsibility intersect in the current Indian context.

Over the last 50 years, the Micro, Small, and Medium Enterprises (MSME) sector has emerged as a vibrant component of the Indian economy. It contributes significantly to the country's economic and social progress by promoting entrepreneurship and offering numerous job possibilities at a lower capital cost than agriculture. MSMEs act as auxiliary units for major corporations and play a key part in the country's inclusive industrial progress. MSMEs are increasing their reach throughout the economy, developing a diverse variety of products and services to meet the needs of both domestic and international markets. The Micro, Small & Medium Enterprises (MSMEs) sector accounts for around 45 percent of

India's industrial production & nearly 40 percent of total exports. To date, it has been responsible for the development of about 117 million job opportunities for individuals around the country. MSMEs produce roughly 6,000 distinct commodities, ranging from traditional to cutting-edge technology.

In 2006, the Government of India was notified under the MSMED Act to address policy concerns impacting SMEs, as well as the sector's coverage and investment ceiling. The Act aims to ease the development of small firms while also increasing their competitiveness. It creates the first legal structure for recognizing the concept of "enterprise," which encompasses both manufacturing and service businesses. It recognizes medium firms for the first time and seeks to bring together the three types of these businesses: micro, small, and medium. The Act also established a nationwide legislative consultation framework that includes balanced coverage of all stakeholder groups, particularly the three categories of enterprises, as well as a wide range of advisory activities.

### **DEFINITION OF MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs) IN INDIA**

Micro, Small, & Medium Enterprises are distinguished by the amount of money spent in plant and machinery formanufacturing organizations, as well as equipment for businesses that supply or sell services. According to the Act, a manufacturing business is classified as a micro manufacturing firm if its total investment in plant and machinery is less than or equivalent to Rs. 25 lakh. A firm is classified as a small enterprise if its investment in equipment & machinery is larger than Rs. 25 lakhs but less than Rs. 5 crores. When a company's total investment in plant & machinery exceeds 5 crores but falls below 10 crores, it is classified as a medium firm.

In the case of organizations that deliver or render products or services, a Micro Firm is regarded as one wherein its investment in machines does not exceed Rs. 10 lakhs, a Small company as one in which the investment made in technology is more than Rs. 10 lakhs but does not exceed Rs. 2 crores, and an Average Enterprise as one in which the purchase of in equipment is more than Rs. 2 crores but does not surpass Rs. 5 crores. Micro, Small, & Medium Enterprises (MSMEs) are a significant and increasing sector of the national economy. Micro, Small, & Medium Enterprises (MSMEs) are classified under updated Act based on two criteria: investment and annual turnover, as shown in Table No. 1. Since January 7, 2020, the definition of MSME has been modified to reflect these modifications.

**TABLE1: DEFINITION OF MSMES**

<b>Classification</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>
<b>Manufacturing Enterprises &amp; Enterprises rendering Services</b>	Investments in machinery, plants, or gadgets: not more than Rs. 1 crore; annual earnings: not more than Rs. 5 crore.	Investments in machinery, plants, or technology: not more than Rs.10 crore; annual revenues: not more exceeding Rs.50 crore.	Expenditure in machinery, plants, or machinery and equipment: not more than Rs. 50 crore; annual earnings: not more than Rs. 250 crore.

### **LITERATURE REVIEW**

Tirkey Manish Roy (2018) discussed the importance of SIDBI in the growth of MSMEs in UP. According to the author, as India's primary financial institution for MSME sector, SIDBI has worked tirelessly to address MSMEs' financial & non-financial needs. Tirkey Manish Roy's (2018) 47 thesis can be seen here. SIDBI began as a credit provider, but has since expanded its portfolio to include a variety of services such as microfinance, risk capital, promotional & developmental support, capacity building measures, credit guarantee, credit rating, technology transfer & matchmaking, & asset reconstruction. These services are meant to help India's Micro, Small, and Medium Enterprises (MSMEs) become more globally competitive. According to Inchara P M Gowda (2018), the KSFC's total success is determined by the performance of its branches, which are spread across the state of Karnataka in several districts. Because of the vast

geographical area that the corporation is responsible for covering (the whole state of Karnataka), it has 32 branch offices. To maximize efficiency, the state has been split into four rings, each having 7-9 branch offices. The corporation's performance is far more dependent on the success of its circles and branch offices. In light of the preceding, the goal of this research work was to attempt to analyze performance of circles using six factors and data covering 10 years, 2007-08 to 2016-17.

Harish Tigari et al. (2018) said that MSMEs play an important part in a country's growth. The government is giving significant aid, which should be utilized by responder industries. The authors proposed that the government boost manufacturing sectors in order to increase number of people employed & so assist exports grow. Abhay kumar Gasti and Chandramma M (2018) believe that entrepreneurs and the practice of entrepreneurship play an important role in process of economic progress in any country. The cooperation and assistance offered by both state and federal governments is critical to growth & profitability of entrepreneurial sector. In 1951, Indian government formed State Financial Corporations (SFCs) to promote growth of small & medium-sized businesses at the state level. In a developing country like India, these institutions function as both a covenant and an effective route for savings and investments. When rapid economic growth is accomplished, these institutions' functions become more significant. To investigate the loan approvals and disbursements made by the Karnataka State Financial Corporation (KSFC) in Karnataka State across a variety of time periods and programs, the scientist gathered secondary data from the KSFC's annual reports.

Chethana, B. (2019) studied operational efficiency & operations achieved by the use of the KSFC efficiency ratio. District-by-district performance was utilized to assess KSFC's overall performance. According to one study, because KSFC is a forward-thinking and agile financial institution, it is well-suited to assisting company owners in realizing their aims and desires to the greatest extent possible. KSFC's most major contributions have been to growth of small & medium-sized enterprises, the development of underserved areas, and the support of first-generation entrepreneurs. With this material in hand, the researcher attempted to provide a realistic image of how KSFC conducts its operational activities. The Multiple Regression Analysis was performed in the study to analyze factors that influence the Operational Efficiency Ratio, and the results have some policy implications. According to Kamalaveni, S. (2019), SIDBI is one of four All India Financial Institutions that the Reserve Bank regulates & supervises. SIDBI provided direct funding to MSMEs through innovative schemes like as SMILE, SMILE Equipment Finance (a soft credit to MSME), Trader Finance, Working Capital, SPEED Plus, and RLS. These programs provide 100% funding, including approval and payout, with no additional collateral and a flexible payback period. It provides micro financing in the form of equity investments, quasi-equity investments, and term loans.

Chethana (2019) conducted research on the Karnataka State Financial Corporation (KSFC) to learn about its operational performance and activities in the state of Karnataka. In his perspective, KSFC, as a pioneering and responsive financial institution, greatly benefits MSMEs. According to the researcher, KSFC has had a significant impact on the development of many enterprises, as well as supporting newly founded businesses in developing their strategies and achieving their objectives. Gupta, R. K., and Sandhya, C. (2019) reported in their study that India has become a start-up centre, with 14476 new entities registered as start-ups as of December 17, 2018. According to the Start-up Blink 2017 report, India ranks 37th in the worldwide start-up rankings. With this dynamically growing start-up environment, both growth potential and obstacles are emerging. The author believes that financial constraints have always been an issue for new and aspiring entrepreneurs. The study studied SIDBI's financial policy measures for the growth of start-ups in India, as well as discussed the present state of start-up policies and activities. According to the survey, SIDBI has implemented a number of initiatives to support, finance, and grow Indian start-ups and small businesses.

Gururaj S. Barki (2020) underlined the fact that KSFC has assisted several enterprises. The proportionate rise in lending year after year has resulted in the development of new employment and general growth. The growing trend of loan assistance shows that KSFC contributed the most and is giving improved help to company owners in Karnataka. Satyavathi, M., and Ravindra, P. S. (2020) said that the Small Business Development Bank of India (SIDBI) is committed to creating a healthy environment that encourages the growth and profitability of Micro, Small, and Medium Enterprises (MSMEs). From increasing access to capital for Micro, Small, and Medium Enterprises (MSMEs) through direct and indirect financing to exposing small businesses to the operations of larger companies. As a financial institution, SIDBI must have enough funds to satisfy the loan demands of MSMEs. Customers' confidence in their

financial institutions is crucial to the growth and survival of banks. This may be accomplished by boosting the bank's profitability. The company's financial health is crucial for overall success.

M. Satyavathi et al. (2020) said that SIDBI has been crucial in assisting all manufacturing & service sectors with the establishment of new units, modernization, growth, & diversification of operations for Micro, Small, & Medium Enterprises. During the course of this research, it was discovered that, during the course of the time under review, the Bank's policies have experienced progressive growth and change, which would have an impact on the Small Industrial Development Bank of India's performance. This article examines the expansion of India's Small Industrial Development Bank using a number of statistical approaches. SIDBI's overall expansion has been measured using a variety of measures, including Total Assets, Net Worth, Deposits, Borrowings and Investments, Loans and Advances.

According to Baldeo B. Kakde and Tushar Chaudhari (2020), growth of Micro, Small, & Medium Enterprises is highly dependent on initiatives implemented by financial & non-financial supporting organizations like as DIC, IDBI, KVIC, MIDC, NSIC, SIDBI, and others. The major goal of this essay is to look into importance of District Industrial Centres in the process of industrial growth. The secondary goal of this article is to look into the methods used by different other financial & non-financial entities that help Micro, Small, & Medium-Sized Businesses. This study's primary data was collected utilizing a realistic random sample technique from a total of 175 respondents. The bulk of these respondents ran MSME enterprises in the Bhandara area of Maharashtra, India. They observed that a considerable share of the industrial sector agrees that DICs are necessary for industrial sector growth. It has been suggested that the government focus more attention on the schemes being implemented by MSMEs' supporting institutions, & that all supporting institutions ensure that their schemes are correctly implemented in order to contribute to MSMEs' growth.

Anitha HS and Sathisha RK (2021) did study on the effect of KSFC in the growth of MSMEs in Karnataka. They believed that a country's financial system was one of the most essential factors influencing its progress. When it comes to offering financial support to businesses, KSFC is one of the most famous financial institutions in industrial sector. According to study's findings, yearly rise of sanctions and disbursements is increasing, with the exception of a few years. The use of the ANOVA statistical technique demonstrates that there is a substantial level of variability. Furthermore, the study found that the amount of financial aid supplied to MSME increased consistently between 2015-2016 and 2018-2019. According to the study's findings, KSFC contributes significantly to economic growth by offering job possibilities for a large number of people and supporting growth in rural and undeveloped regions.

Anitha HS and Sathisha RK (2021) conducted research on KSFC to better understand its role in expansion & development of MSMEs in state of Karnataka. They focused on learning about KSFC's extension of loans to Micro, Small, & Medium Enterprises (MSMEs) in the Davangere District. Using the ANOVA statistical method, they were able to confirm that there is a substantial difference between the loan that was sanctioned and the amount of credit issued by KSFC. Furthermore, they discovered that there is a large difference in the amount of credit sanctioned and granted by KSFC. The KSFC's performance, as judged by the quantity of loans disbursed and those remaining due, may be regarded good.

According to Protium et al. (2022), the micro, small, and medium-sized business (MSME) sector is vital to generating economic growth, fostering entrepreneurship, creating employment, and promoting financial inclusion in our resource-constrained economy. Unfortunately, the MSME sector continues to experience financial obstacles, such as a lack of consistency in loan availability, accessibility, and pricing. According to a recent Standing Committee on Finance study, MSMEs, India's economic engine, have a large loan shortage of around Rs 20-25 lakh crores. A credit gap is the difference between the demand for credit and the supply via formal channels. In fact, the ACCA investigation shows that the credit gap has grown over the last five years. Furthermore, more than 80% of MSMEs lack access to formal financing. Jenifar A. et al. (2023) Micro, Small, & Medium-sized Enterprises (MSME) are backbone of an economy, promoting a perceptible growth rate and generating job possibilities. In many emerging and developed nations, this sector has been considered as an instrument for socioeconomic development. It creates a huge entrepreneurial base while also significantly contributing to India's industrial production, exports, & jobs. The pandemic has a negative impact on MSMEs on a global scale, and following COVID-19, the sector has taken centre stage in driving growth. Vice way, non-banking financial firms play an important part in the growth of MSME sector, therefore this article attempted to explain

the function of NBFC in sustainable MSME sector by offering the best loans and pushing for inclusive development following COVID-19.

According to Kinara et al. (2024), Non Banking Financial Companies (NBFCs) play an important role in easing access to credit and breaking down financial obstacles for Micro, Small, & Medium Enterprises (MSMEs). MSMEs are an essential component of Indian economy, contributing considerably to total output and employment. Despite being a significant contributor to the Indian economy, MSMEs frequently experience difficulties in obtaining finance due to a lack of collateral, low credit ratings, & insufficient financial awareness. Traditional banks sometimes enforce rigorous lending conditions, making it difficult for SMEs to seek for business financing. This has hampered the expansion of MSMEs, which are frequently unable to deal with financial restraints. Here are some of the advantages of seeking finance from an NBFC. Arun Boliya et al.'s (2025) study intends to evaluate user views of digital loan platforms, investigate the role of technology in improving loan accessibility, and give strategic suggestions for Non-Banking Financial Companies (NBFCs) to enhance their digital lending infrastructure. A quantitative study approach was used, using data collected from individual users of digital lending mobile applications to assess adoption trends. Purposive sampling was utilized to target individuals who have processed loan applications using digital platforms at specified NBFCs in India, notably those with a head office or branch in Gujarat. According to the findings, Perceived Ease of usage (PEOU) has a bigger effect on users' attitudes toward usage (ATU) than Perceived Usefulness (PU).

#### LEVEL OF SATISFACTION OF ASSISTED ENTREPRENEURS TOWARDS THE TERMS OF DISBURSEMENTS OF LOAN

The factor analysis was utilized to detect and characterize the level of satisfaction of helped entrepreneurs with the receipt of loans from MSMEs. This statistical strategy condenses the information contained in numerous original variables into fewer dimensions (factors) while minimizing data loss. The data adequacy test was done prior to factor analysis utilizing KMO & Bartlett's tests. In current investigation, Principal Component Analysis was utilized to extract information from an 11-assertion correlation matrix, & findings were rotated using Kaiser's Varimax criteria. First & foremost, Kaiser Meyer Olkin (KMO) measure for sample adequacy & Bartlett's Test of Sphericity were assessed, with results presented in table 2.

**TABLE2: KMO AND BARTLETT'S TEST**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.841
Bartlett's Test of Sphericity	Approx. Chi-Square	1.542
	Df	60
	Sig.	0.0000

Table 2 shows that KMO test has a high score of 0.841, signifying 'Perfect' dependability among the scale components. As a result, all 11 elements on the scale were utilized to assess how satisfied helped entrepreneurs were with MSMEs loan disbursements. Because data is very trustworthy & internally consistent, it was submitted to the principal component method of factor analysis using 'varimax rotation'. The results of factor analysis are reported, & table 3 displays the Eigen value of 'varimax rotation' for all assertions.

**TABLE3: TOTAL VARIANCE**

Comp onent	Initial Eigen values	Sums of Squared Loadings	
		Extraction	Rotation

s	Total	percent of Variance	Cumulativ e percent	Total	percent of Variance	Cumulati ve percent	Total	percent of Variance	Cumulativ e percent
1	4.76	43.36	43.36	4.76	43.36	43.36	3.46	31.42	31.42
2	1.78	16.26	59.66	1.78	16.26	59.62	3.11	28.24	59.66
3	0.94	8.45	68.11						
4	0.86	7.77	75.88						
5	0.66	5.92	81.80						
6	0.52	4.67	86.47						
7	0.45	4.04	90.51						
8	0.36	3.25	93.76						
9	0.28	2.65	96.41						
10	0.23	2.02	98.44						
11	0.16	1.56	100.00						

The above table 3 shows Total Variance Explained for Entrepreneurs' Levels of Satisfaction with Loan Disbursements from MSMES. Factor rotation is performed on 11 components that have an eigenvalue greater than one. In the study, two components were used: the first contributed 43.36%, while the second provided 16.26%.

**TABLE4: ROTATED COMPONENT MATRIX**

Description	Component	
	1	2
Amount of Loan	0.37	0.01
Interest Payable	0.03	0.64
Collateral security for the loan	0.16	0.82
Repayment period of the loan	0.14	0.85
Procedural formalities	0.26	0.76
Documentation	0.35	0.73
Sanctioned time	0.66	-0.04
Number of Installments	0.81	0.26

Schedule for repayment of each installment	0.86	0.25
The time lag b/w date of application & date of disbursements of loan	0.83	0.25
Expenditure incurred in getting the loan	0.75	0.22
Extraction Method: Principal Component Analysis.		
Rotation Method: Quartimax with Kaiser Normalization.		
Rotation converged in 3 iterations.		

Table 4 displays factor loadings determined by factor analysis. It is acknowledged that each statement related to highlighted factor loading connects with factor associated with it. The first two elements have Eigen values greater than one. The higher factor loading, greater the connection b/w the factors & assertions. In rotated component matrix, only the standard variables with a factor loading larger than 0.5 for the five common variables and 0.8 for the statements were grouped under their respective derived factors for further analysis.

TABLE5: DESCRIPTIVE STATISTICS

Particulars	N	f/%	HD	D	N	S	HS	$\bar{x}$	$\sigma$
Collateral security for the loan	300	N	14	132	47	100	7	2.86	1.016
		%	4.67	44.00	15.67	33.33	2.33		
Repayment period of the loan	300	N	15	116	37	128	4	2.96	1.035
		%	5.00	38.67	12.33	42.67	1.33		
Amount for each installment	300	N	7	50	35	195	13	3.53	0.905
		%	2.33	16.67	11.67	65.00	4.33		
Schedule for repayment of each installment	300	N	7	41	33	207	12	3.57	0.864
		%	2.33	13.67	11.00	69.00	4.00		
The time lag b/w date of application & date of disbursements of the loan	300	N	6	33	29	220	12	3.65	0.806
		%	2.00	11.00	9.67	73.33	4.00		

Table 5 shows descriptive data about entrepreneurs' satisfaction with loan disbursements from MSMEs. Out of 300 entrepreneurs, 14 (4.67%) were quite unhappy, 132 (44.00%) were displeased, 47 (15.67%) were indifferent, 100 (33.33%) were satisfied, and 7 (2.33%) were extremely satisfied with the collateral security for the loan from MSME. Out of 300 entrepreneurs, 15 (5.00%) were quite unhappy, 116 (38.67%) were displeased, 37 (12.33%) were indifferent, 128 (42.57%) were satisfied, and 4 (1.33%) were extremely satisfied with the payback duration of the loan from MSME. Out of 300 entrepreneurs, 7 (2.33%) were extremely unhappy, 50 (16.67%) were unsatisfied, 35 (11.67%) were indifferent, 195 (65.00%) were satisfied, and 13 (4.33%) were highly satisfied with the amount for each installment for loan repayment from MSMEs. Out of 300 entrepreneurs, 7 (2.33%) were severely unhappy, 41 (13.67%) were displeased, 33 (11.00%) were indifferent, 207 (69.00%) were content, and 12 (4.00%) were very satisfied with the

timetable for repayment of each installment. Out of 300 entrepreneurs, 6 (2.00%) were extremely unhappy, 33 (11.00%) were unsatisfied, 29 (9.67%) were indifferent, 220 (73.33%) were content, and 12 (4.00%) were quite satisfied with.

The study shows that entrepreneurs are unsatisfied with the loan's collateral security ( $\bar{x} = 2.86$ ) and payback duration ( $\bar{x} = 2.96$ ). The entrepreneurs are happy with the installment amount ( $\bar{x} = 3.53$ ), payback schedule ( $\bar{x} = 3.57$ ), and time lag between loan application and disbursement ( $\bar{x} = 3.65$ ). A thorough presentation of the level of satisfaction of aided enterprises with the terms of disbursement has been provided. Thus, the research objective has been completed.

## HYPOTHESIS TESTING

H0: There is no substantial variation in satisfaction levels between MSMEs regarding loan disbursements.

H1: There is a considerable disparity in satisfaction levels between MSMEs regarding loan disbursement terms.

**TABLE6: INDEPENDENT SAMPLE T TEST**

Particulars	Enterprise				t value	p value Sig.(2-tailed)	Results
	Micro		Small				
	Mean	SD	Mean	SD			
Amount of loan	4.33	0.626	4.35	0.598	-0.264	0.794	Accepted
Interest Payable	2.71	1.047	2.75	1.111	-0.255	0.801	Accepted
Collateral security for the loan	2.82	1.033	2.88	1.008	-0.664	0.507	Accepted
Repayment period of the loan	2.95	1.055	2.98	1.022	-0.427	0.668	Accepted
Procedural formalities	3.04	1.043	3.07	1.084	-0.456	0.648	Accepted
Documentation	2.96	1.096	2.95	1.045	0.083	0.936	Accepted
Sanctioned time	3.86	0.913	3.68	1.005	1.315	0.191	Accepted
Amount of Installments	3.62	0.876	3.46	0.924	1.482	0.141	Accepted

The above table 6 result illustrates the level of satisfaction among micro and small enterprises with reference to loan disbursement terms. The satisfaction of firms was analysed using an independent sample t test. Since p value is more than 0.05, null hypothesis "There is no significant difference in level of satisfaction between micro and small entrepreneurs with regard to the terms of loan disbursements" is accepted at 5% significance level thus, it can be concluded that result is insignificant and there is no a significant difference in level of satisfaction b/w micro and small entrepreneurs with regard to the terms of loan disbursements such as amount of loan, amount of loan, interest payable, collateral security for the loan, procedural formalities, documentation, sanctioned time, amount of instalments, schedule for repayment of each instalments, time lag between date of application and date of disbursements of loan and expenditure incurred in getting the loan.

## CONCLUSION

Micro, Small, and Medium Enterprises (MSMEs) have emerged as development engines in both developed and developing economies throughout the world. In India, they have evolved as a vital and dynamic portion of the economy, contributing significantly to GDP, industrial output, and exports. However, this industry makes the second-largest



contribution to job creation, after only agriculture. The experience of recent years shows that while employment in the agriculture sector and large industries has been declining. In such a situation, the main responsibility for job creation rests with the unorganized sector, including small and medium enterprises and the service sector. Also, In India, MSMEs will undoubtedly contribute towards the role and ambiguity of development of the overall economy of the country at large. It can be concluded that result is insignificant and there is no a significant difference in level of satisfaction b/w micro and small entrepreneurs with regard to the terms of loan disbursements such as amount of loan, amount of loan, interest payable, collateral security for the loan, procedural formalities, documentation, sanctioned time, amount of instalments, schedule for repayment of each instalments, time lag between date of application and date of disbursements of loan and expenditure incurred in getting the loan.

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