

SEMESTER-II (Pool-A)

Course Title: Financing of Micro, Small and Medium Enterprises

Nature of Course: -Interdisciplinary

(CHOI-A26)

Number of Credit: - 2

Maximum marks: 50

Objective: The objective is to give an understanding of micro, small and medium sized enterprises (MSMEs) as important contributors to economic growth and also to guide the students to have in depth knowledge in the field of MSME finance.

Unit-I

Introduction and Role of MSMEs in Indian Economy: Problems of MSMEs; Regulatory Framework – MSME Act 2006; LLP Act; Present policy Framework.

Unit-II

Sources and Methods of Financing MSMEs: Quasi capital, Own money and its relevance in business , Venture Capital, Hybrid Capital; Existing MSME Loan Products and their nature, Common Guidelines/Instructions for Lending to MSME Sector, Factoring.

Unit-III

Credit Risk Management of MSMEs: The credit assessment, Costs and Risks specific to MSME Lending, Risk rating, Follow up, Monitoring and Review of Lending; Role of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE),

Unit-IV

Small and Medium Enterprises Rating Agency (SMERA).

UNIDO Cluster Development Programme; Importance of MSME Clusters in India, Cluster Development in India.

Unit-V

Micro Finance Approach to SMEs: Linkages with Agriculture and Industry IT and MSMEs; Relationship Banking and its impact in MSMEs Development;

Suggested Readings:

1. Micro, Small and Medium Enterprises in India, IIBF, Taxmann.
2. Vasant Desai: Dynamics of Entrepreneurial Development and Management, HPH.
3. M.B. Shukla: Entrepreneurship and Small Business Management.