
Seminar Title	: Analysis of Institutional Credit Access in MSMEs: A Micro and Macro Study
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Abstract	<p>: In the current economic landscape, access to credit is crucial for the growth and stability of MSMEs. These businesses are key contributors to economic growth in developed and developing countries but often struggle to secure credit from financial institutions. For India, as a developing nation, addressing the credit challenges is essential to foster firm growth and overall economic development. Therefore, the current study examines various issues related to the availability of institutional credit for MSMEs from micro and macro perspectives. At the micro level, the study first identifies demand side factors affecting MSMEs' access to credit, like firm and owner characteristics. Second, it analyses the relationship between two short-term financing sources which include bank credit and trade credit, to identify whether they substitute or complement each other and the impact of firm tangibility on the relationship between the two sources of financing. Third, the study assesses the link between bank credit and firm performance, with financial distress as a moderating factor. Lastly, at the macro level, the study examines how financial inclusion influences MSME credit availability. To analyse the study's objectives, data from secondary sources will be utilised, including the World Bank database, Reserve Bank of India, and Economic Survey for macro-level data, while the Prowess database and World Bank Enterprise Survey will be used to collect firm-level data. A probit regression model will be used to identify determinants of MSME credit. The Generalised Method of Moments (GMM) will evaluate the interplay between financing sources and the impact of bank credit on firm performance. A time series regression will analyse the relationship between financial inclusion and MSME credit. The findings of this study will provide valuable insights for stakeholders, aiding in a deeper understanding of the various relationships and dynamics surrounding MSME credit.</p> <p>Keywords: <i>Bank credit, Trade credit, firm performance, Firm tangibility, Financial distress, Financial inclusion.</i></p>