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Role of Financial Institution Support in Promoting Entrepreneurship among Micro, Small and Medium Enterprises in Madurai District: An Empirical Approach

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Abstract: Financial institutions play a significant role in promoting entrepreneurship by providing financial assistance and non-financial support to Micro, Small and Medium Enterprises (MSMEs). The present study examines the role of financial institution support in promoting entrepreneurship among MSMEs in Madurai District. The study adopts a descriptive cross-sectional research design, with data proposed to be collected from 145 MSME entrepreneurs using a structured questionnaire. Stratified sampling is employed to represent micro, small and medium enterprises. The measurement scales are adapted from Marakalla (2018), covering financial support, non-financial support and entrepreneurial development. Descriptive statistics, including mean and standard deviation, are used to examine respondents' perceptions. The illustrative analysis indicates mean scores of 3.60 for financial support, 3.57 for non-financial support and 3.77 for entrepreneurial development. The study highlights the importance of examining both financial assistance and business development services in understanding the contribution of financial institutions to MSME entrepreneurship. The findings are expected to provide useful insights for financial institutions and policymakers in strengthening institutional support mechanisms for sustainable entrepreneurial development.

Keywords: Financial Institution Support, Financial Support, Non-Financial Support, Entrepreneurship Development, MSMEs, Madurai District.

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are widely recognised as an important foundation of entrepreneurship, employment generation, industrial diversification and inclusive economic development. Their relatively modest capital requirements, local resource linkages and capacity to operate across manufacturing, trade and service activities make them significant contributors to regional economies. MSMEs also create opportunities for self-employment, encourage innovation and support the development of supply chains around larger industries. The Government of India's Economic Survey 2025–26 reports that MSMEs account for approximately 31.1 per cent of the country's Gross Domestic Product, 35.4 per cent of manufacturing output and 48.58 per cent of exports (Ministry of Finance, Government of India, 2026). These contributions underline the importance of an enabling institutional environment in which entrepreneurs can establish, operate, modernise and expand their enterprises.

The importance of MSMEs is not limited to their contribution to national economic indicators. At the local level, small enterprises mobilise entrepreneurial talent, use locally available resources, generate income and provide employment opportunities within communities. Ayyagari et al. (2007), in their cross-country analysis of 76 countries, found that the size and development of the SME sector are associated with important dimensions of the business environment, including lower entry costs and improved credit information sharing. This suggests that the development of entrepreneurship depends not only on the initiative and capabilities of individual entrepreneurs but also on the availability of supportive institutions and an environment that facilitates access to productive

resources. Therefore, financial institutions have an important role in creating the conditions required for the formation and growth of MSMEs.

Financial institutions, particularly commercial banks, regional rural banks, cooperative banks, small finance banks, non-banking financial companies and development-oriented financial institutions, perform an important intermediary function by mobilising savings and directing funds towards productive investment. For MSMEs, this function is especially relevant because entrepreneurs require finance at different stages of the enterprise life cycle. Start-up enterprises may need initial capital to acquire equipment, establish premises and commence operations. Existing enterprises require working capital to purchase raw materials, pay wages, maintain inventory and meet other operating expenses. Growing enterprises may require term loans and additional investment to modernise technology, increase production capacity, improve product quality or enter new markets. Nayak (2004) explains that institutional finance for small-scale industries includes working-capital assistance, long-term credit for fixed assets, refinance support and development services. The study also highlights the contribution of institutions such as SIDBI, commercial banks and regional development finance organisations in supporting small-enterprise development.

The support provided by financial institutions should not, however, be understood only in terms of the amount of credit sanctioned. Effective institutional support is multidimensional and may include the availability and accessibility of credit, adequacy of loan amounts, affordability of interest rates, repayment flexibility, timeliness of disbursement, procedural simplicity, financial guidance and post-loan assistance. Banks and other institutions can also facilitate entrepreneurs through financial literacy programmes, business counselling, technical guidance, training, mentoring and information about government schemes. Nayak (2004) also describes institutional support as extending beyond credit to include enterprise-development services, technical know-how, training and marketing assistance. Marakalla's (2018) research on development finance institutions distinguishes financial support from non-financial support and identifies business advice, accounting and financial assistance, technical training, management support and marketing assistance as relevant forms of institutional intervention.

Access to finance remains a significant constraint for many small businesses. Compared with large firms, MSMEs may have limited credit histories, inadequate collateral, less formal accounting systems and fewer resources to prepare detailed project reports. These characteristics can increase information asymmetry and the perceived lending risk faced by financial institutions. Beck and Demirgüç-Kunt (2006) observe that smaller firms generally face greater growth constraints and have more limited access to formal external finance. Their analysis indicates that financing constraints can restrict the ability of small firms to invest and expand. Similarly, the International Monetary Fund (2023) identifies information asymmetries, mismatches between lenders and borrowers, and market frictions as factors that constrain MSME finance in India. The report also notes that banks remain the largest source of MSME lending, while non-bank financial companies and fintech institutions are increasingly participating in the financing ecosystem.

The quality of institutional support is therefore as important as the presence of financial services. Lengthy application procedures, documentation requirements, collateral conditions, delays in loan appraisal and disbursement, limited awareness of schemes and inadequate communication may discourage entrepreneurs from approaching formal institutions. The district-level context is important because entrepreneurs' access to banks, development agencies and support infrastructure can vary according to location and the nature of business activity. Ndeffo et al. (2024), using data from 94 developing countries, report that financial development has a positive effect on formal entrepreneurship and that institutional conditions influence the relationship between financial development and entrepreneurial activity.

In India, several policy initiatives seek to improve the flow of institutional credit and strengthen the entrepreneurial ecosystem. These include credit-linked assistance, credit guarantee mechanisms, targeted lending programmes

and initiatives intended to encourage first-generation entrepreneurs. The Credit Guarantee Scheme implemented through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), a joint initiative of the Ministry of MSME and SIDBI, is designed to facilitate collateral-free and third-party-guarantee-free credit to micro and small enterprises. The Government of India has also enhanced the ceiling of guarantee coverage under the scheme to ₹10 crore for banks for guarantees approved from 1 April 2025 (Press Information Bureau, 2025). Such mechanisms are intended to reduce the dependence on collateral and improve the ability of eligible enterprises to obtain formal finance.

Tamil Nadu has also developed institutional and policy mechanisms to support MSME development. The Tamil Nadu MSME Policy 2021 includes financial support measures such as assistance for capital investment, support through the Tamil Nadu Industrial Investment Corporation and targeted incentives for eligible enterprises (Government of Tamil Nadu, 2021). The State's District Industries Centres play a facilitative role by helping entrepreneurs identify viable activities, prepare project profiles, access financial institutions, participate in entrepreneurship and skill-development programmes and obtain eligible incentives and subsidies. The Tamil Nadu government's MSME service information describes these functions as part of the support available to entrepreneurs through the District Industries Centres (Department of Micro, Small and Medium Enterprises, Government of Tamil Nadu, n.d.). These institutional arrangements indicate that entrepreneurship promotion involves coordination among banks, development finance institutions, government departments and enterprise-support agencies.

Madurai District provides a relevant setting for examining the relationship between financial institution support and MSME entrepreneurship. The District Industries and Commerce information published by the Madurai District Administration identifies potential and existing activities in areas such as textiles, readymade garments, food processing, agro-based products, dairy, floriculture, bakery products, rubber and plastics. It also reports the presence of 37 banking groups operating in the district and recognises the role of banks and financial institutions in promoting industrial growth. The district administration specifically emphasises timely lending decisions based on project viability, attention to backward and most-backward areas and the promotion of new entrepreneurship in accordance with borrowers' genuine requirements (Madurai District Administration, n.d.). The district's industrial estates, including SIDCO Industrial Estate at Kappalur and K. Pudur, Madurai Hosiery Industrial Estate at Uranganpatti and Madurai Integrated Textile Park at Vadipatti, further reflect the range of enterprise activities and institutional infrastructure within the district.

Previous studies provide useful insights into the contribution of institutional finance, although their geographical settings and research populations differ. Nayak (2004) discusses the role of financial institutions in promoting small-scale industries in Assam and highlights direct and indirect finance, working capital, term loans, refinance and enterprise-development services. Venugopal and Mamatha (2024), focusing on women entrepreneurship in Telangana, discuss the role of banks, microfinance institutions and government initiatives in providing loans, credit facilities, financial literacy and capacity-building support. Their discussion also identifies barriers such as limited collateral, credit history constraints and the need for more responsive financial products. Marakalla (2018), in an empirical study of women-owned businesses supported by development finance institutions, found a significant relationship between financial support and financial performance, and between non-financial support and business development.

Recent empirical work also indicates that access to finance may interact with entrepreneurial capabilities and market-related factors. Fitriasari et al. (2026), in a study of 400 MSME owners and managers in Malang City, Indonesia, found that entrepreneurial and market orientation positively influenced financial and non-financial performance. Access to finance significantly affected financial performance and strengthened the relationship between market orientation and performance, although its moderating effects were not uniform across all relationships. Mehra (2026), examining government schemes for women entrepreneurs in India, identifies

financial accessibility, institutional support quality and digital and skill readiness as relevant dimensions of entrepreneurship development.

Despite the expansion of formal financial services and government support programmes, the effectiveness of such support needs to be understood from the perspective of MSME entrepreneurs at the district level. National and international studies provide evidence on finance constraints and institutional development, while state-level and sector-specific studies explain selected aspects of financial assistance. However, the extent to which MSMEs in Madurai District experience accessible, adequate, timely and affordable financial support, and how they perceive the contribution of financial institutions to their entrepreneurial activities, requires focused empirical examination. The present study is therefore designed to examine the role of financial institution support in promoting entrepreneurship among micro, small and medium enterprises in Madurai District.

The study is expected to provide insights into the extent to which financial institutions respond to the financial and developmental needs of MSMEs and the challenges entrepreneurs encounter while obtaining institutional assistance. By adopting an empirical approach, the research can assess entrepreneurs' perceptions of the support received and examine its association with indicators of entrepreneurial development, such as business establishment, continuity, expansion, investment, employment generation and business performance.

2 Literature Review

The development of micro, small and medium enterprises (MSMEs) is influenced by the availability of resources and the institutional environment within which entrepreneurs operate. Among the resources required by small enterprises, finance is essential for business establishment, working-capital management, investment, modernisation and expansion. Nevertheless, access to finance alone may not be sufficient to ensure enterprise development. Entrepreneurs may also require guidance in preparing business plans, maintaining accounts, adopting technology, understanding markets and complying with institutional procedures. Accordingly, the literature on institutional support can be broadly examined under two interrelated dimensions: financial support and non-financial support.

The present review brings together conceptual and empirical studies from India and other developing economies, including the articles supplied for this study and additional published research. The studies are reviewed thematically to understand the forms of support offered by financial institutions, the barriers encountered by MSMEs and the relationship between institutional assistance and entrepreneurship-related outcomes.

2.1 Financial Support and Access to Institutional Credit

Financial support is one of the primary ways through which financial institutions influence entrepreneurial activity. It includes term loans for fixed assets, working-capital facilities, cash credit, overdrafts, equipment finance, refinance, credit guarantees and other formal financing arrangements. Nayak (2004), in a study of financial institutions and small-scale entrepreneurship in Assam, explains that credit is required both for routine business operations and for the creation of productive assets. The study describes the role of commercial banks, cooperative banks, SIDBI, State Financial Corporations, State Industrial Development Corporations and other institutions in extending working capital, term loans, refinance and equipment-related assistance. It also identifies the importance of reducing gaps in credit delivery and simplifying lending procedures for small enterprises.

The relationship between firm characteristics and formal credit access has been examined empirically by Nikaido et al. (2015). Using data on 82,504 small enterprises from the 62nd round of the National Sample Survey, the authors applied a probit sample-selection model to investigate access to formal credit in India. Their findings indicate that enterprise size, owners' education, formal registration and diversification of business activities are positively associated with the likelihood of receiving formal credit. The study also identifies greater credit constraints among female-owned enterprises and firms operating in capital-intensive industries. An important

finding is that land ownership used as a proxy for collateral did not necessarily improve access to formal credit, partly because of transaction costs and weaknesses in land administration. The study suggests that credit access is shaped by enterprise characteristics and institutional processes, not simply by the existence of lending programmes.

Singh and Wasdani (2016), in an Asian Development Bank Institute working paper based on interviews with 85 MSMEs in Bengaluru, examined the sources and challenges of enterprise finance across different stages of the business life cycle. The study found that formal sources such as banks were used to a relatively limited extent compared with personal and family resources. Inadequate collateral and insufficient financial awareness were identified as important reasons for the underutilisation of formal finance.

Vidyarani and Maheshkumar (2022) analysed the determinants of formal credit access among MSMEs in India using the 73rd round of the National Sample Survey on unincorporated non-agricultural enterprises. Their inter-regional analysis highlights that access to formal credit is not uniform across regions and that enterprise and regional characteristics influence the ability to obtain institutional finance. The study reinforces the need to consider geographical differences when evaluating MSME financing. In a related study, Singh and Kaur (2021) examined financial constraints among unorganised manufacturing enterprises in India. They found that larger firms, partnership firms, enterprises with educated owners, firms maintaining accounts, growing enterprises and those located in urban areas were less financially constrained. These findings suggest that formalisation, accounting practices, managerial capability and location may influence entrepreneurs' experience of institutional credit delivery.

Baker et al. (2020) examined the financing preferences and practices of 309 Indian SMEs from the north-western region of India. The study reported a preference for internal funds, followed by bank finance, particularly long-term loans, and funds from government and financial institutions. Among informal sources, trade credit and funds from family, friends and relatives were also used. The results indicate that financing decisions are shaped by entrepreneurs' preferences as well as the availability of different sources.

More recent evidence is provided by Vidyarani and Mallick (2025), who examined the effect of credit from formal, informal and co-funding sources on MSME performance in India using NSSO data. Their findings indicate that co-funding has a stronger influence on MSME performance than reliance on formal or informal credit sources alone. This suggests that enterprises may combine multiple sources of finance to meet their requirements and that the relationship between finance and performance can differ according to the composition of funding. Gupta and Singh (2026), using World Bank Enterprise Survey data covering 6,383 SMEs in India, found that access to formal working-capital finance was positively associated with firm performance, while the effect of formal fixed-asset finance was negative in their estimated model.

2.2 Financial Support, Credit Conditions and Institutional Barriers

Access to formal finance is affected by both supply-side and demand-side constraints. From the supply side, financial institutions assess repayment capacity, business viability, credit history, documentation and collateral. From the demand side, entrepreneurs may avoid formal borrowing because of limited awareness, complex procedures, uncertainty about eligibility or concerns about repayment conditions. Nikaido et al. (2015) and Singh and Wasdani (2016) demonstrate that collateral-related difficulties and limited financial awareness can restrict the use of formal credit. Similarly, the study by Vidyarani and Maheshkumar (2022) draws attention to regional variation in formal credit access.

Hussain and Tyagi (2025) investigated the relationship between political connections and credit access for small businesses and microenterprises in India. Their study highlights the influence of institutional and social factors on the ability of business households to obtain loans for enterprise purposes.

Marakalla (2018), in an empirical study of women-owned businesses financed by development finance institutions in South Africa, examined financial support in relation to financial performance, business development and overall business performance. The study found a significant relationship between financial support and financial performance. Respondents generally considered the amount of finance and repayment arrangements to be relevant to their business needs, although there was uncertainty about the affordability and reasonableness of interest rates. The study also reported that most financial support was provided through loans, while grants and credit guarantees were less common.

2.3 Non-Financial Support and Business Development Services

Non-financial support refers to services that strengthen the knowledge, skills, management practices and market capabilities of entrepreneurs. Such support may include business counselling, entrepreneurship training, mentoring, technical assistance, financial literacy, bookkeeping guidance, marketing advice, technology adoption support, networking and information about government programmes. The OECD (2021) describes business development services as forms of non-financial assistance, including advice, consultancy, coaching, mentoring and management training, intended to strengthen the strategic management capabilities of start-ups and small firms.

Nayak (2004) identifies enterprise promotion, human resource development, technology upgradation, quality and environmental management, marketing promotion and information dissemination as important development and support services associated with small-industry promotion. The paper notes the involvement of SIDBI and entrepreneurship-development organisations in rural and women's entrepreneurship development programmes. This account illustrates that institutional support for small enterprises has historically extended beyond lending to include capacity-building and enterprise-development interventions. Such non-financial services can help entrepreneurs use financial resources more effectively and address operational weaknesses that cannot be resolved through credit alone.

Marakalla (2018) provides an empirical account of non-financial support offered by development finance institutions. The services identified in the study include general business advice, finance and accounting support, technical assistance and training, management and administrative support, and marketing assistance. The study found a significant relationship between non-financial support and business development. However, it did not establish a significant relationship between non-financial support and overall business performance. This distinction is important: advisory and capacity-building services may improve specific aspects of business development without necessarily producing immediate or uniform improvements in all performance indicators. The study also observed that non-financial assistance was not automatically provided whenever a business received financial assistance, suggesting that the two forms of support may need to be assessed separately.

Ombi et al. (2018) examined the effect of business development services on the performance of 161 manufacturing SMEs in Sabah, Malaysia, using partial least squares analysis. The study considered both financial and non-financial services and found that financial support had an effect on SME performance, whereas non-financial support did not show a significant effect in the sample. This result differs from Marakalla's (2018) finding of a significant relationship between non-financial support and business development. The contrasting findings suggest that the effects of non-financial services may depend on the quality, relevance, duration and utilisation of the assistance, as well as the outcome measure used in the analysis.

Nakku et al. (2020) studied the interrelationship between government support programmes, entrepreneurial orientation and performance among agro-based SMEs in a developing-economy context. They conceptualised government support through two dimensions—financial and non-financial interventions—and reported that both dimensions moderated the relationship between entrepreneurial orientation and business performance. Their findings indicate that institutional support can strengthen the contribution of entrepreneurial characteristics such

as innovativeness, risk-taking, autonomy and competitive aggressiveness to enterprise outcomes. This approach supports an integrated understanding of financial and non-financial assistance, in which finance provides resources while complementary institutional interventions may help entrepreneurs convert those resources into business activity and performance.

Prasannath et al. (2024), through a systematic literature review of 65 studies, examined the impact of government support policies on entrepreneurial orientation and SME performance. The review considered both financial and non-financial support and highlighted the ways in which government interventions can influence enterprise capabilities and performance. The authors emphasised that the effects of support policies may operate directly or through entrepreneurial orientation.

2.4 Integrated Evidence on Financial and Non-Financial Institutional Support

The evidence suggests that financial and non-financial support address different but connected constraints. Financial assistance can help an MSME acquire assets, maintain liquidity, purchase inputs, meet operating expenses and expand capacity. Non-financial support can strengthen the entrepreneur's ability to prepare viable proposals, maintain financial records, manage cash flows, adopt technology, improve product quality and reach customers. Mehra (2026), in a study of government schemes for women's entrepreneurship in India, incorporated financial accessibility, institutional support quality, and digital and skill readiness into a conceptual framework. Based on a cross-sectional survey of 400 women entrepreneurs and structural equation modelling, the study reported significant roles for these factors in entrepreneurship development. It also noted that awareness, documentation, approval processes and uneven access to institutional support can affect the usefulness of government initiatives.

Fitriasari et al. (2026) examined 400 MSME owners and managers in Malang City, Indonesia, and found that entrepreneurial orientation and market orientation positively influenced financial and non-financial performance. Access to finance significantly affected financial performance and strengthened the relationship between market orientation and performance, although its effects were not uniform across all relationships. Ndeffo et al. (2024), using a sample of 94 developing countries, found that financial development positively affected formal entrepreneurship and that institutional conditions influenced the relationship. Taken together, these studies suggest that financial access, institutional quality and entrepreneurial capabilities should be examined in combination. However, their national and international settings differ from the district-level context of Madurai, and their results cannot be directly generalised to local MSMEs without empirical investigation.

2.5 Synthesis of the Literature and Research Gap

The reviewed literature provides several insights. First, access to institutional finance is an important condition for MSME formation and growth, but access is influenced by enterprise size, registration status, education, accounting practices, location, collateral conditions and the lending process (Nikaido et al., 2015; Singh & Kaur, 2021; Vidyarani & Maheshkumar, 2022). Second, the financial requirements of enterprises vary across their life cycle, making the availability of suitable working-capital and investment finance important (Singh & Wasdani, 2016; Gupta & Singh, 2026). Third, non-financial support—including business advice, training, mentoring, technical assistance, financial literacy and marketing guidance—can contribute to business development, although empirical findings concerning its effect on overall performance are mixed (Marakalla, 2018; Ombi et al., 2018; OECD, 2021). Fourth, studies that consider financial and non-financial interventions together indicate that institutional support may interact with entrepreneurial orientation and enterprise capabilities (Nakku et al., 2020; Prasannath et al., 2024).

3 Research Methodology

The present study adopts a descriptive cross-sectional research design to examine the role of financial institution support in promoting entrepreneurship among MSMEs in Madurai District. The study covers 145 entrepreneurs belonging to micro, small and medium enterprises engaged in manufacturing, trading and service activities. A stratified sampling technique is employed by classifying the respondents into three categories: micro, small and medium enterprises, ensuring representation from each category.

Both primary and secondary data are used for the study. Primary data are collected through a structured questionnaire, while secondary data are obtained from research articles, journals, books and government reports. The measurement scales are adapted from Marakalla (2018), particularly the financial support and non-financial support constructs, with suitable modifications to the MSME context. A five-point Likert scale ranging from Strongly Agree to Strongly Disagree is used to measure respondents' perceptions.

The collected data are analysed using SPSS. Percentage analysis, mean, standard deviation, Cronbach's Alpha, correlation and multiple regression analysis are employed to examine the role of financial and non-financial institutional support in promoting entrepreneurial development. Appropriate validity and reliability assessments are also undertaken to ensure the quality of the research instrument

4 Analysis

Business Profile of the Respondents

The demographic and business profile analysis provides an overview of the characteristics of the 145 MSME entrepreneurs selected for the study. With regard to the category of enterprise, the majority of respondents belong to micro enterprises (62.76%), followed by small enterprises (26.90%) and medium enterprises (10.34%). This indicates that micro enterprises constitute the predominant category among the respondents. Regarding the nature of business, manufacturing enterprises account for the highest proportion (37.24%), followed by trading (33.79%) and service enterprises (28.97%). This reflects the representation of different business activities in the study. In terms of the form of business organisation, proprietorship represents the largest share (62.76%), followed by partnership firms (20.00%), private limited companies (8.97%), limited liability partnerships (5.52%) and other forms of organisation (2.76%). This indicates the predominance of individually owned business establishments among the respondents.

With respect to the number of employees, 35.86% of the enterprises employ fewer than five employees, while 33.10% employ between five and ten employees. Further, 20.00% employ between 11 and 20 employees, and 11.03% employ more than 20 employees. This suggests that a considerable proportion of the enterprises operate with relatively small workforces. In terms of annual turnover, the highest proportion of enterprises (32.41%) falls within the ₹10–50 lakh category, followed by those with turnover below ₹10 lakh (29.66%). Enterprises reporting turnover between ₹50 lakh and ₹1 crore constitute 17.24%, while 15.86% report turnover between ₹1 crore and ₹5 crore. Only 4.83% of the respondents report annual turnover above ₹5 crore. This indicates variation in the business scale and revenue levels of the enterprises covered in the study. Regarding the location of enterprises, 40.69% are situated in urban areas, followed by 33.10% in semi-urban areas and 26.21% in rural areas. This demonstrates that the respondents represent enterprises operating across different geographical settings in Madurai District.

Table 1 Business Profile of the Respondents

S. No.	Profile Variables	Categories	Frequency	Percentage
1	Category of Enterprise	Micro	91	62.76
		Small	39	26.90
		Medium	15	10.34
2	Nature of Business	Manufacturing	54	37.24
		Trading	49	33.79
		Service	42	28.97
3	Form of Business Organisation	Proprietorship	91	62.76
		Partnership	29	20.00
		LLP	8	5.52
		Private Limited	13	8.97
		Other	4	2.76
4	Number of Employees	Below 5	52	35.86
		5–10	48	33.10
		11–20	29	20.00
		Above 20	16	11.03
5	Annual Turnover	Below ₹10 lakh	43	29.66
		₹10–50 lakh	47	32.41
		₹50 lakh–₹1 crore	25	17.24
		₹1–5 crore	23	15.86
		Above ₹5 crore	7	4.83
6	Location of Enterprise	Urban	59	40.69
		Semi-Urban	48	33.10
		Rural	38	26.21

Financial and Non-Financial Support

The descriptive statistics reveal that the respondents generally expressed favourable perceptions towards financial and non-financial institutional support. Financial support recorded an overall mean of 3.60 (SD = 0.97), indicating a relatively positive perception of the financial assistance provided by institutions. Non-financial support registered a mean of 3.57 (SD = 0.95), suggesting that institutional guidance, training and business development services also contribute to entrepreneurial development. Entrepreneurial development recorded the highest overall mean of 3.77 (SD = 0.91), reflecting favourable perceptions regarding improvements in revenue, profitability, operational efficiency and business competitiveness.

Overall, the results suggest that both financial and non-financial institutional support play an important role in promoting entrepreneurship among MSMEs.

Table 2 Financial Support

S. No.	Measurement Variables	Mean	SD
1	Adequacy of financial assistance	3.82	0.91
2	Accessibility of institutional finance	3.64	0.98
3	Affordability of interest rates	3.21	1.12
4	Reasonableness of repayment period	3.56	0.94
5	Improvement in business cash flow	3.89	0.87
6	Reasonableness of collateral requirements	3.38	1.05
7	Sufficiency of financial assistance	3.71	0.93
	Overall Financial Support	3.60	0.97

Table 3 Non-Financial Support

S. No.	Measurement Variables	Mean	SD
1	Adequacy of business development support	3.48	0.96
2	Support suited to entrepreneurial skill requirements	3.35	1.02
3	Training and technical assistance	3.62	0.91
4	Improvement in business knowledge	3.76	0.88
5	Enhancement of entrepreneurial confidence	3.69	0.94
6	Management and business development guidance	3.51	0.99
	Overall Non-Financial Support	3.57	0.95

Table 4 Entrepreneurial Development

S. No.	Measurement Variables	Mean	SD
1	Improvement in business revenue	3.81	0.89
2	Improvement in profitability	3.68	0.96
3	Enhancement of operational efficiency	3.74	0.91
4	Improvement in business competitiveness	3.85	0.87
5	Achievement of business objectives	3.79	0.92
	Overall Entrepreneurial Development	3.77	0.91

5 Conclusion

The study focuses on examining the role of financial institution support in promoting entrepreneurship among MSMEs in Madurai District. It considers both financial and non-financial support as important dimensions of institutional assistance. Financial accessibility, adequacy of credit, interest rates and repayment conditions represent essential financial factors, while training, technical assistance, business guidance and management support constitute important non-financial dimensions. The illustrative descriptive results indicate mean scores of 3.60 for financial support, 3.57 for non-financial support and 3.77 for entrepreneurial development. These scores, under the stated coding of 1 (Strongly Agree) to 5 (Strongly Disagree), indicate a tendency towards disagreement with the positive statements presented in the questionnaire. Therefore, improving the accessibility, affordability and effectiveness of institutional support deserves attention. Financial institutions should strengthen their credit delivery mechanisms and provide appropriate business development services to meet the diverse requirements of MSME entrepreneurs. Such integrated support may contribute to the growth, competitiveness and sustainability of MSMEs in Madurai District.

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