Asian Economic and Financial Review
ISSN(e): 2222-6737
ISSN(p): 2305-2147
DOI: 10.18488/journal.aefr.2017.76.541.549
Vol. 7, No. 6, 541-549.
© 2017 AESS Publications. All Rights Reserved.
URL: www.aessweb.com

DIGITIZATION: ITS IMPACT ON ECONOMIC DEVELOPMENT & TRADE "WITH SPECIAL REFERENCE TO SERVICES AND MSME SECTOR OF INDIA"

Moinak Maiti[1]
Parthajit Kayal[2+]

[1]Research Scholar Department of Banking Technology (UGC innovative programme) School of Management Pondicherry University Pondicherry, India
[2]Research Scholar Institute for Financial Management and Research (IFMR), Kothari Road, Nungambakkam, Chennai, Tamil Nadu, India

(+ Corresponding author)

Article History
Received: 8 February 2017
Revised: 27 February 2017
Accepted: 7 March 2017
Published: 16 March 2017

Keywords
Crowd funding
Digitisation
E-commerce
FDI
MSME finance
Services
Trade.

ABSTRACT

This study discusses the impact of digitisation on India's two most vibrant and high potential segments for future growth: services sector and MSME segments. We find that there is a significant rise in growth rate for the India's services sector and MSME segment since 2000. This was majorly due to digitisation. Digitisation automates the product and process as a result of which both quality and production increases. Despite having a high potential for future growth, India's MSMEs segment has suffered due to less 'access to finance'. Digitisation improves the performances of MSMEs and helps in reducing financial obstacles by providing alternative financing options to MSME. Increasing access to alternative finance has resulted in the significant rise in MSMEs operating performance, profitability and productivity. The high performance of the India's services sector and MSME segment contribute significantly to the overall trade growth. This paper finds that there is a high impact of digitisation on the inclusive growth of the overall Indian economy and trade.

Contribution/ Originality: The paper's primary contribution is finding that the significant rise in the recent growth rate of the service sector and MSME segment was majorly due to digitization. Digitalization resulted in the high performance of these sectors which contributed significantly to the inclusive growth of the overall Indian economy and trade.

1. INTRODUCTION

Information Technology (IT) and IT-enabled services (ITES) have a huge impact on manufacturing and services sector for both developed and developing nations. Due to ITES development, several non-tradable services become tradable nowadays. For the past few decades among the emerging nations, India's contribution to IT and ITES is exceptional. Rapid development in IT and ITES promotes the economic growth of a country. Digitization has a direct benefit on the performance of the services and Micro Small and Medium Enterprises (MSME) sector of India. Digitization directly impacts on total trade volume of an economy as it helps in increasing the efficiency of any business. When comes to trade India's service and MSME sectors have a high potential. IT and ITES makes a huge

© 2017 AESS Publications. All Rights Reserved.

impact especially to service sector and MSME sector, and these two sectors are known to be the avenues for growth for any economies. India's service sector contributes a major share to India's trade volume and gross domestic product (GDP). Due to the development of information and communications technology (ICT), the service sector has flourished since 2000 onwards. During 2014-15 service sector alone contributed to around 52 percent of India's total GDP. The market share of Indian services sector in world trade is significantly large and also increasing year on year. In 2014-15, India's service sector amounted to the US $783 billion with a compound annual growth rate of 9 percent, which is much higher than India's GDP growth rate. India's service sector has grown at a compound annual growth rate of 11.7 percent during 2011-12 to 2014-15[1]. During the same period, India's service sector have contributed significantly to the export and employment and also attracted a large amount of FDI inflow.

Despite having a huge opportunity, 'access to finance' is the major reason behind the low growth of India's MSME sector as reported by McKinsey and International Finance Corporation (IFC). Due to recent progress in IT and ITES, the bottlenecks for Small and medium enterprises (SME) banking have reduced significantly over the years. These, in turn, have accelerated the overall banking performance and growth performance in most of the Asian countries. The McKinsey and IFC reports also mentioned India and China as the red hot destination for the BRIC[2] countries' SME finance business. It is widely known that IT and ITES promote the different services (financial and non-financial) and thereby greatly responsible for the advancement of India's service and MSME sectors.

This study highlights the impact of digitization on India's services and MSME sectors' development and growth. The paper is structured as follows: Section 2 discusses the review of the literature. Section 3 gives the overview of the impact of digitization on India's services sector and section 4 presents the impact of digitization on India's MSMEs sector. Section 5 concludes.

2. LITERATURE REVIEW

Digitization and other technological development have significant positive impact on the overall production process of any sector. Studies by Kaldor (1967) and Kuznets (1966) reveal that the advancement in the manufacturing sector leads to the growth of IT and ITES advancement. Further Studies by Dasgupta and Singh (2005); Goldar and Mitra (2008) and Joshi (2007) also attempt to understand whether there exist any such relationship between the growth of manufacturing sector and ITES. Chanda (2002) finds that technological development leads to more demand for manpower and in turns growth of ITES in India. Lal (2007) examines five developing countries and finds that information communication technology (ICT) infrastructure; communications are the driver for growth. Joshi (2009b) suggests that due to ICT development many non-tradable services become tradable nowadays. Johannes (2015) UNCTAD[3] presentation supports that technology development, servicification of manufacturing and global values; and demand for service with rising income are the drivers for the global trade in services.

Myers and Majluf (1984) find evidence of lack of credit information for SMEs in developing countries. They argued that SMEs borrowers/SMEs clients have more information than the lenders/banks and this information asymmetry makes SME financing difficult. Due to information asymmetry in the lending business and high monitoring cost, banks do not extend finances just on the basis of interest rate criteria. Information transparency is one of the important factors for banks to extend SME credit (Morris *et al.*, 2001; Das, 2007). Lack of information transparency is the major reason for banks to deny SME loan to Indian SMEs. Further study by Petersen and Rajan (2002); Berger *et al.* (2005a); Frame *et al.* (2001) and Frame and Woosley (2004) confirm that information transparency and credit scoring enhances the SME financing by banks. Bhattacharya *et al.* (2000) argued that low

[1]All the statistics taken from India's Union budget 2014-15

[2] Brazil, Russia, India, China

[3] *United Nations Conference on Trade and Development*

© 2017 AESS Publications. All Rights Reserved.

profitability, low capitalization, assets deficiency and high-risk are also the reasons for banks not extending finance to MSME. Bank size is also a key factor in financial loan extension due to operational differences among small and large banks. Big banks have access to highly advanced technologies and several other facilities. Berger *et al.* (2005b) find that big banks have comparative advantages in transactional lending whereas small size banks have comparative advantages in relationship lending. Big banks need informational transparency in business whereas small banks may consider soft information for lending. Thampy (2010) highlights that the banks that operate in India face the problem of credit appraisal, credit scoring and unsecured loans to extend MSME credit facilities to the various MSME clients.

Recent advancement in IT and ITES have contributed in easing transactions, reducing information asymmetry and increasing efficiency. It is acceptable that IT and ITES have a direct impact on the performance of the services sector and growth in trade growth. MSMEs are the vehicle for sustainable development for any economy. As mentioned earlier Indian MSMEs are facing major difficulties with 'access to finance'. Advancement in IT and ITES are helping in reducing the financial barriers for MSME and thereby increasing the performance of the MSME sectors. High-performance of MSME sector contributes significantly to the growth of trade.

3. IMPACT OF DIGITALIZATION ON INDIA'S SERVICES SECTOR

3.1. Service Sector GDP

The overall contribution of the Indian service sector towards the India's GDP has increased over the years. This has happened mostly due to rise in IT and ITES. In 2013-14, the share of the service sector to the India's GDP was 56 percent. If one compares the overall growth rate of GDP over the services sector GDP it is observed that the later had grown at 20 percent higher rate than the former. This was due to the 12.9 percent growth rate alone in the financial, insurance, real estate and business service sub-sectors. Figure 1 shows a comparison of the weight of the service subsectors in 2000-01 and 2012-13.

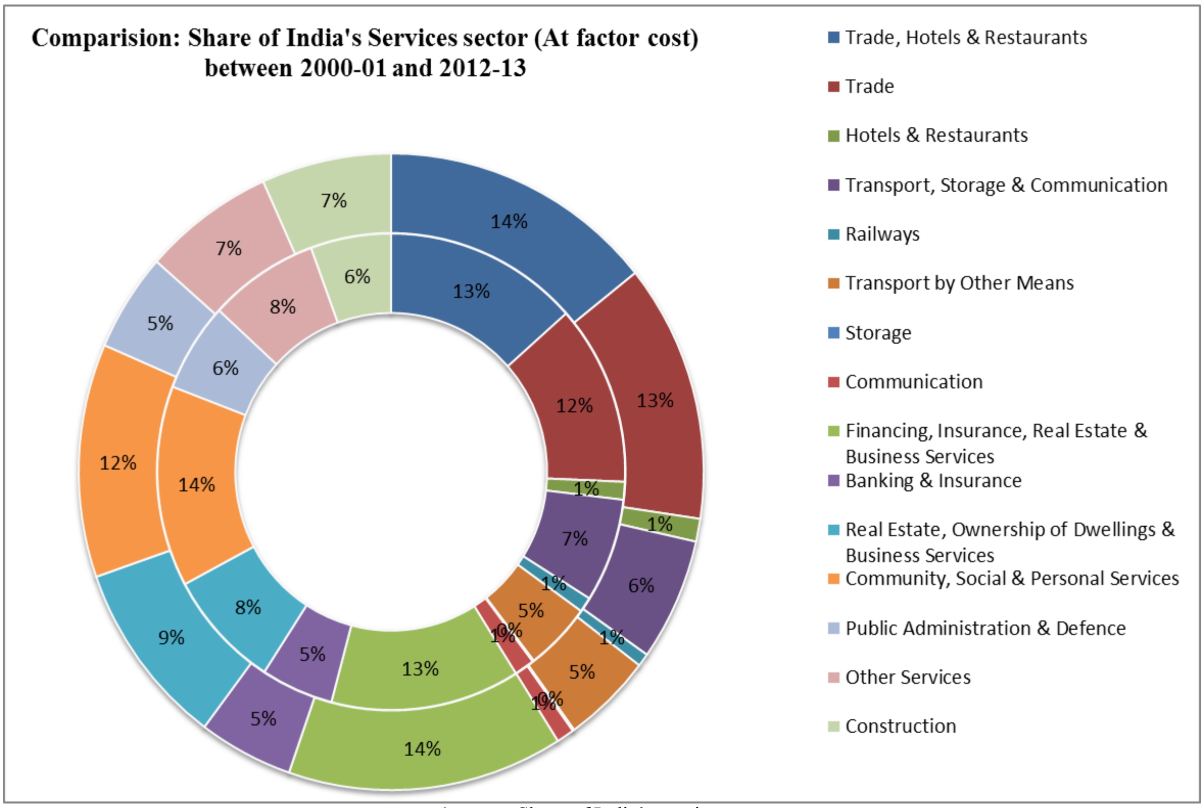

Figure-1. Share of India's service sector

Source: Authors' calculation

© 2017 AESS Publications. All Rights Reserved.

Community, social and personal services (14 percent) was the dominating sub-sector followed by trade (hotel and restaurants) and financial services[4] (13 percent each) during 2000-01 periods. The scenario has changed completely by 2012-13 as financial services start to take over other sectors. The contributions of all the other sub-sectors are also shown in figure 1. The reason for such a leap in the financial services is due to the significant development of the IT infrastructure in the financial institutions that automate the overall operation process and provides quick services to the customers. It has also contributed to the financial sector (11.8 percent) and other sectors like the real estate, ownership of dwelling, and business services (10 percent) which observed highest growth rate during 2013-14 in terms of its share in total service GDP.

3.2. FDI Inflow in Services Sector

The development of services sector resulted in a large inflow of foreign direct investment (FDI) in India. Among the service sectors alone, top five services sub-sectors attracts about 45 percent in total of the FDI inflow during the period April 2000 to March 2014 in India. Table 1 shows the sector wise detail of FDI inflows.

Table-1. FDI inflows in services sector 2011-14

Sector	**Value (In US $ Mln)**			**Cumulative Inflows (Apr. 2000-Mar. 2014)**	**% Total**	**Growth Rate**	
	2011-12	**2012-13**	**2013-14**			**2012-13**	**2013-14**
Services Sector (Financial and Non-financial)	5216	4833	2225	39460	18	-7.3	-4
Construction Development #	3141	1332	1226	23306	11	-57.6	-8
Telecommunications *	1997	304	1307	14163	7	-84.8	29.9
Computer Software and Hardware	796	486	1126	12817	6	-38.9	31.7
Hotels and Tourism	993	3259	486	7118	3	228.2	-85.1
Total Top Five Services	12143	10214	6370	96864	45	-15.9	-37.6
Total FDI Inflows	46556	34298	36396	217581	100	-26.3	6.1

Source: Ministry of Finance, GOI
Notes: # indicates township, housing, built-up infrastructure and * indicates radio paging, cellular mobile, basic telephone services.

The financial and non-financial sub-sector attracts the highest cumulative FDI inflow of US$ 39.46 billion followed by the other sub-sectors like construction development (US$ 23.3 billion), telecommunications (US$ 14.2 billion), and computer software and hardware (US$ 12.8 billion) during the period April 2000 to March 2014 (see Table 1). The contribution of other developing services are trading (2.4 percent), IT and broadcasting (1.7 percent), medical services (1.1 percent), ports (0.8 percent), agricultural services (0.8 percent), education (0.4 percent), aviation (0.2 percent) and retails (0.1 percent). The cumulative FDI inflow increases to 54.7 % for the same period. In 2013-14, the overall growth rate of FDI inflows in the top five service sub-sectors fell sharply by 37.6 percent whereas overall FDI inflows increased by 6.1 percent during the same period.

3.3. Services Export

Table 2 shows export of India's services during 2007-14. Transportation sector witnessed 73.13 percent growth, Government Goods and Services Not Included Elsewhere (G.N.I.E) rose by 72.73 percent while business services increased by 69.59 percent between the period 2007-08 and 2012-13. The ITES subsector shows continuous growth between 2007 and 2013.

[4] Financial services includes banking, insurance and other related services

© 2017 AESS Publications. All Rights Reserved.

Table-2. India's services export (2007-14)

Sector (US$ billion)	2007-08 (R)	2008-09 (R)	2009-10 (R)	2010-11 (PR)	2011-12 (P)	2012-13 (P)	2013-14(April- June) (P)
Services Exports	90.34	105.96	96.04	132.88	142.32	145.67	36.52
Travel	11.34	10.89	11.85	15.27	18.46	17.99	3.82
Transportation	10.01	11.31	11.17	14.2	18.24	17.33	4.13
Insurance	1.63	1.42	1.59	1.94	2.63	2.22	0.5
G.n.i.e	0.33	0.38	0.44	0.53	0.47	0.57	0.13
Miscellaneous(Total)	67.01	81.94	70.97	100.85	102.51	107.54	27.93
Software Services	40.3	46.3	49.7	55.46	62.21	65.86	16.48
Business Services	16.77	18.6	11.32	24.05	25.91	28.44	7.26
Financial Services	3.21	4.42	3.69	6.5	5.96	4.94	1.72
Communication Services	2.4	2.29	1.22	1.56	1.6	1.68	0.63

(P) –provisional PR- partially revised **R**– revised
Source: RBI balance of payment release on 30.09.2013

3.4. Services Employment

Table 3 shows the sub-sector wise employment in services. Financial service, real estate and business services subsectors are the highest employment providers during 1993-2012. Transport, storage, communication, financial services, real estate and business services subsectors show the highest employment elasticity[5] of 0.5 between 1993-94 and 1999-00. In between 1999 and 2005 India has seen overall GDP growth due to increases in production and employment in almost every sector. Thereafter great recession and subsequent effect have impacted the entire sector badly and caused higher unemployment.

Table 3. Sector-wise employment trends

	Absolute Number (Million) (Share in Percentage Given in Parentheses)					Employment elasticity			
	1993-94	1999-00	2004-05	2009-10	2011-12	1993-94 to 1999-00	1999-00 to 2004-05	2004-05 to 2009-10	2009-10 to 2011-12
Agriculture	204.3 (61.1)	214.7 (58.5)	226.8 (54.5)	220.5 (51.6)	204.4 (47.1)	0.3	0.7	-0.2	-0.5
Industry	53.5 (16.0)	61.7 (16.8)	81.0 (19.5)	93.1 (21.8)	106.1 (24.4)	0.4	0.9	0.3	0.9
Services	76.6 (22.9)	90.6 (24.7)	108.0 (26.0)	113.7 (26.6)	123.9 (28.5)	0.3	0.5	0.1	0.5
Trade, hotels, and restaurants	26.8 (8.0)	34.1 (9.3)	46.5 (11.2)	48.4 (11.3)	50.5 (11.6)	0.4	0.8	0.1	0.3
Transport, storage, and communication	11.0 (3.3)	15.0 (4.1)	18.7 (4.5)	19.9 (4.6)	22.8 (5.2)	0.5	0.4	0.1	0.6
Financial, insurance, real estate and Business services	3.7 (1.1)	4.8 (1.3)	7.5 (1.8)	9.4 (2.2)	10.7 (2.5)	0.5	1.6	0.4	0.6
Community, social, and personal services	35.1 (10.5)	36.7 (10.0)	35.3 (8.5)	36.1 (8.4)	39.9 (9.2)	0.1	-0.2	0.1	1.1
Total	334.4 (100.0)	367.0 (100.0)	415.7 (100.0)	427.4 (100.0)	434.4 (100.0)	0.2	0.4	0.1	0.1

Note: Employment elasticity is calculated by CAGR method, Employment elasticity = (CAGR employment) / (CAGR GDP at FC constant 2004-05 prices) for the respective period. UPS- usual principal status
Source: Ministry of Finance, Govt. of India

3.5. International Comparison of Performance of India's Services Sector

In table 3, we present the performance of the service sector of the 14 other countries along with India. China and India witnessed a very high compound annual growth rate during these years. China is the only country to have 50 percent share of services in its GDP. Among all the countries considered in this study, Spain, India and China show a

[5] Employment elasticity is the growth of employment relative to growth of Economy.

© 2017 AESS Publications. All Rights Reserved.

higher share of service GDP. Significant increase in the share of global employment in services observed during the period 2001 and 2013 while the share of global income from services decreases for the same period.

Between 2001 and 2013 there is an overall increase in the services trade around the world. India and China both have large contributions in the world commercial services export. The USA witnessed a growth in the world commercial export during 2013 whereas both India and China have the reserve trends. China is the highest recipient of the FDI followed by the India. Both China and India receives increasing FDI inflow in the services sector.
India's position in trade in services for the year 2014 is shown in table 4:

Table-4. India's position in trade in services in 2014

Group of countries % GDP	Rank
SAARC	1
Asian	20
commonwealth	14
G20	5
World	62

Source: World Bank

Table-5. International Comparison of performance in services

Country	Rank in GDP		Services growth rate			Share of services						Services export growth		
	Overall	Services	(percent) Y-o-Y		CAGR	In GDP		In employment		in total exports		(percent) Y-o-Y		CAGR
			2001	2013	2001-13	2001	2013	2001	2013	2001	2013	2001	2013	2001-13
US	1	1	2.1	1.7	1.8	77.6	78.6	75	81.2	27.2	29.5	-3.6	5	7.7
China	2	2	10.3	8.3	10.7	40.5	46.1	27.7	35.7	11	8.5	9.1	7.5	16.5
Japan	3	3	1.3	0.8	0.7	69	72.4	63.9	69.7	13.6	16.9	-6.9	2	7.1
Germany	4	4	3.1	0.1	0.9	68.8	68.4	64.6	70.2	12.8	16.5	5.6	7.8	10.7
France	5	5	2	0.6	1.4	74.7	78.5	69.9	74.9	19.8	29	-0.5	9.7	9.5
UK	6	6	3.4	2	2.2	73.6	79.2	73.8	78.9	30.1	35.1	-0.8	1.5	7.9
Brazil	7	8	1.8	2.1	3.5	67.1	69.4	59.4	62.7	13	13.4	-2.7	-1.7	12.9
Italy	8	7	2.3	-1.3	0.2	70.5	74.4	63.1	68.5	18.9	17.6	2.1	6.1	5.6
Russia	9	10	3.3	2	5.1	55.6	59.8	58.6	62.3	9.9	11	17.3	11.2	4
India	10	11	7.5	6.7	8.7	51.3	57	24	28.1	27.9	32.5	4.8	3.6	20.1
Canada	11	9	3.5	1.8	2.5	65.9	70.4	74.7	76.5	12.7	14.6	-3.6	0	6.2
Australia	12	12	3.7	2.5	3	69.9	69.7	74.2	75.5	21.8	17.1	-8.9	-0.1	9.4
Spain	13	13	4	-1.1	2.3	65.3	73.9	62	74.9	32.2	31.5	6	6.1	8.4
South Korea	14	15	5	2.9	3.7	59	59.1	62.6	76.4	16.3	16.6	-4.9	1.3	15.7
Mexico	15	14	1.1	2.4	3.2	57.7	58.9	56.1	61.9	7.2	4.9	-7.5	21.3	11.8
World			2.5	2.1	2.5	68.8	66	39.1	45.1	19.4	19.8	0.1	5.6	9.9

Source: Ministry of Finance, Government of India

4. IMPACT OF DIGITALIZATION ON INDIA'S MSMES SECTOR

4.1. MSMEs Overall Performances

Figure 2 shows that the growth rate of the MSME production is higher than the total growth rate of GDP and industrial sector during1999 to 2014.

© 2017 AESS Publications. All Rights Reserved.

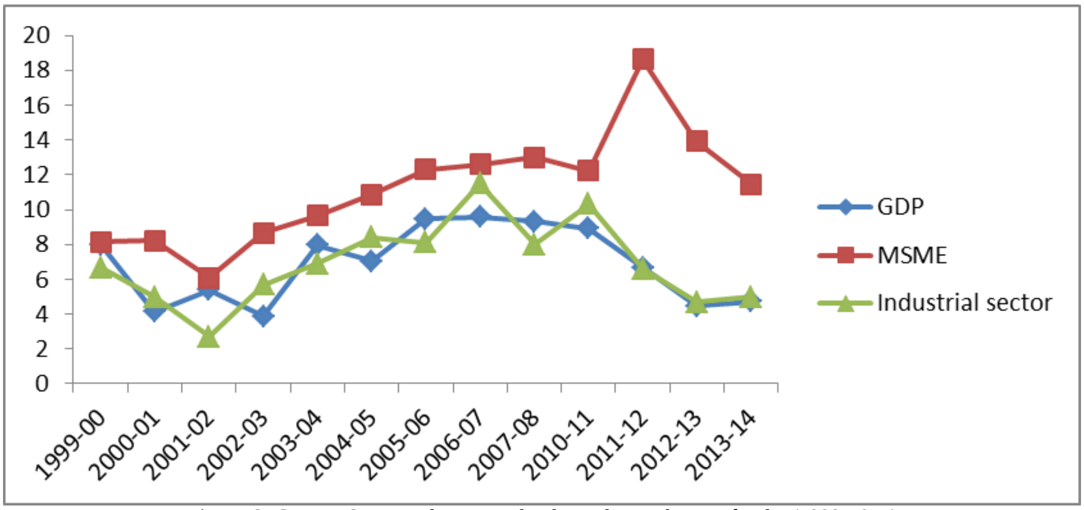

Figure-2. GDP, MSME production and industrial growth rate of India (1999-2014)
Data Source: MSME and Planning commission of India, Government of India

4.2. Alternative Avenues for MSME Financing

Access to finance is one of the major problem faces by MSMEs in the emerging Asian countries. Development in IT and ITES open doors to counterfeit it by the following way.

4.2.1. E-Commerce

E-commerce platform provides a marketing avenue to the SMEs to increase their sells. This platform could be used for different purposes at very cost efficient way like targeting customers, engaging with customers, analysing their preferences etc. Most of the e-commerce sites have detail information about the seller like product details, the demand of the product, sales report, product review etc. This information could be used by the banks to identify potential SMEs loan customers. Therefore, e-commerce platform can be useful for SMEs and also for SME financing.

4.2.2. Crowd Funding

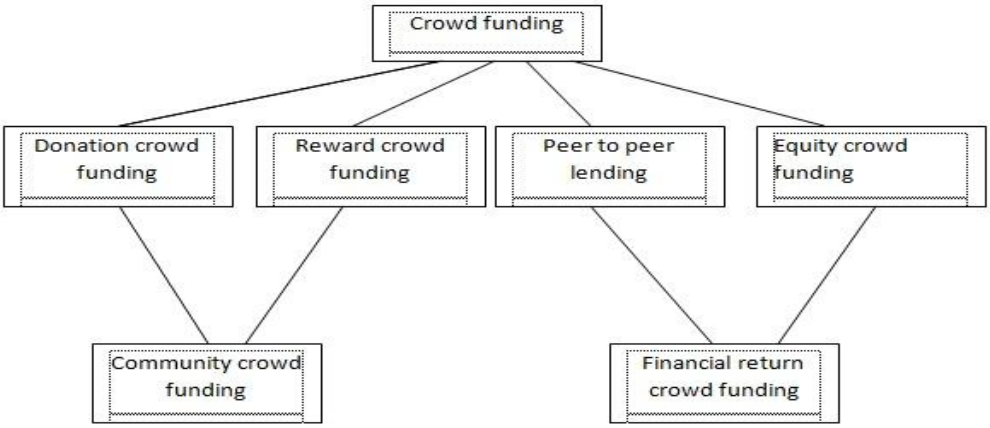

Figure-3. Categories of crowd funding
Source: International Organization of Securities Commissions (IOSCO) staff working paper

"Crowd sourced funding is a means of raising money for a creative project (for instance, music, film, book publication), a benevolent or public-interest cause (for instance, a community-based social or co-operative initiative) or a business venture, through small financial contributions from persons who may number in the hundreds. Those

© 2017 AESS Publications. All Rights Reserved.

contributions are sought through an online crowd-funding platform while the offer may also be promoted through social media"-SEBI[6] *Report.*

Table No.6 shows the various reasons for MSMEs sickness in India as per fourth all-India census of MSMEs. Shortage of working capital contributes around 20 percent which can be mitigated by the crowd-funding.

Table-6. Major reasons for sickness/incipient sickness

Reasons	Proportion of sick units
Lack of demand	41.94%
Shortage of working capital	20.49%
Non – availability of raw material	5.11%
Power shortage	5.71%
labour problems	5.64%
Marketing problems	11.48%
Equipment Problems	3.17%
Management problems	6.46%
Total	100.00%

Source: 4th All India Census of MSME, Ministry of Micro, Small and Medium Enterprises, Government of India

The above discussion justifies that MSMEs development is important for the sustainable development of any country. It can be achieved by preventing the major bottlenecks in MSME sector by adopting latest technology and 'access to finance'.

5. CONCLUSION

The study discusses the effect of digitization on India's services and MSME sector. The performance of the services sector improved significantly since 2000 onwards. Development in IT and ITES digitize and automated the overall business process. This resulted in overall improvement in both manufacturing and services sectors. Development in the manufacturing sector contributed to growth in several service sub-sectors due to ancillary requirement. Advancement in digitization transformed several non-tradable services into tradable. The overall performance of service sector increases during 2000 to 2014 due to digitization. The share of service sectors and contribution of MSME have increased towards GDP, FDI inflow, trade and employment. MSME sector is very important for an economy to achieve a sustainable growth. India's MSME sector is one of the most vibrant sectors. The major issue with MSME is 'access to finance' which is affecting the overall performance of this sector. Despite several obstacles, India's MSME sector is performing well due to the development of IT and ITES which contributed towards reducing several hurdles to MSME credits. Further advancement in IT and ITES can definitely help in developing a strong MSME sector for India by removing further difficulties and providing an alternative platform for MSME financings like crowd funding and E-commerce. In a nutshell, India's service sector and MSME segment have the high potential for future growth with digitization. The inclusive growth of both India's services sector and MSME segment can give a boost to the volume of trade and India's share with the help of digitization.

Funding: This study received no specific financial support.
Competing Interests: The authors declare that they have no competing interests.
Contributors/Acknowledgement: All authors contributed equally to the conception and design of the study.

REFERENCES

Berger, A., S. Frame and N. Miller, 2005a. Credit scoring and the availability, price, and risk of small business credit. Journal of Money, Credit & Banking, 37(2): 191-222. *View at Google Scholar | View at Publisher*

[6] The *Securities and Exchange Board of India* (*SEBI*) is the regulator for the securities market in India.

© 2017 AESS Publications. All Rights Reserved.

Berger, A., N. Miller, H. Nathan, M.A. Peterson, R.G. Rajan and J.C. Stein, 2005b. Does function follow organizational form? Evidence from the lending practices of large and small banks. Journal of Financial Economics, 76(2): 237-269. *View at Google Scholar* | *View at Publisher*

Bhattacharya, D., N. Faiz and S. Zohir, 2000. Policy for employment generation in the informal sector of Bangladesh e A study prepared for the international labour office. Dhaka: Centre for Policy Dialogue.

Chanda, R., 2002. Globalization of services: India's opportunities and constraints. New Delhi: Oxford University Press.

Das, K., 2007. SMEs in India: Issues and possibilities in times of globalisation. In Hank Lim (Ed.), ASEAN SMEs and globalization. Tokyo: ERIA.

Dasgupta, S. and A. Singh, 2005. Will services be the new engine of economic growth in India? Working Paper No. 310. Centre for Business Research, University of Cambridge, September.

Frame, W.S., A. Srinivasan and L. Woosley, 2001. The effect of credit scoring on small business lending. Journal of Money Credit and Banking, 33(3): 813-825. *View at Google Scholar* | *View at Publisher*

Frame, W.S. and L. Woosley, 2004. Credit scoring and the availability of small business credit in low and moderate income areas. Financial Review, 39(1): 35-54. *View at Google Scholar* | *View at Publisher*

Goldar, B.N. and A. Mitra, 2008. Productivity increase and changing sectoral composition: Contribution to economic growth in India. Working Series No. E/291/2008. Institute of Economic Growth.

Johannes, 2015. Available from unctad.org/meetings/en/Presentation/ditc_tncd_2015_d23_Schwarzer.pdf [Accessed 25th July 2016].

Joshi, S., 2007. The main drivers of services growth in India in post globalisation period. In Conference Volume Part-II, 90th Annual Conference of IEA Hazratbal, Srinagar: University of Kashmir. pp: pp. 943–951.

Joshi, S., 2009b. IT and ITES as an engine of growth: An exploration into the Indian experience. Working Paper Series No. E/294/2009. Institute of Economic Growth.

Kaldor, 1967. Strategic factors in economic development. Ithaca: Cornell University Press.

Kuznets, S., 1966. Modern economic growth, rate, structure and spread. New Haven: Yale University Press.

Lal, K., 2007. Information and communication technologies in the context of globalization: Evidence from developing countries. New York: Palgrave Macmillan.

Morris, S., R. Basant, K. Das, K. Ramachandran and A. Koshy, 2001. The growth and transformation of small firms in India. New Delhi: Oxford University Press.

Myers, S. and N. Majluf, 1984. Corporate financing and investment decisions when firms have information investors do not have. Journal of Financial Economics, 13(2): 187-221. *View at Google Scholar* | *View at Publisher*

Petersen, M.A. and R.G. Rajan, 2002. Does distance still matter? The information revolution in small business lending. Journal of Finance, 57(6): 2533-2570. *View at Google Scholar* | *View at Publisher*

Thampy, A., 2010. Financing of SME firms in India: Interview with Ranjana Kumar, Former CMD, Indian Bank; Vigilance Commissioner, Central Vigilance Commission. IIMB Management Review, 22(3): 93-101. *View at Google Scholar*

BIBLIOGRAPHY

Joshi, S., 2009a. The main drivers of services growth in India in post-globalisation period. Growth Theory and Globalisation of India. pp: 275.

Views and opinions expressed in this article are the views and opinions of the author(s), Asian Economic and Financial Review shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.

© 2017 AESS Publications. All Rights Reserved.