

This study examined the lack of access to finance for Small and Medium Enterprises especially Surgical Instruments Cluster located at Sialkot with an intention to propose a set of recommendations to cater the financing problems. For this purpose, in-depth interview technique was used. The population of study consisted of the members of Sialkot Instruments Manufacturers Association of Pakistan.

The sample comprised of nineteen firms, and Small & Medium Enterprises Bank chosen on the basis of Snow ball sampling technique. In-depth Interviews were followed by transcriptions, coding of data under relevant themes through N Vivo. The results of the study found lack of financial data, high interest rates, lack of entrepreneurial skills, Non- availability of Collateral, Legal & Regulatory issues, Government Capacity and non-participation of Institutional investors in the Pakistani Venture capital industry attributed towards lack of financing options for Surgical Instruments Cluster. Following the Triangulation technique Ratio Analysis of seven firms, Analysis of Investment Portfolios of Mutual & Pension funds, Content Analysis of themes, Pearson Correlation Coefficients and Hypotheses testing concluded that firms in Surgical Instruments Cluster were constrained to necessary financing especially Working Capital.

At the end, a set of recommendations have been proposed including launching of Credit Guarantee Scheme, Creation of Mutual Guarantee Association Fund, Subsidized Interest rates, Subcontracting facilities, Stock Exchange for SMEs like NASDAQ, Increased role of Credit Bureaus and Business Associations.