

Role of Financial Institutions in Granting Credit Facilities to Women Entrepreneurs

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ABSTRACT

Entrepreneurial growth is a multifaceted phenomenon. The external expression of this process of personality development is the entrepreneur's productive activity and ongoing effort to sustain and improve it. Crystallization of social milieu from which he comes, family imbibes, mental make-up, personnel attitudes, caste system, educational level are examples of such processes. An entrepreneur is a person who is in charge of starting a business or an enterprise, regardless of their parental career.

In the Indian concept of family network, women are only given a place within the four walls of the home. Women were rarely seen in society and if at all, they were in any member of the family women in India until recently. Enterprising was considered a masculine quality, and women were at the service of male family members who were the bread earners of the family. Women from the upper and middle classes were not meant to work for money, and dhandha was a form of abuse for women who were accused of making money by selling their bodies. Tawaif ka kotha was the only site where women worked for money. The research on women's entrepreneurship is either gender-neutral or gender-biased and gives little attention to their special requirements, despite its growth. Present research focus on Role of Financial Institutions in Granting credit Facilities to women Entrepreneurs

KEYWORDS: *Women Entrepreneurs, Financial Institutions*

INTRODUCTION

In the context of economic growth in fast changing socioeconomic and socio-cultural climates, notably in industry, the words entrepreneur, entrepreneurship, and entrepreneurship have taken on a new meaning in both established and developing countries. This claim is backed up by authoritative evidence from the industrialized kingdom.

Entrepreneurial growth is a multifaceted phenomenon. The external expression of this process of personality development is the entrepreneur's productive activity and ongoing effort to sustain and improve it. Crystallization of social milieu from which he comes, family imbibes, mental make-up, personnel attitudes, caste system, educational level are examples of such processes. An entrepreneur is a person who is in charge of starting a business or an

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enterprise, regardless of their parental career. In truth, he or she is someone who takes the initiative to innovate and strives for great results. He or she is a catalyst for change who works for the betterment of the people. He/she creates wealth by establishing new green-field initiatives. Many job opportunities are created, and other industries expand as a result.

In the case of India, a developing economy, the notion is interpreted differently. In a developing economy, an entrepreneur is someone who starts a business (old or new). Takes risks, faces uncertainty, and executes decision-making and coordination functions as a manager. He also puts the new technologically advanced procedure into action. He is referred to as an entrepreneur even if he imitates any production practice from a developed economy. In

fact, in developing economies, entrepreneurship is a type of labour that directs the rest of the workforce and ensures that it completes tasks.

Object of Study

The objectives of the study are as follows.

- To clarify the concept of women entrepreneurship in the present context.
- Throwing light on the financial institutions available for women entrepreneurs.
- To highlight the funding facilities available to women entrepreneurs by financial institutions.

LITERATURE REVIEW

1. Kapadia and Barodia are a couple (2004)

He said that boosting women's self-employment capacities had become necessary in order to enhance living conditions. Women were frequently the primary economic agents in a poor family's survival. As a result, if women are encouraged to pursue entrepreneurship, they become empowered. They also stated that currently there are successful women entrepreneurs in industries such as electronics, multimedia, and the clothing business, among others. They also said that women entrepreneurs had to deal with a slew of issues.

2. N. Vasugi, M.D. (2007)

The study focuses on the marketing and management of clothing. It also addressed the growth of female entrepreneurs and their collaboration on various garment manufacturing operations, as well as emerging potential in the cosmetic and global markets.

3. Sujata Kumari and her colleagues (2010)

The study's says goal was to look at the issues that rural women entrepreneurs face. It was done with 60 rural women in Rajasthan's rural districts, half of them were entrepreneurs and the other half were not. Women's data was gathered using the interview method. The data on entrepreneurship issues was gathered and examined. According to the findings of the survey, a lack of supportive networks, financial, and marketing issues were the top difficulty areas for rural women entrepreneurs, as well as a major demotivator for other women to start their own businesses.

Research Methodology

Type of Research : Descriptive
 Collection of Data : Primary (by questionnaire) & Secondary Methods
 Sample Area : Rohilkhand region (7 District) (Shahjahanpur, Bareilly, Rampur, Moradabad, Badaun, Bijnor, Sambhal, Amroha, Pilibhit)
 Sample Size : 400 respondents
 Tools of Analysis: Ratio Analysis, Percentage

Concept of Women Entrepreneurs in India

A woman entrepreneur is defined as "an enterprise owned and controlled by a woman and having a minimum financial interest of 51 percent of the capital and providing at least 51 percent of the employment created in the enterprise to women," according to the Indian government. Every great female entrepreneur has a lengthy history of overcoming obstacles the hard way. Despite the fact that the endeavour was difficult, they were able to emerge as independent entrepreneurs.

In the Indian concept of family network, women are only given a place within the four walls of the home. Women were rarely seen in society and if at all, they were in any member of the family women in India until recently. Enterprising was considered a masculine quality, and women were at the service of male family members who were the bread earners of the family. Women from the upper and middle classes were not meant to work for money, and dhandha was a form of abuse for women who were accused of making money by selling their bodies. Tawaif ka kotha was the only site where women worked for money.

Indian women now work in fields, offices, factories, trade organizations, hospitals, colleges, and universities, among other places. Women operated stores, hotels, factories, and organizations are now found here and there in the economic sector, and such women entrepreneurship in India is a reality to be felt and recognised. Women and men are treated equally in our country. We have the same mental rights as men when it comes to funerals. Women in the country have equal legal status, with the exception of restrictions such as personnel laws.

Financial Institution in India

Following are the main division of the promo-tonal agencies, institutions which are engaged in development of general as well as women entrepreneurs in India. These are divided in two categories.

1. Specialized governments
2. Commercial Banks

(i) Specialized Institutions:

The Indian government has put up a number of organizations to support the financial needs of women entrepreneurs as part of its small-scale sector promotion agenda. Under-

1. Small Industries Development Bank of India (SIDBI)
2. Industrial Finance Corporation of India Ltd. (IFCI)

3. The Industrial Credit and Investment Corporation of India (ICICI)
4. National Bank for Agriculture and Rural Development (NABARD)
5. The Industrial Development Bank of India (IDBI)
6. Life Insurance Corporation of India (LIC)
7. General Insurance Corporation of India (GICI)
8. Export-Import Bank of India (EXIM)
9. Khadi and Village Industries Commission (KVIC)
10. Small Industries Development Organization (SIDO)
11. National Small Industries Corporation (NSIC)
12. Unit Trust of India (UTI)

(ii) Commercial banks

Banks have long boosted women's financial inclusion in India. All major public sector banks have established women-centric and women-only credit schemes with lower interest rates and simplified loan conditions for women entrepreneurs. Despite government and PSU Banks' best efforts, women remain away from banks due to societal and cultural impediments. The statistics on women in banking are bleak. With only 24% of operational bank accounts and 28% of deposits, women's participation in the banking sector is not acceptable. Only 12% of individual bank loan accounts belonged to women, showing a gender gap in access to banking services.

Several banks offer exclusive programmes for female entrepreneurs.

Annapura Scheme - This scheme gives women up to Rs 50,000 to start food catering businesses. The 3-year loan is for kitchen basics, gas connections, raw materials, etc.

Stree Shakti- Women entrepreneurs with EDP training can get loans through Stree Shakti. This programme offers loans up to Rs 50 lakh, with cheaper rates for larger sums.

Scheme for Beauty parlours/boutiques - This scheme grants loans up to Rs 10 lakh to set up a saloon, boutique, tailoring centre, or beauty parlour. It aims to stimulate entrepreneurial spirit among women. The financing can be utilized for center setup and daily expenses.

Scheme for self-employed women - This loan can be used to improve or start a business by self-employed women. Maximum loan amount is Rs 5 lakh, with a 5-to-7-year repayment duration.

PNB Mahila Samridhi Yojana - This programme helps women open boutiques, beauty parlours, computer cafés, Xerox businesses, phone booths, etc.

PNB Mahila Udyam Nidhi Scheme - This scheme helps women start small businesses or improve existing ones.

PNB Scheme for financing crèches – This scheme aims to provide financial assistance to women who are keen on setting up crèches. The loan can be used to purchase the necessary materials and to meet any recurring expenditure.

PNB Mahila Sashaktikaran Abhiyan – This scheme provides credit to women who intend to establish small and micro enterprises in the non-farm sector, offering fee waiver and lower interest rate.

PNB Kalyani Card Scheme – This scheme provides loans for women engaged in agricultural, farm or non-farm activities.

Analysis of Data

Analyses of data are as follows

Table No 1: Level of Business

Level of business	No. of Respondents	%
Micro level	383	95.75
Medium level	14	3.50
Large level	3	0.75
Total	400	100

Source: primary data

Above table focus on level of business, Analysis shows that a major portion of women entrepreneur are working as a micro industry. out of total 400 respondents 383(95.75%) are doing micro level business, 14(3.50%) in medium level and only 3(0.75%) are doing large level business.

Table No. 2: Loan providing financial institutions

Financial Institutions	No. of Respondents	%
Commercial Banks	326	81.50
NABARD	23	5.75
SIDBI	17	4.25
Others	34	8.50
Total	400	100

Source: primary data

Above table focus on financial institutions provided loan to women entrepreneurs. Analysis reveals that pout of total 400 respondents, 300(81.50%) are taken loan from commercial banks, 23(5.75%) from NABARD, 17(4.25%) from SIDBI and 34(8.50%) from other available sources. It presents bank is much popular among women entrepreneurs due to wide network of banks.

Table No. 3: Purpose of Loan taken by Women Entrepreneurs

Purpose of loan	No. of Respondents	%
Start Ups	226	56.50
Fixed Assets	53	13.25
Working Capital	44	11.00
Expansion of Business	58	14.50
Others	19	4.75
Total	400	100

Above table focus on purpose of loan taken by women entrepreneurs. Analysis reveals majority of women entrepreneur taken loan for new startups. Analysis also present that out of total 400 respondents 226(56.50%) are taken loan for starting new business, 53(13.25%) are taken for purchase of new fixed assets for business, 44(11%) are taken for working capital, 58(14.50%) are taken for expansion or modernization of existing business enterprise and 19(4.75%) are taken for other purpose.

Table No. 4: Factors consider at the time of Loan

Factors	No. of Respondents	%
Interest Rate	143	35.75
Low Paper Works	57	14.25
Easily Available Financial Institution	76	19.00
Government Plan	124	31.00
Total	400	100.00

Source: primary data

Above table focus on factors consider at the time of loan. Analysis presents that out of total 400 respondents 143(35.75%) consider interest rate, 57(14.25%) low paper works, 76(19%) easily available financial institutions and 124(31%) consider government plan. It presents majority of women entrepreneurs consider Interest rate. Because they says high interest rate will decrease the profit of business enterprises.

Table No. 5: Problems Faced by Women Entrepreneurs at the time of taken loan

Problems faced	No. of Respondents	%
Non Supporting Behavior of Employees	22	5.50
Complex Working System	296	74.00
Non Availability of specialized Financial Institutions in Local Area	68	17.00
Other	14	3.50
Total	400	100.00

Source: primary data

Above table shows problems faced by women entrepreneurs at the time of taken loan. Analysis shows that out of total 400 respondents 22(5.50%) are facing problem of non-supporting nature of employees. They say employees of financial institution are not supported to her. Majority of women entrepreneurs 296(74%) are suffered with very complex working system of granting credit by financial institutions. 68(17%) faced problem availability of specialized financial institutions in local area. According to her only banks are available in local area.

CONCLUSION

Women's entrepreneurship spans different economic sectors than men's due to the gender system. This phenomenon deserves more attention. Current research contradicts this. The research on women's entrepreneurship is either gender-neutral or gender-biased and gives little attention to their special requirements, despite its growth. Finally it can be said that Commercial paper is most popular among women entrepreneurs. Reason for this is easily availability of banks in comparison of specialized financial institution. Banks also offer many schemes for women entrepreneurs. So banks play important role in promotion of women entrepreneurs.

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