

Role of Banks in Development of Women Entrepreneur in India

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Abstract:

Entrepreneurship is gaining importance throughout the world. By the end of 2025 the world will need 600 million jobs. For this we need to improve the level of employment. Entrepreneurship is the only source which can satisfy the need of unemployment. If this has to be dealt with, women entrepreneurs need to come into existence as a women can get self-employed as well as she can give employment to others. Women entrepreneurs' marks balanced growth of society. Nowadays, this is gaining importance in the life of every women. Since a women can look after home and they can provide time for the passion. This also improve their importance in the society as they are making mark in the society. Women entrepreneurs are coming forefront and becoming tycoons by generating employment to the rest of society. They are uplifting the society in their own sense. Government of India realized the importance of women entrepreneur and their importance in becoming self-reliant .Thereby started various schemes to uplift the women by providing various credits. This paper is a genuine effort of the researcher to highlight the financial backing of the various schemes and credits offered by Government of India for women entrepreneurs. The researcher has even thrown light on various comparative structure of scheme available and providing the knowledge of best financial scheme available to grab.

Keywords: Women entrepreneur, Nationalized banks, Employment, Financial assistance & Schemes Introduction:

India has many emerging talents in different sections/sectors of the world. One of them is entrepreneurship. Many Business tycoons are investing in India to uplift the budding talent. India is socially backward in terms of women education and equity. The society is biased regarding the male and female equality. It is having less number of educated women and fewer entrepreneurs. In 2018 India ranked 108 out of 149 as per gender gap report of economic forum.

Despite of being conservative India made very good progress in educating its female population. Currently about 43% of science technology engineering and mathematics (STEM) graduates are women. Due to improvement in the technology women entrepreneurs are putting their foot in the world of entrepreneurship. India is growing technically as budding entrepreneurs are showcasing their talent. Many business tycoons are trying their hands by investing in India. The government of India has initiated” Make in India project”, by encouraging the budding entrepreneurs to the talent pool by making them self-reliant. Every sector of India is on the verge of progress from food industry, beauty, hospitality, travel and tourism, sanitation, Information technology, automobile, education, entertainment, Innovation, project management. Hence improving chances to explore for budding entrepreneurs. The entrepreneurial ventures are not only appreciated by males but are mostly loved by female fraternity. Female entrepreneurs are now leading throughout the world. According to Bain & Company and Google report, in India by 2030 women entrepreneurs will create around 25% jobs required by work-age population. As per the McKinsey Global Institute report India's GDP will be increased by \$770 billion by 2025, if more opportunities were offered to women. The present women contribution to GPD remains 18%. The Government of India is well aware

of the talent of Indian women hence providing them a kick start in the form of various start-up schemes to envision themselves as entrepreneurs.

Research Methodology:

The present research is to study the different Nationalized Bank Scheme's for Women Entrepreneurs. The data for research is acquired from various Secondary data sources which includes the different research articles, magazines and web based articles. Based on this data availability of Women entrepreneur Scheme, the research sample schemes have been selected for further analysis.

Objective :

- To study the different Nationalized Bank Schemes for Women Entrepreneurs
- To make comparative study between the different favorable Schemes based on different criteria's
- To suggest the best Scheme for Budding Women Entrepreneurs

Scope of Research:
The scope of research is limited to Nationalized Bank Schemes only. Research focuses mainly on the comparative study of different Nationalized Bank Schemes and best suited for a budding Women Entrepreneur to excel in the pool. It also focuses on the eligibility and the age group suitable for each scheme to avail. It is beneficial for a budding entrepreneur to know more on the Schemes.

Problems Faced by Women Entrepreneurs:

- 1) Tradition and no definite agenda: The Indian society believes a women can just stay in house. Traditionally Women are not suppose to work out of their homes and earn. So, they lack courage even though they are having potential.
- 2) Absence of balance between home and career: Indian Women are more Family oriented. They do not care about their career. They are focused on family. They seldom look for any career.
- 3) Poor finance / Absence of finance: Indian houses are run by only the males in many houses. Mostly the youngsters. The old one sit home enjoying. So the only source in many houses is a single person who earns less. So a woman cannot take finance from home to start an enterprise.
- 4) Poor Education: Women at an early age are married. They are deprived of education. They lack educational qualities.
- 5) Lack of Confidence: Since the women are less educated they feel they cannot face the world which is much more advance in their view. They feel they could be easily theft by anyone.
- 6) Lack of Skills: The women have lack of skill. They are never exposed to Skill development. Some women who are rich enough lack skills.

ROLE OF BANKS: The main role of Banks is to deposit the money in business enterprise as loans/Schemes and gain money from them in the form of interest. By financing the business enterprise banks increase the economy of the country with multiplier effect in every business sector. There are various methods by which Banks provide loan facility to entrepreneurs such as loan sanction without collaterals, invoice discounting, Depth factoring, Long term loans. Till 2019 1.38 lakh project have been completed by women Entrepreneurs Under Prime Minister's employment generation scheme (PMEG).

MSME-Transforming Homemakers to Entrepreneurs:

In ancient days women were supposed to look after homes. The Indian Society is male dominated Society. Women were suppose to stay inside 4 walls but still the women sitting home were very much talented. They use to do wall paintings, stitching by hands, Weaving making pots etc. The Society never allowed them to evolve as a talent. But in due Course of

time, women started noticing talents in themselves but the main hurdle was finance. With the help of Various Schemes founded by INDIAN GOVERNMENT for women looking at their talents, kicking all the grudges many evolved as a enterprise, Whether Small scale, Medium or Large scale.

Conceptual Framework :

The following Framework discusses the comparative of the different schemes provided by Government of India to Support every women Entrepreneur and to support how to apply.

Some Schemes provided by Government of India and banks are as under

1) Bharthiya Mahila Bank Business Loan: Bharthiya Mahila Bank was started for those women who dream big despite the lack of resources. Bharthiya Mahila Bank provides loan to women entrepreneurs and manufacturing start up for 20 Crores. Under scheme they also provide collateral free loan if loan amount is less than 1 crore. Even Bhartiya Mahila Bank is merged with State Bank of India, the loan scheme that started in 2017 is still active.

2) Mudra Yojana scheme:

Mudra Yojana scheme is helpful for women who want to start or expand a small business of their own. This scheme is not specifically for women but, it can be highly beneficial. Women can seek loan anywhere between fifty thousand to ten lakhs. It is perfect for small business like beauty salons, small shop or home based business. Collateral or guarantor is not needed for this scheme/Loan.

The scheme is divided into three categories:

- Shishu: Maximum loan amount is fifty thousand
- Kishor: Loan amount ranges between fifty thousand to five lakhs
- Tarun: Loan amount ranges between five lakhs to ten lakhs

4) Udyogini Scheme:

The Udyogini scheme is specifically for women lower income background. The family income for this scheme is below 1.5 lakhs per annum. Widowed disabled women have no such upper limit. They can avail loan up to Rs.3 lakhs at low interest. This helps women to start small business and become selfreliant. This scheme was originally started by State Women Development Corporation of Karnataka. Now many banks have implemented this scheme with some variations

5) Cent Kalyani Scheme:

Under Cent Kalyani scheme loans up to Rs.100 lakhs can be sanctioned for women entrepreneurs without collateral or processing fees. Every type of business is eligible for loan except for self help groups, retail trade and educational and training institutions.

6) Mahila Udayam Nidhi Scheme: Mahila Udyam Nidhi Scheme was launched by Punjab National Bank for supporting Small Scale Industries. Loan limit is Rs.10 lakh with repayment tenure maximum of 10 years including moratorium period of 5 years.

7) Women Entrepreneurship Platform:

The Government of India through NITI Aayog has started an initiative called the Women Entrepreneurship Platform. This platform brought women entrepreneurs and sponsors in one place.

Comparative analysis of Schemes provided by Government of India

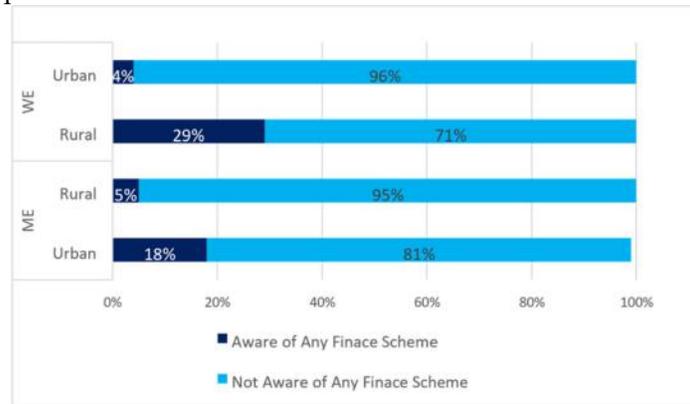
Comparison Criteria	Cent Kalyani (Cental Bank of India)	Stree Shakti Package (SBI)	Shringaar/Annapurna (Bhraratiya mahila Bank)	Synd Mahila Shakthi (Canara Bank)	Shakti Scheme (Bankof Baroda)
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Eligibility	Existing and new women entrepreneurs operating in micro, Small and medium enterprises as per MSME act,2006	Women need to own 51% or more of the enterprise	It covers 20% of persons eligible to receive pension under NOAPS. Age should be above 65 for Annapurna and min 20 years to max 60 years for Shringaar.	Women entrepreneur with adequate knowledge /experience of business activity	Women entrepreneur with >50% ownership of business enterprise
Maximum loan amount	Up to Rs.10 lakh	Up to Rs.50 lakh	Up to Rs.10 lakh for shringaar / Up to Rs 50,000 for Annapurna	Up to Rs.5 crore	Up to Rs.20 Lakh for Retail trade ,education and housing Rs.50,000under micro credit scheme.
Loan Terms	1 year to 7 years	Varies based on loan amount and other factors	7 years Shringaar/3 years Annapurna	Maximum 10 years including moratorium period	Varies based on loan amount and other factors
Interest rates	7.40 %onwards	0.5% below base rate if loan amount exceeds Rs.2 lakh ,otherwise as base rate of bank.	As per banks criteria	0.25% below base rate for loans over Rs.10 lakh ,lesser amount at base rate.	0.25% below base rate for women applicant who are majority stakeholders in the company
Processing Fess	NIL	Varies based on loan amount and other factors	Varies based on loan amount	NIL	NIL
Additional Features	No collateral third party guarantee required. Hypothecation of all stocks and assets created	No security required for loans up to Rs.5 lakhs in tiny sector. No interest concessions	Shringaar features type up with naturals, Cavinkare and Lakme Ltd. Both Shringaar and Annapurna is collateral free and covered Under CGTMSE.	Free credit card No third party guarantee for loans under purview of CGMSE	Micro credit and retail stores are also eligible along with enterprises operating in agricultural and allied sector.
	from banks fund is required as security.	required for advances provided to retail trader			

Awareness of the Government Schemes:

Most of Entrepreneurs have to face problem in grabbing the approval of Loan. Many had to make five Visits to the Bank. The awareness to avail the Schemes is less. According to IFC

report about “Financial Inclusion for Woman-Owned MSMEs in India” Only 17 percent of surveyed women entrepreneurs were aware of Financial Schemes laid by different institutions of the Government of India. In urban area it is 29 percent and in rural area it is just 4percent. Gujrat Women entrepreneurs are well aware of the schemes around 35 percent women are aware of the schemes. Only 13 percent agreed that they availed the scheme .This indicates the awareness among the Women Entrepreneurs is far less in maximum parts of the Country specially MEMS-specific Schemes.



Only small percent i.e. 13% said they sought help from the finance available from the Government.

Economic Census: Economic census is complete enumeration of all establishments in production and in distribution of all Goods and services. In India, Six census have been conducted. In 1977,1980,1990,1998,2005 and 2013(GOI,2016).Till 2030, India will have 1 billion working population.

Labour Force Participation Rate which was just 27% in 2017 with one third of men . Only 14% are run by Women Entrepreneurs according to Sixth Census conducted during 2014. More than 90% run by women are microenterprises . Women account for 17% of GPD. If half of Indian



women were in labour force the annual growth would rise by 1.5 percent point to that of 9 percent point.

India ranked 52 in the MasterCard Index of Women Entrepreneur.

Conclusion:

In Due course of time Indian Women has kicked from the belief of so called 'Chauvinism', by drastically improving her social status by educating and putting their foot in different sectors of growth. From the above studied data analysis, it is found that the number of Women Entrepreneurs have increased in due course of time but there is a still worry of Unemployment. The Women education and employment is must to gain the economical balance. The growth of country depends on the economy of Country. Hence, Maximum Women Entrepreneur should come into existence. Women need to grab the opportunity of all the Nationalized Bank Schemes Laid by the Government of India to improve their status in the society physically and mentally.