

FINANCIAL ASSISTANT FOR WOMEN ENTREPRENEUR

Laxmipriya Mohapatra

Research Scholar

Commerce

Asian International University Imphal, Manipur

Abstract

This paper emphasises how crucial financial support is to empowering female business owners and promoting economic expansion. Tailored financial support presents substantial opportunity for women-led firms, even in the face of particular constraints like low credit availability and gender bias. These issues are addressed by a number of programmes, including mentorship programmes, venture capital funding, and microloans, which empower women to create innovative and long-lasting businesses. Studies verify that financial support for female entrepreneurs results in observable advantages such as the generation of jobs and the mitigation of poverty. Supporting female entrepreneurs also complies with international objectives for economic development and gender equality.

Keywords: Commercial Banks, Financial Institutions, MSME Sector, Women Entrepreneurs, Financial Assistants

1. INTRODUCTION

To meet the financial and non-financial requirements of entrepreneurs, the government is establishing financial institutions at both the federal and state levels. Due to their fragile financial structures, women-owned businesses need financial assistance in order to endure over the long term and remain competitive with larger sectors of the economy.

Around 3.01 million women-possessed organizations represent 10% of all MSME in the country, contribute 3.09 percent to modern result, and give work to 8 million individuals. The vast majority of women-claimed organizations are in the casual sector, around 78% of women-possessed organizations are in the assistance sector, and 98% of women-claimed organizations are miniature endeavors. Despite having funding needs that are comparable to those of male-owned businesses, female-owned businesses experience greater levels of financial exclusion for a variety of reasons. Women's social standing and societal standards influence how financial institutions are seen and how easy it is for female entrepreneurs to obtain financing.

2. LITERATURE REVIEW

Baporikar and Akino (2020). The vital role that financial literacy plays in the success of women entrepreneurs is examined by the survey, financial literacy is crucial for women business owners to successfully manage their funds, make wise decisions, and deal with the challenges of the competitive business world.

Chowdhury et al. (2018). The attitudes of female entrepreneurs regarding their ability to obtain bank financing are examined by the report emphasises how crucial it is for women-owned businesses to have access to financial resources, especially bank loans, in order for them to expand and survive. Yet, due to things like bureaucratic processes, gender prejudices in financial institutions, and collateral requirements, women business owners sometimes encounter difficulties obtaining bank financing.

Ghosh et al. (2018) aims to determine the barriers that prevent female entrepreneurs from obtaining institutional financing. The report lists a number of obstacles, such as a deficiency of collateral, a restricted network of business contacts, and prejudice on the part of financial institutions against female entrepreneurs.

3. FINANCIAL ACCESS FOR WOMEN OWNED BUSINESS

There are 2.79 million unregistered and 325000 enrolled women-claimed MSME in India, as per the sixth MSME overview Registration of Enlisted and Unregistered MSME Report 2022-2023. Their requirements for working money, speculations, and advances or credit for long haul resources make up their financial interest. In terms of funding demand, SMEs lead the way. It is predicted that women-owned businesses will need 8.10 trillion Indian Rupees in total debt, and 2.59 trillion Indian Rupees in equity.

Regardless, as per the MSME Report 2022-23, the all-out conventional financing conceded to women-possessed organizations in 2023 was around 2.69 trillion Indian Rupees. This amount is made up of money from a variety of financial organisations, including self-help bank linkage initiatives, public sector banks, and non-banking financial businesses. Below is a list of the funding that various financial institutions have released to women-owned MSME: -

Table2: Various institutions provide financing to women-owned MSMEs

Source	Financing Supply Share
Public sector banks through microcredit	35

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Public sector banks to small scale industries	40
Prime Minister's Rozgar Yojana	1
Swarna Jayanti Shahari Rozgar Yojana	2
Swarna Jayanti Gram Swarozgar Yojana	5
Private sector banks	18
Foreign Banks	6

4. INSTITUTIONAL CREDIT FOR WOMEN ENTREPRENEURS

It's basic to perceive that the absence of financial projects and plans pointed toward supporting women entrepreneurs isn't the main variable adding to India's financial gap. These female entrepreneurs get both immediate and backhanded help from financial institutions and other financial foundations to assist them with expanding their pay and business levels. For example, the focal government presented the Rastriya Mahila Kosh program in 1993 to address the credit needs of low-pay women utilized in the customary or sloppy sectors who can't get credit from financial institutions. To help women entrepreneurs in sending off their own organizations, the public authority additionally sent off the Seed Capital Plan, which is upheld by associations like the Directorate of Businesses, Khadi and Town Ventures Board, and Little Enterprises Institutions.

5. FINANCIAL SCHEMES FOR WOMEN ENTREPRENEURS

In order to close the financial gap in this industry, the Indian government aims to promote women-owned businesses' participation in financial support programmes. Here, a few of the schemes are examined.

- **Credit Guarantee Fund Scheme**In May 2000, the government launched the Credit Guarantee Fund Scheme for small and medium-sized enterprises (SME) sectors. The plan intended to give credit to little and medium-sized endeavors (SSI) and permitted them to get up to Rs 25 lakhs without requiring insurance security or outsider assurances. The Public authority of India and IDBI together settled the Credit Assurance Asset trust for Little Ventures (CTGSI), which is responsible for administering the drive.
- **Bharatiya Mahila Bank Scheme** is the one launching this programme, which gives women businesses access to term loans and working capital up to Rs 20 crores. There

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is a specific credit programme available for daycare facilities and home cooking establishments. The credit guarantee fund trust for MSME insures loans up to Rs 1 crore since the bank does not require collateral.

- **Akshaya Mahila Arthik Sahay Yojana** Bank of Baroda is launching this initiative to provide working capital restrictions on both moveable and immovable assets as well as term loans.
- **Scheme for Professional and Self-Employed Women** Oriental Bank of Trade, which offers term credits with a limit of Rs. 500000 and working capital limits of Rs. 100,000 for a five-to seven-year residency, is supporting the arrangement.
- **Dena Shakti Scheme** Dena Bank offers working capital and term loans under this programme, with a maximum amount of two million Indian rupees.
- **Marketing Fund for Women** This programme, which is supported by SIDBI, is to help organisations and women entrepreneurs who are promoting their products to expand their reach in both home and foreign markets.
- **Mudra Yojna** The Micro Units Development Refinance Agency (MUDRA) Bank was established on April 8, 2015, with the goal of fostering the growth of micro units and provide financial support to the small, non-corporate business sector in India. When it comes to lending to microunits with loan requirements ranging from Rs. 50,000 to Rs. 10 lakhs, MUDRA Bank offers refinancing to banks, MFIs, NBFCs, and other entities. Three products—Shishu, Kishor, and Tarun—have been introduced by the Mudra Bank as part of the Mudra Yojana to denote the financial requirements and growth stage of entrepreneurs.

6. CONCLUSION

In India, the extent of female entrepreneurs is rising rapidly. the error among accessibility and interest for financing women-possessed organizations. Consequently, to advance women-possessed organizations, the bureaucratic and state legislatures have laid out various financial institutions and given a scope of projects pointed toward reducing the financial weight on these entrepreneurs. An itemized conversation of establishment wise loaning to women-claimed organizations is given to give a total image of the financial assist that women with canning access.

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