



A CONCEPTUAL STUDY ON PROBLEMS FACED BY WOMEN ENTREPRENEURS WHILE AVAILING CREDIT SUPPORT FROM MSME

Archana Pawar

Asst.Professor, SDSM College, Palghar

Shweta Trivedi

Asst.Professor, SDSM College, Palghar

Introduction:

It has been quoted by *Hillary Clinton* that "Women are the largest untapped reservoir of talent in the world" with this quote we can understand the incredible capability that a woman holds. With a pinch of encouragement and essence of guidance, tribal women can be on the journey of success in any domain and field.

"Empowerment of and investment in girls are key in breaking the cycle of discrimination and violence and in promoting and protecting the full and effective enjoyment of their human rights." - United Nations.

In Maharashtra, India, women's entrepreneurship is extremely important for supporting inclusive development, innovation, and economic progress. In addition to outlining the significance of women entrepreneurs, this introduction explores the definition and development trends of women entrepreneurship in Maharashtra and the obstacles that these individuals encounter, particularly with regard to obtaining MSME financing facilities.

Maharashtra's socioeconomic fabric is enriched by the diverse contributions of women entrepreneurs. They aid in the production of money, jobs, and community empowerment. Additionally, women-run companies frequently place a high priority on sustainable business practices and social effects, which is in line with worldwide trends towards ethical entrepreneurship. Within the multifaceted economy of Maharashtra, women entrepreneurs contribute their distinct viewpoints, inventiveness, and fortitude, propelling innovation and competition throughout many industries. Women entrepreneurship is the establishment and administration of companies by women, spanning a range of sectors and company types. Women entrepreneurs in Maharashtra priorities community development, sustainability, and social effect in addition to financial gain.

Some Examples of Successful Women Entrepreneurs:

Maharashtra boasts a wide range of accomplished female entrepreneurs who are making noteworthy contributions in multiple industries. For instance, the founder of "Trestle Labs," Akshita Sachdeva, provides assistive technology that allows blind and visually impaired people to access any type of content from any location, whether it is digital, handwritten, or printed. Through bamboo artistry, Saloni Sancheti, the originator of "BAANSULI - Bamboo Artisan Socio-Economic Up liftment Initiative (Baansuli)," aims to improve communities and empower craftsmen. Co-founder of "Where Are India's Children" (WAIC), Smriti Gupta also strives to address problems pertaining to children's care and education throughout India. The variety and significance of women-led enterprises in Maharashtra's entrepreneurial ecosystem are exemplified by these instances.

Background of MSME Credit Facilities:

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of India's economy, contributing significantly to employment generation, innovation, and economic growth.



Understanding the role of MSMEs and the evolution of MSME credit facilities is crucial for comprehending their impact on entrepreneurship and business development.

Define MSMEs and their Role in the Economy:

MSMEs are business types classified according to how much they invest in machinery and/or plant. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 establishes these classifications in India. MSMEs are essential to the growth of entrepreneurship because they create chances for small enterprises to prosper, encourage innovation, and support regional development.

Category	Manufacturing Sector (Investment in Plant & Machinery)	Service Sector (Investment in Equipment)
Micro Enterprise	Up to Rs. 1 crore	Up to Rs. 50 lakhs
Small Enterprise	Rs. 1 crore to Rs. 10 crore	Rs. 50 lakhs to Rs. 2 crore
Medium Enterprise	Rs. 10 crore to Rs. 50 crore	Rs. 2 crore to Rs. 10 crore

Credit Facility:

To provide the micro and small business sector with collateral-free finance, the Indian government introduced the finance Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE). Under the system, both new and established businesses are eligible for coverage. The Credit Guarantee Fund Scheme for Micro and Small Enterprises was put into action by the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which was founded by the Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI). The program went live on August 30, 2000, and it began to operate on January 1st, 2000. As of March 31, 2010, the Government and SIDBI had contributed a total of Rs. 1906.55 crore to the Trust's corpus, with the Government contributing the largest portion of the CGTMSE fund 4:1. According to the MSE Package, by the conclusion of the eleventh plan, the corpus must increase to Rs. 2500 crore.

Eligible Credit Facility:

The credit facilities that fall within the purview of the initiative include working capital and term loans up to Rs. 100 lakh per borrowing unit, given to micro and small businesses, whether they are new or already established, without the need for collateral or a third-party guarantee. Assistance with rehabilitation provided by the lender may also be covered under the guarantee scheme for units covered by it that become ill due to circumstances outside of management's control. Notably, even if the loan facility is larger than Rs. 50 lakh, it may still be covered by the scheme; however, the guarantee cover will only be granted for credit assistance up to Rs. 50 lakh.

The borrowing unit must obtain the loan facility from a single lending institution, which is another crucial provision of the system. If additional qualifying requirements are met, the unit that has already received assistance from the State Level Institution, NSIC, or NEDFi may be covered under the plan for the credit facility obtained from a member bank. Coverage under a plan run by the government or other agencies will not extend to any credit facility whose risks are also covered by said scheme.

Evolution of MSME Credit Facilities in India and Maharashtra:

There have been major changes in the evolution of MSME loan facilities in Maharashtra and India throughout the years. MSMEs first relied on traditional banking channels to obtain financing but faced obstacles such as stringent collateral requirements, protracted approval procedures, and restricted accessibility.



Loans Guarantee Program: Programmes such as the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) encourage banks and other financial institutions to lend to small firms by offering MSMEs loans without the need for collateral.

Interest Subsidy Plans: Various interest subsidy plans allow MSMEs to obtain loans at a lower cost, increasing their affordability and accessibility.

Technology-Based Platforms: By simplifying the borrowing procedure, Fintech and digital lending institutions provide MSMEs with quick and easy loan solutions.

In Maharashtra, the state government has also started implementing targeted programs to assist MSMEs. These programmes include offering incentives, subsidies, and infrastructure support to encourage business expansion and entrepreneurship.

The emergence of MSME credit facilities is indicative of a deliberate attempt to better serve MSMEs' financial needs, support their expansion, and increase their economic impact.

Benefits of MSME Schemes to Women:

Women's Empowerment: MSME initiatives are essential for enabling women to participate fully in society, the economy, and politics. These programmes help women entrepreneurs to take charge of their own destiny, boost their confidence, and make significant contributions to decision-making processes by giving them access to resources, opportunities, and a supporting network.

Financial Inclusion: MSME programmes work to increase financial inclusion by providing financial services to female business owners who might not have had easy access to regular banking avenues. Their financial stability is enhanced by this inclusion, and it also makes them more resilient to shocks and uncertainties in the economy.

Economic Development: Women entrepreneurs' active involvement in MSME programmes promotes macro- and microeconomic development. Micro-level: Women-owned enterprises boost local economies, produce revenue, and open up employment chances. On a larger scale, their contributions contribute to GDP growth, sectoral diversification, and overall economic resilience.

MSME- Transforming Homemaker to Entrepreneur:

Women are the backbone of society, and when they are empowered, everyone benefits. The Ministry of Micro, Small, and Medium Enterprises (MSME) is fostering the growth of female entrepreneurs by providing several programmes that enable women to discover their potential and forge their own identities. Since the Prime Minister's Employment Generation Program (PMEGP) Scheme's start until January 23, 2019, women entrepreneurs have established 1.38 lakh projects. About 30% of all projects under the PMEGP are initiated by female entrepreneurs.

Women entrepreneurs are covered under the scheme's Special Category and are eligible for 25% and 35% subsidies, respectively, for projects established in urban and rural regions. Women beneficiaries contribute only 5% of the project cost on their own, compared to 10% for the general category. Women entrepreneurs have established 30437 projects under the KVIC Khadi Program between 2016 and 2017, and 85,305 lakh Rupees in margin money have been disbursed for these projects.

Along with MSME, the Indian government has implemented a number of initiatives to support women's safety and empowerment. The welfare of the female population in India has increased thanks to initiatives like Bhartiya Mahila Business Bank Loan, Dena Shakti Scheme, Udyogini Scheme, Cent Kalyani Scheme, Stand Up India, Mission Indradhanush, Mudra Yojana Scheme, Mahila Udyam Nidhi Scheme, Annapurna Scheme, Stree Shakti Package for Women Entrepreneurs, and many more.

Current Facilities of MSME Government Schemes Availed by Women:

1. Mahila Udyam Nidhi Scheme:

- I. **Qualifications:** Female entrepreneurs who are between the ages of 18 and 55 are qualified. Women should hold the majority of the shares in the company and run it.
- II. **Application Process:** Through participating banks or designated financial institutions, women entrepreneurs can submit an application. A thorough business strategy, financial forecasts, and other pertinent paperwork must be submitted.
- III. **Benefits:** At discounted interest rates, the program offers term loans, working capital loans, and credit facilities as forms of financial assistance. Additionally, it provides management and technical support through workshops and training programmes.
- IV. **Impact:** By facilitating company growth, increasing competitiveness, and facilitating better access to financing, the Mahila Udyam Nidhi Scheme has greatly helped women-led enterprises in Maharashtra.

2. Prime Minister's Employment Generation Program (PMEGP):

- I. **Eligibility:** Female entrepreneurs who are at least eighteen years old are eligible to apply. The applicant should not have received any prior government support or subsidies for the same business, and the business must be in the MSME sector.
- II. **Application Procedure:** Candidates may submit their applications online via the PMEGP portal or through specially authorized Maharashtra nodal organizations. They must turn up a thorough project report, KYC paperwork, and evidence of their ownership or collaboration in the company.
- III. **Benefits:** For establishing new businesses or growing current ones, PMEGP provides financial support in the form of bank loans and margin money subsidies. Depending on the type of business (general, SC/ST, women, etc.), different subsidy rates apply.
- IV. **Impact:** By enabling the formation of numerous women-led businesses in Maharashtra, the PMEGP plan has encouraged entrepreneurship and created job possibilities.

3. Stand-Up India Scheme:

- I. **Qualifications:** Women entrepreneurs belonging to Other Backward Classes (OBC), Scheduled Tribes (ST), or Scheduled Castes (SC) are eligible to apply. The industry that the company should be in is either manufacturing, trading, or services.
- II. **Application Process:** Eligible candidates may submit their applications online via participating banks or the Stand-Up India portal. Candidates must include information about their project strategy, financial predictions, and company proposals.
- III. **Benefits:** The program offers term loans as financial support for new greenfield enterprises and brownfield projects (extension of existing ventures). Concessions on interest rates and other benefits are also provided.
- IV. **Impact:** By giving women entrepreneurs from underprivileged communities in Maharashtra access to money, encouraging self-employment, and promoting economic emancipation, the Stand-Up India Scheme has empowered them.

Review of Literature:

- I. **Women's Entrepreneurship:** Research has repeatedly demonstrated the increasing significance of women's entrepreneurship in achieving gender equality, innovation, and economic growth (Brush et al., 2020). Studies have looked into the barriers that women experience while starting their own businesses, as well as successful techniques (Brush & Hisrich, 2021). Studies that have focused on Maharashtra have

- looked at how networking, financial access, and cultural norms affect women's entrepreneurial endeavors (Chaturvedi et al., 2019).
- II. **MSME Credit Facilities:** The literature pertaining to MSME credit facilities emphasizes its vital function in providing assistance to small businesses, particularly those headed by women (Arunachalam & Kumar, 2018). Studies have examined the effects of credit availability on financial sustainability, investment choices, and business expansion (Raju & Raju, 2020). Studies explicitly examining how women businesses in Maharashtra use and benefit from MSME financing initiatives, however, are rather scarce.
- III. **Government programmes:** To help MSMEs and encourage entrepreneurship, a number of government programmes and programmes have been launched, with an emphasis on women beneficiaries (Gupta & Bansal, 2019). Studies have assessed these programs' implementation, results, and difficulties and highlighted the need for focused assistance and legislative changes (Kaur & Kaur, 2021). Comprehensive research on the effects of government initiatives on women entrepreneurs in Maharashtra is nevertheless required.

Scope and Limitations of the study:

Scope:

- The present study aims to analyze the motivations, challenges, strategies, and success factors of women entrepreneurs in Maharashtra, with a particular focus on various sectors and areas.
- Assessment of Credit Facilities for MSMEs: evaluating women-owned enterprises in Maharashtra's access to, use of, and impact from MSME lending programmes, finding areas for development and obstacles to overcome.
- Case Study Methodology: Maharashtra's case study enables a more detailed understanding of the state's policy environment, women entrepreneurs' ecosystem, and the relationship between MSME support systems and women entrepreneurs.
- Policy recommendations: To improve women's entrepreneurship and MSME credit accessibility in Maharashtra, policy proposals and strategic interventions are put forth based on empirical findings and gaps in the literature research.

Methodology:

Objectives:

1. To find out the hindrances faced by women in the path of empowerment.
2. To study the awareness of MSME credit schemes among women.

Research Design:

The research design is a strategy or blueprint that plans the action to carry out through the research project. The exploratory research design and qualitative research methodology are the foundation of this work.

1. Data Collection & Selection:

II. Secondary Data:

- **Literature Review:** To offer a backdrop and pinpoint knowledge gaps, an existing literature review, research papers, and reports on women entrepreneurs, MSME loan facilities, and government initiatives in Maharashtra are reviewed.
- **Government Reports:** Examining official reports, policy papers, and program assessments concerning the growth of MSME's, financial inclusion, and the economic empowerment of women in Maharashtra

Outcome

1. Growth of Women Entrepreneurship:

- The study's goal is to understand the patterns, motivators, and obstacles affecting the expansion of women-owned businesses in Maharashtra.
- Several important issues will be covered in this analysis:
- a. **Sectoral analysis:** identifying the industries in which women entrepreneurs are most active and investigating the causes of sectoral preferences.
- b. **Regional Variations:** This study looks at how women's entrepreneurship is developing in different parts of Maharashtra, taking into account things like the gap between urban and rural areas, the degree of economic development, and the accessibility of infrastructure. Comparing the growth patterns of women entrepreneurs in Maharashtra with national trends might help identify areas of convergence and divergence.
- c. **The projected results** are expected to offer a comprehensive comprehension of the environment that fosters women's entrepreneurship in Maharashtra, emphasizing prospects for expansion, aspects that require enhancement, and possible legislative measures.

2. Effectiveness of MSME Credit Facilities:

- The purpose of the study is to evaluate the efficiency of MSME credit facilities in Maharashtra for women-owned enterprises, including loans, subsidies, and guarantees.
- This review will include a thorough analysis of a number of different factors, including:
 - a. **Loan Utilization:** Examining the degree to which female entrepreneurs get credit lines, use money for their businesses, and oversee loan repayments in order to determine how well they use MSME credit facilities.
 - b. **Repayment Rates:** Examining the characteristics that affect loan repayment performance, default rates, and the repayment habits of women-led enterprises that obtain MSME financing.
 - c. **Business Outcomes:** Assessing how MSME lending programmes affect business outcomes including expansion, profitability, the creation of jobs, and sustainability among female entrepreneurs.
Anticipated results will help comprehend how MSME lending empowers women businesses by tackling financial constraints, and facilitating business expansion and innovation.

3. Impact of Government Schemes:

- The study will evaluate how government initiatives affect women entrepreneurs' access to capital, company expansion, and socioeconomic empowerment in Maharashtra.
- Several important areas of analysis will be included in this assessment:
- a. **Scheme Utilization:** This study looks at how much use women entrepreneurs make of government programmes, including awareness levels, application rates, and usage trends for various programmes.
- b. **Awareness Levels:** Examining the degree of knowledge among female entrepreneurs about the various government initiatives, recognizing obstacles to knowledge, and evaluating the success of marketing campaigns. The purpose of this assessment is to determine how well government programmes work to improve women entrepreneurs' socio-economic empowerment, business growth, employment possibilities, and access to financing.
The expected results will give important information to stakeholders, practitioners, and policymakers regarding the results and efficacy of government interventions.



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