

# WOMEN ENTREPRENEURSHIP : A STUDY ON FINANCIAL AID AWARENESS

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**Abstract :** Unemployment in developing countries like India continues to rise, leaving many talented and skilled youth without opportunities. Promoting entrepreneurship, especially among women, has emerged as an effective solution for economic empowerment and national development. Women entrepreneurs play a vital role in capital formation, innovation, and employment generation. Although women today increasingly venture into business, they continue to face several challenges, particularly financial constraints. The Government of India and various financial institutions have introduced numerous schemes such as the Annapurna Scheme, Stree Shakti Package, Dena Shakti Scheme, Udyogini Scheme, Cent Kalyani Scheme, and Mudra Yojana to support women-led enterprises. However, awareness and utilization of these schemes remain limited.

This study examines the awareness level of women entrepreneurs in Cochin City regarding financial schemes designed for them and identifies the factors contributing to their lack of awareness. The research adopts a descriptive and analytical design, using primary data collected from 60 women entrepreneurs through a structured questionnaire and secondary data from journals, reports, and websites. Findings highlight key obstacles faced by women entrepreneurs, including inadequate financial support, limited family backing, gender-based barriers, and restricted access to information about available schemes. The study underscores the need for better dissemination of information, policy intervention, and strengthened support mechanisms to enhance women's participation in entrepreneurship.

**IndexTerms - Women Entrepreneurship, Financial Schemes, Government Support, Entrepreneurial Awareness, Cochin City, MSMEs, Women Empowerment.**

## INTRODUCTION

In a country like India, unemployment rate is shooting up. Talented and skilled young people find themselves shut in house. An important way to address this dilemma is the revolution of these people into successful entrepreneurs. An entrepreneur is one who can give new meaning and shape to life. The need for entrepreneurship is crucial for many developing countries. The people who own and run these businesses are known as entrepreneurs. Entrepreneurship contributes to a country's economic growth and development. It results in capital formation in an economy. Innovation, creativity, risk taking etc. are the fundamental

components of entrepreneurship. Initially men dominated this field. But now many women have created their own space in the economy as entrepreneurs.

In India, women are encouraged to start their own business enterprises. The planning commission of India has identified that the economic development of our country is not possible without the active contribution of women as they are the better half of the society. There are several successful women entrepreneurs in this world. Madam C .J Walker was the first self made millionaire in the United States. After her several other women showed up. In India, Indira Nooyi, CEO and chairperson of PepsiCo, is one among the most successful global entrepreneurs. Anisha Singh (CEO and founder of Mydala.com), Aditi Gupta (founder of Menstrupedia), Jaya Jha (co-founder of Pothi.com) etc are examples of other successful entrepreneurs in India. In spite of these success stories, finance to support their venture stand as a stumbling stone. This paper studies various financial schemes introduced by government and other agencies to support them. Their awareness towards these schemes is also studied.

Women entrepreneurs are becoming the strong pillars of the economy. Still there are various factors that hinder their efforts. This mainly involves lack of finance, competition in the similar field, lack of support from family, constant fear of adopting something new, male dominated society etc. Lack of funds for proper running of the business is a serious issue. It is not only for women entrepreneurs but for all entrepreneurs in general. With this rapidly moving conditions price of services, basic raw materials etc are increasing. The absence of not having a parallel increase in their revenue is a problem. Banks have started giving loans at lower rates to female entrepreneurs to support them. Various schemes are also introduced by Government of India and other funding agencies. But majority women are unaware about these schemes. The full-fledged growth of women entrepreneurs is not possible without their family support. There are women who either start business or continue the family businesses. The support received from family is a major motivation for them. This study mainly focus on the financing side.

### **OBJECTIVES**

- To find out various schemes introduced by government and different agencies for supporting women entrepreneurs.
- To identify those schemes used by women entrepreneurs.
- To find out those schemes not used by women entrepreneurs and its reason.
- To suggest ways to improve their knowledge about various schemes unveiled.

### **SCOPE OF THE STUDY**

In this study major schemes for supporting women entrepreneurs are studied and their awareness level towards the scheme is also checked. The scope of the study extends to women entrepreneurs in Cochin City. Number of women entrepreneurs showed up an increasing rate in a metropolitan city like Kochi. This study mainly focuses on small and medium scale women entrepreneurs.

## METHODOLOGY

### Research Design:

The study adopts a descriptive and analytical research design. It describes the characteristics of women entrepreneurs in Cochin and analyzes their awareness and usage of financial schemes.

### Population and Sample:

The population comprises women entrepreneurs operating in Cochin City. A sample of 60 women entrepreneurs was selected using convenience sampling.

### Data Collection:

**Primary Data:** Collected using a structured questionnaire administered to women entrepreneurs.

**Secondary Data:** Obtained from journals, government reports, textbooks, and official websites.

### Tools for Analysis:

Data were tabulated and analyzed using bar charts, pie charts, and simple percentage analysis to interpret awareness levels and usage patterns.

## THEORITICAL FRAMEWORK

### Schemes empowering women entrepreneurs in India

The last few years witnessed the growth of women entrepreneurs in India. Now they aren't confined to the four walls of their house. Most of them aren't interested to work under someone; instead they are leaving corporate jobs to create their own space to have voice.

For starting an enterprise the first necessity is capital. There are several financial institutions, banks, companies, that offer financial assistance and loans that are specially designed for women entrepreneurs. Thus India can be viewed as a place with high fertility for women entrepreneurship. The central and state government also provide various schemes for empowering women entrepreneurs. This chapter deals with various schemes offered by government, banks and other funding agencies to support women entrepreneurs.

Following are the schemes offered by government of India that are flexible and collateral free loans with less interest rate:

### Trade related entrepreneurship assistance and development scheme [TREAD]

The ministry of micro, small and medium enterprises [MSME] is offering this scheme for promoting the women entrepreneurs. It empowers women entrepreneurs by providing counselling, information and trade related training. Government grants upto 30 percentage of the loan by banks to a maximum of 30 lakhs under this scheme. The government launched this scheme during 11<sup>th</sup> plan. This scheme aims at empowering women by developing their entrepreneurial skills in non-farm related activities. This scheme has three major components;

- The first category involves granting upto 30 percentage of the project's total cost. This is mainly provided to Non-government organizations for promoting and supporting women entrepreneurship. The balance 70 percentage of the cost of project is financed by various lending agencies as loan for carrying out the activities of the project.

- The second category involves granting upto 1 lakh towards training institutions for providing training to women entrepreneurs.
- The third category involves granting upto 5 lakhs to the national institution for entrepreneurship development and other institutions for carrying out research studies, field surveys, for making evaluation studies etc.

### **Rashtriya Mahila Kosh [RMK]**

Rashtriya Mahila Kosh was established in the year 1993. This is a national level organization set up under the ministry of women and child development. In informal sector, it offers micro credit to women without collateral. This organization provides loans and other assistance to intermediary organization's and it lends the same to self help group. Under this scheme no collateral is needed if the amount of loan is below 1 crore. If the loan amount is more than 1 crore, then 10 percentage of the sanctioned amount must be provided in the form of fixed deposit as security by the borrowing organization. An individual woman entrepreneur is provided 50,000 rupees for income generating processes.

### **Stand Up India Scheme**

This scheme was launched on 5<sup>th</sup> April 2016 by Narendra Modi, the honorable prime minister of India. This scheme mainly focuses on empowering women entrepreneurs and entrepreneurs from scheduled caste and scheduled tribe. This scheme helps both new start ups and existing start up which has formed recently. Women entrepreneurs get about 10 lakhs to 1 crore as loan under this scheme. Enterprises in either trading, manufacturing or service sector are provided loans.

### **Mudra yojana scheme for women**

Government of India formed this scheme to enable women to start their own enterprise and to become more self sufficient. No collateral is asked for availing loan. After verifying necessary details the beneficiary of the scheme is given a mudra card which is like a credit card that can be used to purchase necessary materials for business purposes. The scheme has following three forms;

- a. Shishu- The maximum amount is 50,000 rupees under this scheme.
- b. Kishor- In this form an enterprise can get loans between 50,000 and 5 lakh.
- c. Tarun- Well established and successful companies can avail loans upto 10 lakhs for further expansion.

### **Credit guarantee fund scheme**

This scheme was introduced by the government of India in May 2000 for the small industries with the aim of making credit available to small scale industrial units especially for tiny units. It provides a loan upto 25 lakhs without any third party guarantee. No collateral is required. For women entrepreneurs the maximum guarantee limit is 20 lakhs and the guarantee cover is fixed up to 80% of the credit granted.

Banks have realized the potentials of women and support their efforts through various schemes in achieving their dreams. Some of the most important schemes for supporting women entrepreneurs are as follows;

### **State bank of India**

The schemes were initially provided by state bank of Mysore. But after merging with SBI the schemes are now given by state bank of India. There are mainly two schemes for supporting women entrepreneurs;

a) Annapurna scheme

This scheme aims at offering loans upto 50,000 to women for establishing food catering units to sell packed snacks, meals etc. The amount so obtained as can be used to by raw materials, utensils and other kitchen tools and for working capital needs. Loans can be paid in installment for 36 months. However the beneficiary does not have to pay EMI for the first month. But under this scheme a guarantee is also required along with business assets pledged as collateral security.

b) Stree shakti scheme

Under this scheme loans can be availed by women entrepreneurs who have had their entrepreneurship development training. Loans upto 50 lakh can be availed with low interest rate. To qualify for this scheme an enterprise should have more than 50% of its share capital held by women entrepreneurs. If the loan amount is more than 2 lakhs a discount rate of interest at 0.50% is provided.

**Oriental bank of commerce**

Oriental Bank of Commerce has designed the following schemes to help women in setting up their own Beauty Parlour or Saloon;

a) Scheme for self employed women

This loan is mainly used for the purpose of purchasing fixed assets required to start a business. The loan amount is limited to 5 lakhs. The repayment has to be made between a periods ranging from 5 to 7 years.

b) Scheme for Beauty parlour / Boutiques

A loan upto 10 lakhs is provided to setup beauty parlours / saloons / boutiques. The loan availed can be used for setting up the center and meeting daily expenditures.

c) Orient Mahila Vikas Yojana Scheme

This scheme is provided to those women who hold 51 % share capital in a concern. A loan without collateral security ranging from 10 lakhs to 25 lakhs is provided in the case of small scale industries. The repayment period is 7 years with a concession of 2% on interest rate.

**Bank of Baroda**

One loan scheme is provided by Bank of Baroda - The Akshaya Mahila Athik Sahay Yojana to help the women entrepreneurs to achieve their dreams. This scheme is focused mainly on women entrepreneurs in cottage industries, retail trade etc.

**Dena Bank**(Dena Shakti Scheme)

Under this scheme loans can be availed at RBI directions. Loan can be availed for Micro Small and Medium Enterprises (MSMEs), Agriculture, Housing, Retail Trade etc. A special interest rate of 0.25% is allowed to borrowers, which is less than the prevailing rates.

### **Small Industries Development Bank of India(SIDBI)**

Providing short term lendings and refinancing facilities to industries are the major purposes of SIDBI. It functions for promoting the growth and development of the Micro Small and Medium Enterprise (MSME) sector and also for coordinating the activities of the institutions in similar areas.

### **Tamil Nadu Mercantile Bank Limited**

Mahila's Loan is provided by TMB for supporting women entrepreneurs. The loan amount is limited to 10 lakhs which is to be repaid within 7 years.

### **Punjab National Bank(PNB)**

Various schemes include;

#### 1. PNB Mahila Udyam Nidhi Scheme:

This scheme provides to women entrepreneurs to start new ventures. It mainly focuses on small scale sector. Loans upto 10 lakhs is provided under the scheme. The repayment has to be made within 10 years.

#### 2. PNB Schemes for financing crèches :

This scheme helps women entrepreneurs to setup crèches. The loan amount is used to buy necessary materials and to meet daily expenses.

#### 3. PNB Mahila Sashaktikaran Abhiyan

This scheme aims at providing loans to women entrepreneurs to set up micro enterprise in non-farm sector with less interest rate.

#### 4. PNB Mahila Samridhi Yojana

This scheme aims at providing assistance to women entrepreneurs to setup beauty parlours, telephones booths, boutiques etc.

5. PNB Kalyani Card Scheme :Women entrepreneurs in farm, agriculture and non- farm activities are benefited under this scheme.

### **Udvogini Scheme**

This scheme is provided by Sind and Punjab bank. This scheme aims at helping women entrepreneurs in retail, agriculture and small businesses to get loans at low interest rate. Maximum loan amount is 1 lakh. But the income of family is also considered and 45,000 per annum for SC/ST woman are set.

### **Cent Kalyani Scheme**

For setting up of new ventures and for modifying existing one, the central bank of India has designed these schemes for women in medium enterprises, self employed women, retail business etc. can avail loans under this scheme. No collateral is asked in this scheme. Maximum granted amount is 100 lakhs.

### **ICICI Banks: Empowering Women through Economic Independence**

ICICI bank has launched this scheme to help underprivileged rural women in India. Unsecured loans are given for setting up enterprises.

## **Bharatiya Mahila Bank**

This scheme mainly focuses on helping under privileged women in setting their own ventures. On 31<sup>st</sup> March 2017, this scheme was merged with SBI. For manufacturing enterprises loan upto 20 crore is provided. Loan upto 1 crore can be availed under the credit guarantee fund trust for micro and small enterprises. The interest rate is fixed as 10.25% as base rate and an additional rate of 2%.

In Kerala there are several measures adopted to support women entrepreneurs.

**The Kerala State Woman's Development Corporation Ltd. (KSWDC)** is functioning for empowering women in Kerala. It came into force in 1988. The statistical profile shows that Kerala is a model state of India in terms of employment, education etc. except in gender related matter. Women had no voice earlier. During its initial stages from 1988 to 2009, KSWDC focused on providing financial assistance to female entrepreneurs to set up their own business enterprises for attaining economic independency in their family. Later on they took several measures to empower women entrepreneurs through education, training etc. for overall development of woman in society.

There are various other schemes offered to women entrepreneurs to support them in achieving their dreams;

## **National Credit Guarantee Trustee Company Ltd. (NCGTC)**

National Credit Guarantee Trustee Company Ltd is a private limited company incorporated under the Companies Act 1956. It was established by the department of financial services, Ministry of finance on 28<sup>th</sup> March. It is a wholly owned company of government of India which acts as a common trustee company for multiple credit guarantee finance.

## **Ernst and Young supporting women entrepreneurs**

The EY foundation is working in India for supporting the female entrepreneurs to be successful and to raise their standard of living. That is why women entrepreneurship are considered as a holistic approach to development of villages in India.

## **Empower: Accelerator for Women in tech**

'Empower' which is India's first tech accelerator for women entrepreneurs has been the most oppressed section of our country with regard to control over resources .

## **Support to Training and Employment Programme for Women (STEP)**

Since 1986-87 Support to Training and Employment Programme for Women has been initiated by the Ministry as a 'Central sector scheme'. The scheme primarily focuses on providing skills that give competencies and employability to women who are of 16 years and above across the country benefits from this scheme. The scheme provides the grant to organizations including NGO's and institutions directly and not the states. This scheme provide assistance in imparting skills related to competencies in the areas like tailoring, handlooms, stitching, agriculture, food processing, horticulture, handicrafts, IT and computer enable services along with skills required at the work place such as hospitality, spoken English etc. and also soft skills.

### **Support for Entrepreneurs and Managerial Development**

Entrepreneurial development and managerial development training programs have been provided by Micro Small and Medium Enterprise (MSME). Its main aim is to encourage entrepreneurs among SC/ST woman and physically disabled group for which no fee is charged.

### **District Industry Center Scheme**

The major goal of this scheme is to set up industries in rural areas with population below 1 lakh. This scheme enables women entrepreneurs to start their own ventures in rural and semi urban areas. Financial assistance is provided to those industries whose machinery does not exceed 2 lakhs. 30% of the said amount is provided for backward people and 20% in the case of general category people are allowed as seed capital from the District Industries Centre.

### **Maan Deshi Foundation- Women's Bank**

This scheme aims at providing finance to women entrepreneurs to expand their ventures. It also focuses on creating customized and new credit products and services for rural women entrepreneurs. It also provides various insurance schemes and banking services especially digital banking. It also represents concerns of rural woman at the international and national level for banking and financial inclusion.

## **TESTING OF HYPOTHESIS**

**H<sub>0</sub>:** Women entrepreneurs in Cochin have adequate awareness about government and financial schemes available to them.

**H<sub>1</sub>:** Women entrepreneurs in Cochin do not have adequate awareness about government and financial schemes available to them.

### **Test Result**

The findings show that **only 30%** of the respondents are aware of the schemes, while **70% lack awareness**. This indicates a clear majority of women entrepreneurs do not possess sufficient knowledge about existing schemes.

### **Conclusion**

Since the proportion of unaware respondents is significantly higher, the null hypothesis (H<sub>0</sub>) is **rejected** and the alternative hypothesis (H<sub>1</sub>) is **accepted**.

**Therefore, women entrepreneurs in Cochin do not have adequate awareness of the schemes available to them.**

## **FINDINGS**

The study was conducted to know the various schemes available for financially supporting women entrepreneurs and the awareness level of women entrepreneurs towards the various schemes introduced by

Govt. of India, banks and other funding agencies. Data was collected and analysed with the help of questionnaire. The finding arrived at are as follows;

- According to data collected from 60 respondents, 53% of them belong to an age category of 40-50 and only 7% of the respondents were above 50 years of age.
- 83% of the women entrepreneurs are married and 4% of them are widows.
- 37% of the respondents have higher secondary education and 10% of them are post graduates.
- 27% of respondents run textile shop and stationary shop. 23% of respondents run beauty parlours. 10% of the respondents run hotel and catering centre.
- 60% of the respondents have small scale business. 17% of them have micro enterprise and 23% have medium enterprise.
- 58% of the respondents have rented units. 42% of the respondents have their own units. Majority of the respondents have rented business units.
- 60% of the respondents have monthly income between the range of 15000-30,000. 17% of the respondents have income level between the range of 30,000-60,000 and below 15,000.
- 50% of the respondents are house wives. 27% of them were private firm employees earlier and 3% of the respondents were doing other profession.
- 46% of the respondents started business to support family and 7% out of interest.
- 67% of the respondents employ less than 5 workers. Only 3% of the respondents employ more than 10 employees.
- Various economic factors affecting the running of the business were studied. Lack of finance is the major problem faced by 58% of the respondents and 5% of them have low risk bearing ability.
- Social factors affecting the business were studied. 50% of the respondents are affected by clash between family and business and 8% faces gender difference.
- Other factors were also considered. 40% of the respondents are feared of failure and 18% face difficulty on account of legal requirements regarding getting loans.
- 47% of the respondents have high priority for finance and only 3% of the respondents have low priority of finance.
- 40% of the respondents require finance for making payment of rent and wages and 17% for buying land and building.
- 47% of the respondents require funds often and 3% are rarely in need of funds.
- 33% of the respondents raise funds through loans from banks and 12% of them uses own funds.
- Only 30% of the total respondents are aware of the schemes introduced for supporting female entrepreneurs. Remaining 70% of them are not aware of these schemes.
- Out of 18 respondents 67% has availed funds from Mudra yojana scheme. 17% of the respondents availed Annapurna scheme and 11% used stree Shakti scheme.

- 43% lack of education of the respondents is the reason behind unawareness and lacks of access to services are a problem for 9% of the respondents.
- 67% of respondents out of 18 have received funds less than 50,000 and 5% of them between the ranges received 10- 20 lakhs.
- It was difficult to obtain funds for 50% of respondents and 17% of them find it very difficult to obtain funds.
- Lack of awareness about the details of the schemes constitutes a constraint for 50% out of 18 respondents and requirement of too many documents were found as a constraint by 6% of them.
- 67% of respondents out of 18 felt medium level of strictness in procedural formalities. 11% of the respondents felt high level of strictness in procedural formalities.
- 67% out of 18 respondents have fully utilized the funds for business purposes and 33% have not completely spent funds on business purpose.
- 44% out of 18 respondents are moderately satisfied about the interest rates of schemes and 6% of the respondents are extremely satisfied.
- 44% of the respondents out of 18 are moderately satisfied about the Services Received from Govt. and Other Funding Agencies and 6% of the respondents are extremely satisfied.
- 53% of the respondents rarely made efforts to know about the schemes unknown to them. 34% of the respondents sometimes made efforts to know the unknown schemes.
- 63% of the respondents expect entrepreneurial training programmes and consultancy services are expected by 7% of respondents.

## RECOMMENDATIONS

Based on the findings some recommendations are made which is as follows;

- It was found that the schemes were not known to some women entrepreneurs. So it is necessary to provide adequate information about these schemes to them
- Govt. and other scheme providers have to give more publicity to these schemes so that the beneficiaries get aware about the same.
- The scheme providers may also conduct some awareness classes about these schemes and make the women entrepreneurs aware about its benefits.
- The women entrepreneurs also expect services other than finance. So it is necessary to identify their needs and help them accordingly.

## CONCLUSION

Women entrepreneurs are now contributing towards GDP of our country. The growth and success of these women is a model for other women also. Instead of being shut in house they are now actively involved in making their ideas and talent flourish. Female entrepreneurs are showing more interest in getting other women enter into this area. The success stories of these women entrepreneurs are motivational.

But insufficient finance to carry out the business often hinders their growth. Various schemes are offered to support them. This study aimed at studying the schemes introduced for helping women entrepreneurs financially and the awareness level of women entrepreneurs towards the same. Annapurna scheme, Mudra yojana scheme, Stree Shakti package, Bharatiya mahila scheme, Dena Shakti scheme etc. were the main schemes under study. The study revealed that only 30% of the respondents were aware of those schemes. This shows that majority of the women entrepreneurs are not aware about the schemes offered. This is to be taken as a serious problem. In order to support women entrepreneurs these schemes have to be publicized more. Only then they receive its benefits and become successful.

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