

Abstract

With the advent of entrepreneurship, a key hurdle seems to be entrepreneurial venture financing as many financial institutions want to finance the right candidates for startups or funds injection. The main objective of this study is to assess loan utilization and repayment problems faced by the rural women entrepreneurs. It focuses on loan utilization in perspective of productive and Nonproductive use by the female borrowers. Therefore, this study will aim to identify the dark side of entrepreneurial financing. It will aim to develop understanding and shall help the policy makers to close the loopholes regarding such financial schemes so that Government can actually achieve the goal of women empowerment in letter and spirit. Qualitative approach was used by means of conducting interviews and the reasoning was twofold as one the sample population was not that much educated to complete interview surveys and second that it gives better insights. Furthermore, this was far more convenient and the findings were true in nature as the rural population normally takes filling in forms as taboo. In total 30 interviews were conducted from women loan borrowers and were asked various questions regarding the specific utilization of the said loans. As predominantly these loans were. This study shows that rural women borrowers of the loan they not get any advantage of microfinance because they are not properly use that loan amount. Results shows that no personal motivation to borrowed loan. Mostly the loans are taken to support their families and that actually contributes to a lot of the families becoming unable to return as no revenue generation occurs. Short training experience of microfinance lending firms is also a factor in very less number of women starting new businesses from microfinance loan. The study falls under the category of microfinance programs in perspective of loan utilization but it establishes a deeper problem that needs to be addressed. As micro-financing and entrepreneurial financing is not the issue, the main problem is the utilization of these loans. As both positive and negative aspects are faced by women in rural areas in terms of loans from MFI's as the utilization and return becomes a major problem for them. Another key implication is that since it's a male dominated society majority of the loans were issued in name of the women borrowers for utilization by father, brother, husband and any other significant male in her family.