



## The status and role of SBI in financing young entrepreneurs for success of make in India

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### Abstract

Make in India is a goal, vision, and mission of honorable Narendra Modi prime minister of India to make India stand distinct with its identity as a collaborative and cooperative partner for mutual benefits for the investor and host country –India. The research problem of the study is to assess the contribution of the state bank of India to the practical philosophy of “serv kulumbh kin” the whole world is one & family. They are lined and bonded with interdependence. Indian demographic profile reflects more than half of the population is within the range of 15-30 years. Every one of them has one mouth to eat two hands to work and produce and services and amenities. The youth is to give opportunities to use their talent, capabilities, skill, and knowledge. The research study in its investigation found that SBI’s status and role as a financier to youth project “startup” ‘the analysis is based on SBI report related to financing SME and micro industries. The result is encouraging that there is a direct relationship of financing of SBI to sick industries by using their potential and making them viable and contributors to the economic program of the country. This can be practicable and can be applied in other developing economies in procuring growth, development, and prosperity of the country in record time. The universality of the idea still needs an acid test in exposing the truth that mark’s knowledge, skill, and value have their roots in Indian culture.

**Keywords:** potential viability, make in India, entrepreneur, and finance

### Introduction

Make in India an economic development program was launched by the honorable Narendra Modi prime minister of India in 2014. This program is focusing on creating India's remarkable place in the International finance market. It's an invitation for foreign capital to help young ventures in the country, by establishing, collaborating, and providing capital. Another prospect is new technology and machines to produce goods in India by using local talents and semi-skilled human resources which are available in plenty at low cost. Such initiatives provide a platform for young entrepreneurs and encourage them to generate employment opportunities. The current scenario motivates the youth "don't ask for services in the government sector but provide job to others by establishing your own business and industrial enterprises". India's half of the population is in the 20-59 age group, who are enriched with young talents and innovative skills. We need to organize and utilize these human resources in the best possible ways by harnessing them optimally.

The golden word of the former president of India, APJ Abdul Kalam Azad “*Youth are not useless but they are used less*”

MII is a dream project under which the government is emphasizing on making a call for international investors and creating an environment for marketing ideas to fit such requirements of economic schemes. Thus, the Government is promoting startups to establish new enterprises to accomplish the goal, they need finance. Consequently, SBI has several schemes to support young enterprises, and all the resources should be utilized with the vision of sustainable development. SBI is nurtured in the field of agriculture since 1955. The role of SBI has been shifted from giving loans, collecting deposits to enhance the economic development of the country, and contribute by

sanctioning loans for the new ventures so that there may emerge a balanced growth between agriculture and micro industries and creating employment opportunities to the youngsters. Potentially viable small and medium industries can become prosperous by a little support. SBI is also coming forward with educational and skill-building efforts in the mindset of the people, to eliminating poverty and bring a social change.

The most substantive part of the make in India project is establishing new enterprises by youth. Now the question is who will finances loans to startups because they don't have any big thing to pledge as security. Further, their success becomes doubtful in the eyes of the financiers.SBI grant loans to technically qualified, trained, and experienced would-be entrepreneurs. There are three ways of financing assistance under the young entrepreneur scheme. :-

1. Term loan
2. Working capital
3. Equity fund financing.

The core field of HRM is training and development, if trained workforce are placed well it will increase their efficiency to approved loan to deserving enterprises which reduce the non-viable or rejection rates. Each aspect is responsible for success MII *Make in INDIA* □ *entrepreneurship* □ *financing new project plus viable* □ *manufacturing* □ *sustainable development of the industries* □ *promoting economic growth of the country* SBI is rendering financing services mainly in agriculture, micro enterprises, and the social sector from the last four decades. Young venture needs support and sustainability so that they may not pass through the slow death.

In this study, it is assumed that there will be no change in promotional policies for new enterprises in the future. There will be ease in accessibility of loans at less rate of interest

charged on them.

**Research Problem**

Make in India, is holding an important position in the development of the economy. The primary objective of this research study is to determine the role of SBI in granting loans to non-viable enterprises. State-wise, this contributes to making in India a success.

The inductive method of research has been applied using secondary data which is validated and analyzed. The study is sound in collecting data, putting in tubular form with explanation and interpretation.

**Review of Literature**

Puneet Aneja (2016) pointed out that “India should stop taxing terrorism, improve infrastructure, reform labor laws, investment in skill development, liberalized govt. policies etc.” Saridhi Goyal, Prabjhot Kaur, Kanwal Preet Singh(2015) they also stated that favorable climate, the assistance of financial services, relax and favorable policies are essential ingredients of MII mission are worth pursuing.

**The objective of the study are**

1. To study the role of SBI in Make in India.
2. To examine the present role of entrepreneurs availing loan facilitates state wise.
3. To evaluate potentially viable industries as per SBI norms.

**The Proposed methodology used in the research work:-**

This research is based on secondary data and analysis of tables & their interpretations as published in SBI reports.

**Hypothesis**

1. H0=SBI has no role in supporting sick enterprises.  
H1= SBI does an important role in rearing and supporting sick enterprises.

**Validation of data:** The data is collected from SBI reports bear authenticity. The following table depicts the position of the sick enterprise. These enterprises can be successful by disinvestment of capital and adopting the proper investigation produces for reconciling of non-viability.

**Table 1:** Viability position of Sick Micro and Medium Enterprises as the End of March Name of the Bank- State Bank of India 2016 (Amount In Crores)

State	Sick micro & small enterprise				Sick medium enterprises			
	Potentially viable		Non-viable		Potentially viable		Non-viable	
	No. of unit	amount	No. of unit	amount	No. of units	amount	No. of unit	amount
Andhra Pradesh	57	1.93	415	9.11	16	83.31	1	8.14
Madhya Pradesh	00	00	1626	9.64	00	00	00	00
Puducherry	00	00	6	11.16	1	0.28	2872	56.34
Uttarakhand	00	00	406	8.74	00	00	00	00
Maharashtra	7203	316.8	5389	157.2	19	70.95	13	11.88
Tamil Nadu	52	50.75	5205	123.79	00	00	6	11.16

(Sources-Sbi.Co.in)

**Interpretation**

Maharashtra has the highest no. 7203 unit’s potential viable units which show there is a need for rectification of errors that lead towards slow death in micro business and medium enterprises. Andhra Pradesh holds 57 units most potentially viable state is the probable reason for non-viability-can be lack of future vision and marketing strategies. Uttarakhand shows 406 units that are non-viable, the reason behind that can be attributed may be the economic climatic conditions of the State. Tamil Nadu has the second largest number of non-viable units which is not a good indication for the development of the economy because the training and development programs of the workforce should be executed for enhancing business performance.

**Hypothesis Testing:** SBI plays an important role in caring for and supporting potential viable industries.

**Table 2:** Disposal of MSE loan application Name of bank: State Bank of India 2016 Sep’

State	No. of Application	Sanctioned	Rejection
Andhra pradesh	10454	10135	188
Madhya pradesh	7343	4393	1995
Puducherry	91	91	0
Uttarakhand	1278	1228	19
Maharashtra	4011	3939	7
Tamil nadu	1481	1228	19

(Sources-MSME.GOV.IN)

% of sanction application

1. Andhra Pradesh hold-20%
2. Madhya pradesh-9%
3. Puducherry-0.18% no rejection of applications
4. Uttarakhand-2.52%
5. Maharashtra-8.1%
6. Tamil nadu-2.52%

**Interpretation**

After all investigations, Andhra Pradesh is one of the states where 20% of applications are approved. It indicates Andhra Pradesh has a lot of apprehending entrepreneurial potential to go ahead with the economic development of the state.

All the sanction of the SBI loan has been sanctioned up to 9% of Madhya Pradesh. That is 4393, as M.P is known for its handicraft and tribal art it could be a reason for getting the second-highest sanctioned application.

In the case of Puducherry, it is found that all the applications are sanctioned and there were few rejections. The reason behind such a condition could be the fair business record and good trade relations with other states.

Uttarakhand business performance is appreciable because few applications are rejected.

Maharashtra is an industrial hub and deals in international business. 3930 application are sanctioned which indicate small enterprises are blooming towards foreign trade.

Tamil Nadu is enriched in all the resources, there are 1228

Applications which are sanctioned which shows good infrastructure and good promotional policies of the state.

### **Discussion**

Renewal of sick enterprise can become an important part of the success of Make in India. They can become potentially viable by using funds judiciously. The government needs to analyze the problem of sickness in enterprises. We have to execute a good vision for the optimization of the return balance by investing in different assets and standard working capital. Success depends on lacuna for some probable reason like shortage funds, cut-throat competition, entry of foreign market, change in technology, and unskilled workforce. We looking towards hire trained employees by chasing the right change management and continuously adjusting to economic and technological changes.

### **Suggestions**

There are some suggestion which can apprehend the role of potential viable industries in MII are-

Women represent half of the population of the country, they should give the responsibility of MII success by participating as women entrepreneurship. This is possible only when our workforce is fully trained and specialized in their fields. Overall there is a need of producing goods and resources of international standard to win the heart of the consumer, on the other side business responsibility is to maintain a fair credit record to be a good client in the eyes of the financier which reduces the rates of rejection of the loan.

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