

Support and Policy of Government for Women Entrepreneur

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Abstract

This paper is attempted to identified various problem faced by women entrepreneur in India and how Indian government support women entrepreneur with various policy launched by Indian government and Indian banks.

Women are assumed to be an inexperience, unqualified, untrained, house lady only. The Government has taken few steps to ensure that women are properly educated, informed and guided about entrepreneurship and the countless opportunities it has to offer. Here is what the Government is doing to help women start their own businesses. The banks also have micro-credit units which provides doorstep services to rural women. Similarly for SBI's Stree Shakti Package, security is waived for loans up to Rs. 5 lakh for industrial units.

The most important problem which is faced by women entrepreneur is financial support, there are many government scheme which helps women for providing financial support like Annapurna Scheme, Cent Kalyani Scheme, Dena Shakti Scheme, Mahila Udyam Nidhi Scheme, PNB Mahila Samridhi Yojna, Scheme for Financing Creches, PNB Kalyani Card Scheme, PNB Mahila Sashakti karan Abhiyan etc.

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Introduction:

Women entrepreneurs are key of success for any developing country particularly in terms of their contribution to economic development. Not only India but all the developed countries like USA and Canada etc. Compared to other countries the development of women entrepreneurship is very low in India. The educated women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Despite all the social hurdles, Indian women entrepreneurs stand tall from the rest of the crowd and are applauded for their achievements in their respective field. One factor for their success is government support .This paper focuses on government support and policy for development of women entrepreneurs,

Indian government has taken various step for the support and growth of women entrepreneur. One of the biggest problem for women entrepreneur is finding financial support, Indian government launched various policy for providing finance for women entrepreneur

It's a known fact that success doesn't happen overnight. Things take time; it demands hard work and enthusiasm. In the process to start their own work, women entrepreneurs face a number of challenges that can get in the way of their growth. They counter various issues of acceptance not only from the family and society but also in the corporate world where they go through prodigious hurdles. Here are listed few challenges that every woman faces in her career and how they can tackle it:

Entrepreneurship was once considered a man's domain, but the tide has shifted: More than 9 million U.S. firms are now owned by women, employing nearly 8 million people and generating \$1.5 trillion in sales, according to 2015 data from the National Association of Women Business Owners.

Indian government has launched various policy for the support of women entrepreneur as well as launched various training programme for their growth and development. Number of women entrepreneur are increasing day by day due to government support.

Support and policy of government for women entrepreneur

Empowering women, giving women enough opportunities to show their worth, is the major concern of the government right now. From **Indrani Nooyi, CFO of Pepsicoto Shahnaz Hussain, owner of the biggest herbal cosmetics industry** in India, India has many women entrepreneurs who are shining in the corporate

world. More women are joining the world of business and entrepreneurship day by day. In her movie, English Vinglish, Sridevi showed that how everyday things that women do, like making ladoos, can help them open big business chain.

All they need is proper inspiration, training and promotions. The Government has also taken a few steps to ensure that women are properly educated, informed and guided about entrepreneurship and the countless opportunities it has to offer. Here is what the Government is doing to help women start their own businesses. The banks also have micro-credit units which provides doorstep services to rural women. Similarly for **SBI's Stree Shakti Package, security is waived for loans up to Rs. 5 lakh** for industrial units.

Some banks like State Bank of India (SBI) and Canara Bank have special cells for women entrepreneurs. Besides consulting, these cells provide training, counselling and at times avenues for showcasing and marketing their products.

The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment. List of various schemes launched by Indian government and banks.

1. Stree Shakthi Package for Women Entrepreneurs

The Stree Shakthi Package is applicable for those entrepreneurs who run small businesses with **50% of firmownership**. Women entrepreneurs who have pursued Entrepreneurship Development Programmes (EDP) organized by state level agencies are only eligible for this loan. Under this scheme, you will get all the necessary assistance for establishing your business. **Interest concession of 0.50%** can be availed only if you obtain a **loan above Rs. 2 lakhs under** this scheme.

This is for women entrepreneur, And for the purpose of identifying "Women Entrepreneurs" businesses, the definition **recommended by the MSME Department of India** will be applicable. As per definition, a Women Entrepreneur business is "A small scale industrial unit / industry related service or business enterprise managed by one or more women entrepreneurs in proprietary concerns or in which she/they individually or jointly have a **share capital of not less than 51% as partners /shareholders/Directors of Private Limited Company/Members of Co-operative Society**.

Thus, women entrepreneurs or women entrepreneur business in retail trade, manufacturing or services are eligible for the scheme. Also, Women professionals like Doctors, Beauticians, Architects and Chartered Accountants can avail loan under the Stree Shakti package.

Amount of Loan in the form of term loan or working capital can be provided under the **Stree Shakti package**. The quantum of loan provided would be based on the borrower profile and the following guidelines:

- **Retail traders: Rs. 50000 to Rs.2 Lakhs**
- **Business enterprises: Rs. 50000 to Rs.2 Lakhs**
- **Professionals: Rs. 50000 to Rs.25 Lakhs**
- **SSI: Rs. 50000 to Rs.25 Lakhs**

As the package is aimed at Women Entrepreneurs, concessions or relaxations in margin is in-built into the scheme along with low floating rate of interest, linked to the base rate of the bank.

Collateral Requirement: No collateral is required for loan of up to Rs.10 lakhs, extended to MSME enterprises owned by Women Entrepreneurs. Further, loans to women entrepreneurs of up to Rs.100 lakhs that can be covered under the CGTMSE scheme also requires no collateral. However, collateral is a must for any loan above Rs.1 crore or based on the borrower profile.

Documents Required

1. Proof of identity: Voter's ID card/ Passport/ Driving License/ PAN Card/ signature identification from present bankers of proprietor, partner or Director (if a company).
2. Proof of residence: Recent telephone bill, electricity bill, property tax receipt/ passport/ Voter's ID card of proprietor, partner or Director (if a company).
3. Proof of business address
4. Proof of Minority
5. Last three years balance sheets of the units along with income/sales tax returns etc.
6. Memorandum and articles of association of the Company/ Partnership Deed of partners etc.
7. Assets and liabilities statement of promoters and guarantors along with latest income tax returns.
8. Rent Agreement (if business premises on rent) and clearance from pollution control board if applicable.
9. SSI registration if applicable.
10. Projected balance sheets for the next two years in case of working capital limits and for the period of the loan in case of term loan.
11. In case of takeover of advances, sanction letters of facilities being availed from

existing bankers/ Financial Institutions along with detailed terms and conditions.

12. Profile of the unit (includes names of promoters, other directors in the company, the activity being undertaken, addresses of all offices and plants, shareholding pattern etc.

13. Last three years balance sheets of the Associate/Group Companies (If any).

14. **Project report** (for the proposed project if term funding is required) containing details of the machinery to be acquired, from whom to be acquired, price, names of suppliers, financial details like capacity of machines, capacity utilization assumed, production, sales, projected profit and loss and balance sheets for the next 7 to 8 years till the proposed loan is to be paid, the details of labour, staff to be hired, basis of assumption of such financial details etc.

15. Review of account containing month wise sales (quantity and value both), production (quantity and value), imported raw material (quantity and value), indigenous raw material (quantity and value), value of stocks in process, finished goods (quantity and value), debtors, creditors, bank's outstanding for working capital limits, term loan limits, bills discounted.

16. Photocopies of lease deeds/title deeds of all the properties being offered as primary and collateral securities.

17. Position of accounts from the existing bankers and confirmation about the asset being Standard with them (In case of takeover).

18. Manufacturing process if applicable, major profile of executives in the company, any tie-ups, details about raw material used and their suppliers, details about the buyers, details about major competitors and the company's strength and weaknesses as compared to their competitors etc.

2. Annapurna Scheme

The Annapurna Scheme has been launched with effect from 1st April, 2000. The Annapurna Scheme is for those women entrepreneurs who are running individual business or partnership firms. The main motive of this scheme is to provide financial support to the female business owners for establishing food catering unit. These business loans for women can also be used as working capital for purchasing utensils, water filters and other kitchen equipment required for food business. You need a guarantor for securing this type of loan. The interest rate for these loans is applicable as per the prevailing rates. For securing this loan, you need to submit assets as collateral to the bank.

It aims at providing food security to meet the requirement of those senior citizens who, though eligible, have remained **uncovered under the National Old Age Pension Scheme (NOAPS)**. The Scheme is targeted to cover, 20% (13.762 Lakh) of persons eligible to receive pension under NOAPS.

The Central assistance under the Annapurna Scheme is, thus, provided to the beneficiaries on fulfilling the following criteria:

1. The age of the applicant (male or female) should be 65 years or above.
2. The applicant must be a destitute in the sense of having little or no regular means of substance from his/her own source of income or through financial support from family members or other sources. In order to determine destitution, the criteria, if any, in force in the States/UTs may also be followed.
3. The applicant should not be in receipt of pension under the NOAPS or State Pension Scheme.
4. The beneficiaries are given 10 Kg. of food grains per month free of cost. Funds are currently released to the State Departments of Food & Civil Supplies (F&CS ;) in one instalment. This Department then ties up with the Food Corporation of India (FCI), to release food grains district wise on payment of the cost of Food grains at CIP rates directly to the FCI offices. Initially the food grains were supplied at economic cost (Rs.9.80 per Kg.). However, w.e.f. 1.11.2000, food grains are supplied at the CIP rates for BPL families (Rs.4.90 per Kg.) The beneficiaries under the scheme are selected in the Gram Sabha's and the Gram Panchayat distribute the entitlement cards to the beneficiaries.

Annapurna Scheme:

- **The scheme is meant for women entrepreneurs who want to set up food catering units.**
- **The maximum loan amount provided on this composite term loan is Rs. 50,000.**
- **The loan needs to be repaid in 36 monthly instalments.**
- **There is a one month 'EMI free' period after the loan is disbursed.**
- **This loan requires a guarantor and assets to be submitted as collateral.**
- **The interest rate applicable on this loan is as per market rates.**

3. Cent Kalyani Scheme

On the occasion of International Women Day, Central Bank of India launched a new scheme for women entrepreneurs. The scheme is solely dedicated towards

Women Empowerment. 8th of March being celebrated as Women's Day throughout the world was chosen to dedicate the launch of this unique scheme, said Shri K.K. Taneja, Zonal Manager of the Bank. He told that to recognize the strength of women and to facilitate the women first women banker was appointed and a special 'women department' was created in India by Central Bank of India way back in 1924. Standing true to its legacy of empowering the masses the Bank launched 'Cent Kalyani',

'Cent Kalyani' is a loan scheme solely dedicated to providing easy and hassle free finance to the women entrepreneurs. **The maximum loan amount available would be Rs.100 lac** without any collateral security and third party guarantee. Also, there are no charges, such as processing fee, being levied by the Bank. **CGTMSE fee would be borne by the Bank for the 1st year.** The rate of interest on loan amount is concessional. Shri Taneja, Central Bank of India informed that through this unique endeavour, Central Bank of India aims to encourage women to start their own micro, small and medium Manufacturing/ Service Enterprises, and also be a reason to provide employment to many, working towards a better and a secure 'Tomorrow'.

Under this scheme, a women entrepreneur can get adequate financial assistance for starting a new venture. Cent Kalyani provides loans to new as well as experienced business owners, professionals and self-employed. Besides, these business loans for women can also be availed by retail traders, small scale industry owners and women entrepreneurs engaged in agricultural and allied activities as well as in village and cottage industries.

Central Bank of India launches 'Cent Kalyani' for Women Entrepreneurs, Loan upto Rs.100 lacs without any collateral security/third party guarantee.

If you are of age above 18 years, then here is an opportunity for you. Most relevant is that there is no income ceiling for the loan and loan could be overdraft, cash credit working capital limit, term loan, non-fund based limit (For working capital as well as term loan) **For term loan you get 7 years including moratorium period of 66 months to 1 year to repay your loan .and for working capital you will have to repay on demand.**

4. Dena Shakti Scheme

Dena Shakti Scheme under the Dena Bank has promoted female women-owned businesses by providing various financial services to them. **You can avail loans under this scheme at a concession of 0.25% on interest rate.** This

scheme provides business loans for women engaged in manufacturing sector as well as agriculture and allied activities. Besides, business owners running small enterprises, micro-credit or retail stores can also avail this loan.

This Scheme is offered by Dena Bank. It aims at providing assistance to women entrepreneurs.

The following activities /sectors are covered under this scheme:

- Agriculture & allied activities
- Small Enterprises (Direct and Indirect Finance)
- Micro and small (manufacturing) enterprises
- Micro and small (service) enterprises which include small road and water transport operators, small business professional and self-employees and all other service enterprises
- Retail Trade
- Micro Credit
- Education
- Housing

The maximum ceiling limits will be as per the directives of RBI stipulated for various sectors under priority sector such as loans upto:

§ **Rs 20lacs under retail trade,**

§ **Rs 20lacs under education and housing and**

§ **Rs 50,000/- under micro credit**

As well as Bank's specific schemes circulated to branches /offices from time to time.

5. Mahila Udyam Nidhi Scheme

Mahila Udyam Nidhi Scheme (MUN) under Small Industries Development Bank of India provides financial **assistance up to Rs. 10 lakhs** to female entrepreneurs for setting up new industrial venture in small scale sector.

There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs.

In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and

concessions for women entrepreneurs. For instance, under Prime Minister's Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available upto 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/ or owned by women.

- This scheme has been launched by Punjab National Bank.
- This scheme is mainly targeted towards the small-scale sector.
- You can get a loan up to Rs. 10 lakhs.
- This soft loan is repayable within 10 years.
- The interest rates are dependent on market rates and are revised from time-to-time.
- There are special loans catering to beauty parlours, day care centres, buying auto rickshaws, two wheelers and cars.
- The rate of interest varies for each of these loans.

There many schemes are launched by PNB for women entrepreneur are as following:

1. PNB Mahila Samridhi Yojna

Under This Scheme, four schemes have been launched under the umbrella of one scheme. These are for purchase of required infrastructure for Setting up of

2. Scheme for Financing Creches

To provide support services for women empowerment to working women in terms of creches with necessary services by making cheaper and easier credit available for financing Creches. The women will be assisted for purchase of required infrastructure for setting up Creches like basic equipment, utensils, stationers, growth monitoring equipments, fridge, cooler/fan, water filter, etc. and for recurring expenditure for one month.

3. PNB Kalyani Card Scheme

For meeting working capital credit requirement of allied agricultural activities/

misc farm/non- farm activities either singly or in combination with other activities. The literate/illiterate women dwelling in rural / semi-urban areas who have attained the age of majority shall be eligible under the Scheme. Such Women shall include individuals, farmers, landless labourers, agricultural labourers, tenant farmers, share croppers, lessee farmers, etc. The women desirous of undertaking non-farm sector activities should have aptitude/experience and capability for undertaking the activity chosen for self-employment.

4. PNB Mahila Sashaktikaran Abhiyan

Under this scheme, following concessions will be admissible Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme. The scheme envisages extension of credit by the bank and grant by the Govt of India to NGOs for the benefit / on lending to women either through SHGs or individually for setting up of small & micro enterprises in non-farm sector.

6. Bharatiya Mahila Bank:

Bharatiya Mahila Bank was started in 2013 and is spread all across the country. The main focus of the bank is to help women who are discriminated by the society, underprivileged, or economically helpless, yet have a dream of starting their own business. This bank supports and encourages women entrepreneurs to start their new ventures. This bank offers loans for the retail sector, loan against property, MICRO loans, and SME loans. Some of the popular loans offered by Bharatiya Mahila Bank are:

- **BMB Annapurna** – It is a loan provided for starting business related to food. With zero collateral and a repayment term of up to three years, women can get a maximum of Rs.1 crore as loan. It falls under the category of CGTMSE Scheme (Credit Guarantee Fund Trust for Micro and Small Enterprises) and is offered at an interest rate of 11.75% (Base rate + 1.5%)
- **BMB Shringaar** – This is also a subsidiary free loan that can be availed by women for setting up businesses such as beauty parlours, spas, or salons. The Shringaar loans also fall under the CGTMSE Scheme and can be availed at an interest rate of 12.25% (Base rate + 2%). Repayment period is seven years.
- **BMB Parvarish** – It is a collateral free loan for women who plan to open a day-care center. Under the CGTMSE Scheme, you can avail this loan for up to Rs.1 crore with a repayment period of five years and an interest rate of 12.25% (Base rate + 2%)

7. Udyogoni Scheme

Udyogoni is a scheme of Punjab and Sind Bank that motivates female business owners to obtain loans on liberal terms and low interest rates. This loan is taken for establishing small scale industries, business enterprises as well as for agricultural activities. Moreover, this loan is also available for retail traders and other self-employed female entrepreneurs. The aforementioned schemes are available as per the norms of the Indian government for the enhancement of women oriented businesses in the country.

Few more schemes launched by India government are as followed.

1. Mahila Vikas Nidhi

This fund has been set up by SIDBI to help women in rural area start their entrepreneurship easily. It grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

2. Co-operative Schemes

Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.

3. Government Yojanas

Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana were two important schemes launched by the government to provide reservations for women and encouraging them to start their ventures.

4. Private Organisations

Several NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas are working to help new women entrepreneurs to set up their business and run it smoothly.

A few training programs started by the Government for self-employment of women are:

- Support for Training and Employment Programme of Women (STEP).
- Development of Women and Children in Rural Areas (DWCRA).
- Small Industry Service Institutes (SISIs)
- State Financial Corporations
- National Small Industries Corporations
- District Industrial Centres (DICs)

Some of the special schemes for women entrepreneurs implemented by the government bodies and allied institutions are provided below.

- Schemes of Ministry of MSME
- Trade related entrepreneurship assistance and development (TREAD) scheme for women
- Mahila Coir Yojana
- To read more on activities of Ministry of MSMEs for women development, click [here](#).
- Schemes of Ministry of Women and Child Development
- Support to Training and Employment Programme for Women (STEP)
- Swayam Siddha
- Schemes of Kerala State Women's Development Corporation
- Self-employment loan programmes
- Educational loan schemes
- Single women benefit schemes
- Job oriented training programmes
- Marketing support for women entrepreneurs
- Autorickshaw / school van's driver scheme
- Kerala Government's Women Industries Programme
- Delhi Government's Stree Shakti Project
- Schemes of Delhi Commission for Women (Related to Skill development and training)
- Incentives to Women Entrepreneurs Scheme, 2008, Government of Goa
- Magalir Udavi Scheme, Pudhucherry Government
- Financing Schemes by Banks/ Financial Institution's

Conclusion:

As the Narendra Modi government completes two years in office, one of the highlights could be its focus on the country's women. If all goes to plan, India could soon have 1.25 crore women entrepreneurs. The Stand Up India scheme - the government's flagship programme - mandates each government bank branch to give one loan to a woman entrepreneur besides one to a borrower categorized as an SC or ST or even a Dalit.

That's not all. Even the **Swachh Bharat programme** and the thrust on building toilets are key reforms - which aim to make India cleaner which will lead to

better health primarily for women and children. While there are a plethora of hits and misses in diverse sectors that are widely being debated by think tanks, when it comes to the government's gender report card, it perhaps is still a mixed bag. Well, the positive is at least the policy intentions are in place although for them to get translated on the ground will take some time.

The **Sukanya Samriddhi Yojana** was also launched wherein parents/guardians could make investments in the names of two to three daughters/wards to fund either their education or marriages after they turn 18. Besides, there are some other schemes too that have attained attention like **#selfie withdaughter campaign**, where people could post pictures of themselves and their daughters on social media. In 2015, Arundhati Bhattacharya, Chairperson of the state-run SBI said that as much as 49% of the accounts opened under the **Pradhan Mantri Jan Dhan Yojana** were held by women. This scheme was introduced to give the poor access to banking services.

However, these are just the positives. There have also been contradictions. **In 2015**, when Maneka Gandhi, Minister for Women and Child Development suggested that it should become mandatory for companies to reveal in their annual reports if they have constituted Internal Complaints Committees to look into instances of sexual harassment, the Minister for Corporate Affairs, Arun Jaitley, reportedly turned it down. After all, mandating such a disclosure would contribute to the broad sense of accountability and answerability that the Prime Minister has described.

All in all, it's just been staring of the journey. Indian government is working hard for the success of women entrepreneur.

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