

Government Schemes in Developing Women Owned MSME's in India

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Abstract: - The Present Study aims to highlight the various schemes that the government has initiated in developing especially the rural women entrepreneurs and women entrepreneurship in our country. Women entrepreneurs' role in today's world is predominant in all their fields. MSME play the utmost role in the business environment. Microenterprises are the major ventures which contribute in achieving overall empowerment. Economically empowered women enjoy better quality life by having control over various income generating activities which are owned and managed by them. Women provided with skills and opportunities to be economically independent must go parallel with social and political empowerment. Microenterprises are created as a result of entrepreneurship which is considered as an important aspect of economic development but most of countries are facing this challenge of developing entrepreneurs and entrepreneurship.

Key Words: — *MSME, Women entrepreneurs, Government Schemes, Economic Development, Development schemes, Women Entrepreneurship.*

I. INTRODUCTION

Entrepreneurs are increasingly growing day by day in our country as an important source of economic development and as a success key of economic revolution. Although there are so much of hurdles to overcome, there is an entrepreneurial spirit that induces women to start-up their new ventures successfully. Social indicators such as economic dependence, male dominance, harassment and the problem of liquidity make women dependent and in turn either directly or indirectly motivate them to start these micro enterprises. Women's networks through their various group activities prove a greater potential for the contribution of women's empowerment. Otherwise empowerment is a means of gaining confidence of an individual's abilities and potential. Empowerment indicates the decision making capacity of an individual and power to take control over resources. In the recent days it is highly visible that entrepreneurs actually perform to contribute for the economic development of the nation with the support of the government's schemes.

A. Women Entrepreneurship

Women Entrepreneurs can be well trained through Entrepreneurial Development Institutions (EDI) and educated in order to ensure success with regard to sense of achievement, improved standard of living, increased social interaction and economic empowerment. Government have to create awareness among women entrepreneurs about new schemes and offers for new and existing start-ups. Women entrepreneurs have to identify the gap or opportunity to promote their business by attending Entrepreneurial Development Programs (EDP) to take their business in a new

dimension. Women Entrepreneurs can themselves be updated with the rapid technological changes to sustain stability and growth in their long run of businesses. Women entrepreneurs can be defined as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and providing at least 51 per cent of the employment opportunity in the enterprise to women. Entrepreneurship development among rural women helps to explore their potentials and increases decision making status in the family and in the society as a whole. Thus, women in India need not wait for employment as employees. They can successfully start their own micro enterprises and earn their livelihood.

B. Micro Enterprises

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has changed the nomenclature of SSI sector as Small and Medium Enterprises (SME) sector, giving due recognition to the enterprise segment and at the same time bringing or merging the medium sector into its fold. Micro, Small and Medium Enterprises Development Act has classified manufacturing and service enterprise in terms of investment in plant and machinery (excluding land and buildings).

C. Importance of The Study

Women are the pillars of our society and when women are empowered, it is a clear fact that the whole world is empowered. Micro, Small and Medium Enterprises (MSME) schemes empowers women entrepreneurs to spark with their talent and build their own identity. The government support women financially to commence their businesses in all the sectors and enhance their leadership skills through training

programs. Purpose of this present study is to sort out the major financial government schemes offered for the development of women entrepreneurship. This paper also aims to examine the role of government policy in the development of entrepreneurship and its impact on economic development. In India, various internal and external factors affect women in starting their new ventures. However, government has taken several measures to encourage women entrepreneurship. Today women are willing to accept challenge and responsibility in economic, social and political groups. The government financially support women to start venture in all the sectors and hone their leadership skills through various programs. Purpose of this empirical study is intended to find out major financial schemes offered for the development of women entrepreneurship.

under employment and lower the age of retirement. The plans provided by our government for self-employment of women offers a package of services such as training, availing credit facility, marketing, and general guidance for the beginners of self-employment ventures. The main thrust of the new deal was to ensure that the necessary information application forms etc. required for various facilities of self-employment were made available at one place, utilizing the “one window” approach. Special attention was paid to the large section of women who were neglected as part of the work force, by giving financial and technical assistance through organizations engaged in various development activities. In the next plan there was a definite shift in focus from the welfare concept to development concept in programming for women. The plan suggested the following: -

Revised Classification applicable w.e.f 1st July 2020						
Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover						
Classification	Micro		Small		Medium	
	Investment In P&M /equipment	Investment and Annual Turnover	Investment in P & M /equipment	Investment and Annual Turnover	Investment in P & M/equipment	Investment and Annual Turnover
Manufacturing Enterprises	< Rs.25Lakhs	< Rs.1 Crore	< Rs.5Crore	< Rs.10Crore	< Rs.10Cror e	< Rs.20Crore
Service Enterprises	< Rs.10Crore	< Rs.5 Crore	< Rs.2Crore	< Rs.50Crore	< Rs.5Crore	< Rs.100Crore

II. ROLE OF GOVERNMENT IN THE DEVELOPMENT OF WOMEN ENTREPRENEURSHIP

The Employment Policy envisaged for the VI th Plan (1980-85) was designed with two major goals namely to reduce

- Treat women as specific target groups in all development programmes.
- Properly diversify vocational training facilities, for women to suit their varied needs and skills.

- Encourage appropriate technologies, equipment's, and practice for reducing their drudgery and increase their productivity.
- Provide marketing assistance at the state level.
- Increase women's participation in decision making.

The new Industrial Policy of 1991 has also stressed upon the need for conducting special entrepreneurship programmes for women. It emphasized on product and process oriented courses so as to enable women to start small scale industries. The policy further added that the objective of such courses would be to give representation to women in the field of small scale industry development with a view to uplift their status in the economic and social fields.

A. Need for Women Centric Scheme

The need for these various empowering schemes has been stemmed out from our society itself. The existing patriarchal structure of our society forces the woman to be dependent on the male members of the family. To end this dependence and to make women financially dependent, women entrepreneurial schemes are introduced by our government at the right point of time. These chances can be utilized properly by our women, not as an opportunity but as an equal right. Low rate interest loans and subsidies on agricultural products have also been rolled out to empower the economy. A women-specific scheme provides business advice to commence, stand and flourish on their feet.

III. GOVERNMENT SCHEMES FOR WOMEN ENTREPRENEURSHIP

The government of India has offered a number of effective schemes for women entrepreneurs' development. These schemes are available and applicable in both urban and rural areas of our country. These schemes are introduced for the production of national health, wealth and improved women empowerment. The report estimates that more than 70% of the potential GDP opportunity resides in increasing women's participation in the labor force by 10% points. In the near future India has one of the largest opportunities in the world to boost GDP by advancing women's equality.

According to the sixth economic census released by the ministry of statistics and programmer implementation, women constitute around 14% of the total entrepreneurs' base in India i.e, 8.05 million out of the total 58.5 million entrepreneurs. The average employment in a women-owned enterprise is only 1.67 people per business. India is an overflowing well of innovative ideas and creative solution to a number of problems. Only 13.76% of the total entrepreneurs in India are women, according to data by startup India. There are just around 8 million female entrepreneurs, but the number

of male entrepreneurs crossed 50 million. India continues to support enormous successful women entrepreneurs. The Indian government offers financial support specifically designed for women entrepreneurs. The government schemes in India introduced for supporting and developing women entrepreneurs are:

- Bharatiya Mahila Bank
- Annapurana Schemes
- Stree Shakthi
- Orient MahilaVikasYojana Scheme
- Dena Shakyhi Scheme
- Udyogini Scheme
- Cent Kalyani Scheme
- MahilaUdyamNidhi Scheme
- Mudra Yojana Scheme for Women
- TREAP (Trade-related entrepreneurship assistance and development scheme)

MSME Schemes for Women and Loan Amount

Annapurna Scheme	Up to Rs. 50,000
Stree Shakti Package	Rs. 50,000 to Rs. 25 lakhs
Mudra Yojana Scheme	Rs. 50,000- Rs. 50 lakhs
Udyogini Scheme	Up to Rs. 1 lakh.
Mahila Udyam Nidhi Scheme	Up to Rs. 10 lakhs
Orient Mahila Vikas Yojana Scheme	Rs 10 to 25 lakhs
Dena Shakti Scheme	Up to Rs. 20 lakhs
Cent Kalyani Scheme	Up to Rs. 1 crore
Bharatiya Mahila Business Bank Loan	Up to Rs. 20 crore

A. Bharatiya Mahila Bank Scheme

Bharatiya Mahila Bank scheme was initiated by our honourable Prime Minister Narendra Modi, in the year 2013 on the birth anniversary of Mrs. Indira Gandhi. India's first bank to cater the financial needs of underprivileged women

and to shape the economic outlook of women in the Indian society. Bharatiya Mahila Bank offers low-interest rates especially to women entrepreneurs with less turnover and was merged with State Bank of India in the year 2017 due to lack of capital and increasing disinvestment. Women above the age group of 21 years and below 70 years are eligible to avail loan and start up their business under this scheme.

- The Bank offers loans of up to 20 crores for manufacturing units.
- The Credit Guarantee Fund Trust for Micro and Small enterprises offer collateral-free loans up to Rs. 1 crores.
- Repayment of loan period is 7 years.
- The basic interest rate is 10% upon which 2% additional interest is added making it 12%.

B. Annapurna Scheme

Annapurna Scheme is one of the best schemes that provide loans to women engaged in the food sector. Businesses like restaurants, catering services and any homemade food items owned by women can avail loans through Annapurna Scheme to serve the purpose of buying new utensils and kitchen equipments to their new business or to expand their existing business. Only women entrepreneurs entering into catering business are eligible for this loan.

- Annapurna scheme sanctions a loan up to Rs. 50,000.
- The repayment period of the loan is 3 years /36 Instalments.
- A guarantor is required with collateral security.
- A grace period applicable under this loan is 1 month.
- The interest rate depends on the prevailing market rate.

C. Stree Shakthi Scheme

The Stree Shakti Scheme is the scheme of the central government under the flagship of State Bank of India. This scheme is favourable for aspiring women entrepreneurs, wishing to expand their business. Women entrepreneurs who have a share capital of 51% as partners, shareholders or directors of a private company are also eligible under this business scheme. Women in retail, manufacturing, services and self-employed occupation are eligible for this category of loan.

- The rate of interest depends on the current rate.
- This scheme offers a loan of up to Rs. 50 Lakhs

- Additional concession of 0.5% is given if the loan amount exceeds Rs. 2 lakhs.
- The debtor should have a majority ownership of 50% in the enterprise if availing loan under this scheme.

D. Orient Mahila Vikas Yojana Scheme

The Orient Mahila Vikas Yojana scheme was initiated by Oriental Bank of India. This scheme offers loan to the women who starts a business on their own property. To enjoy the benefits of this scheme there should be 50% share or more in their business. If the loan amount is than 10 lakhs then no collateral is required and in case of a higher amount of loan for Small Scale Industry then also no collateral is demanded from the entrepreneurs.

- Collateral-free loan applicable for small scale industries.
- The loan amount ranges between Rs. 10 to 25 lakhs.
- The repayment period for this loan is 7 years.
- 2% concession is offered on the rate of interest

E. Dena Shakthi Scheme

This scheme was also introduced by Central Government under the flagship of Dena Bank. This scheme is for women entrepreneurs who are involved in manufacturing, retail stores, micro-credit and agricultural businesses. Entrepreneurs who own more than 50% stakes in the organization are eligible under this scheme.

- The maximum amount of loan distributed under this scheme is Rs. 20 lakhs.
- The loan is sanctioned under the umbrella categories of retail, education and agriculture.
- For Micro-credit the limit of loan is about Rs. 50,000.
- A relaxation of 0.25% is given on the prevailing market interest rate.

F. Udyogini Scheme

Udyogini scheme functions under the Punjab and Sind Bank and extends loan to small scale women entrepreneurs who are involved in retail and agricultural businesses. The speciality of this scheme is that it provides loans on flexible and concessional interest rates. A guarantor is required to deposit a sum of Rs 25,000 as security. Women Entrepreneurs who own and manage all units of the enterprise, individually or in a group are eligible. Women with a proprietary share of 50% are also eligible to get loan under this scheme aging between 18 years to 45 years.

- The loan amount provided in this scheme is up to Rs 1 lakh.
- The average family income of the debtor should be less than Rs. 45,000.
- A special concession of 30% on loan amount or Rs 10,000 is given to women from SC/ST category, widow, destitute and women with disability.
- For general category women, a subsidy of 20% on loan amount or Rs. 7,500 is granted.

G. Cent Kalyani Scheme

The Central Bank of India organized this Cent Kalyani Scheme with the primary objective of motivating women entrepreneurs to start a new project or expand their current business. Women involved in the service sector like handloom weaving, food-processing, handicraft and almost in all areas can apply for this loan. The purpose of the scheme is to meet capital expenditure like Plant and Machinery/equipment) as well as cash flow. This Government Scheme can be utilized by self-employed women (doctors, engineers e.t.c) and also by women engaged in manufacturing and serving industries.

- A maximum loan provided under this scheme is Rs. 1 crore.
- Repayment period is maximum 7 years including a moratorium period of 6 months to 1 year
- No processing fee applicable for this loan.
- No collateral or guarantors required.
- Interest rate is subject to the prevailing market rate.

H. Mahila Udyam Nidhi Scheme

This scheme was introduced by Punjab National Bank. The objective of this scheme is to reduce the gap in equity. The beneficiaries of this scheme are small scale enterprise, rehabilitation of the sick or those who wish to start new projects. Women who have new or existing MSMEs, small Units and who have over 51% of stakes in their enterprise are eligible to avail loan under this scheme.

- Loan amount is extended up to Rs 10 lakhs.
- The interest rate varies on the market rate
- The repayment duration is 10 years.
- The Moratorium Period for this loan is 5 years.

I. Mudra Yojana Scheme

Mudra Yojana Scheme can be utilized by entrepreneurs who undertake services like a day care units, tuition centers,

tailoring units and beauty parlors. This scheme helps the small-scale enterprises and group of women starting as cooperative units. A mudra card is given to the debtor similar to a credit card and the limit is set up to 10% less than the granted loan. The loan can also be sanctioned to a single woman entrepreneur. The special feature of this loan is collateral free and has 3 broad categories of procurement.

- Shishu– this loan is provided to the beginners (initial stage of business) up to Rs. 50,000.
- Kishor– this loan is extended to the existing business entrepreneurs ranging between Rs. 50,000 to Rs. 5 lakhs.
- Tarun– this is also provided to the existing business entrepreneurs for expansion purpose up to Rs. 10 lakhs.

J. TREAP (Trade-Related Entrepreneurship Assistance and Development Scheme)

This scheme aims to empower women by providing credit to the projects, conducting specific training and counselling and eliciting information on related needs. This scheme provides up to 30% of the total project cost as appraisal by lending institutions. The institutions would finance the other 70%.

IV. CONCLUSION

Today women are in a better position choosing the field of entrepreneurship and this raises their social status at the economy as well as at the global level. In India, various financial schemes are offered for women entrepreneurs but more awareness about the available schemes has to be made through programmes and workshops in all sectors. MSME's development mainly depends up on the entrepreneurial skills, talents and potentials of rural women. Survival and growth of these enterprises ensure better standards of living of all the participants and thereby their individual, family and social empowerment will be satisfied. The government through various schemes and incentives has created a strong support system to take care of growing women entrepreneurs. The government should introduce more extensive entrepreneurial development programmes for women at a reduced rate of interest which in turn increases rate of return on investment.

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