



A new wave of women-owned start-ups has emerged in recent years, entering into a wide range of industries. Women are becoming more self-resilient and making their way into the business effectively and efficiently. The wave created by women in business and every sector can be witnessed through the prodigious works of Ms. Indira Nooyi, Chanda Kochhar, Ekta Kapoor, Falguni Nayar, Richa Kar and many others. To provide a conducive atmosphere for start-ups in the nation, the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, has released many start-ups' schemes, benefitting women entrepreneurs.

In line with the DIPP schemes, recently HerSTART, an initiative by the Gujarat University Start-up and Entrepreneurship Council (GUSEC) was launched by the President of India, Ms. Droupadi Murmu, to support women entrepreneurs in setting up businesses in India through fostering innovation. The Start-up policy would serve as a catalyst for India's economic development by developing models that can be scaled and replicated throughout the country, resulting in numerous job possibilities.

STATES WITH START-UP POLICIES

A dedicated Start-up Policy has been established in 31 of the 36 States and Union Territories and each of the 36 States and Union Territories have at least one DPIIT-recognized start-up.

DPIIT certification as part of the Start-up India initiative provides tax benefits and simplified compliance for start-ups which includes Intellectual Property Rights (IPR)-related benefits like IPR fast-tracking and many more without requiring an additional license from the Inter-Ministerial Board. The States Government policies focus on promoting Gender equality which has been expressly mentioned under their policy documents.

Some of the states are Karnataka, Meghalaya, Jammu Kashmir, Chhattisgarh, Bihar, Andhra Pradesh, Haryana, Punjab, Himachal Pradesh, etc., which are focused on promoting women's entrepreneurship. For instance, IKG Punjab Technical University in partnership with the State Government of Punjab will set up a Start-up Fund of Rs. 100 crores, which will be used for promoting incubation centers, seed money for Startups, scale-up funding, and other support to the Start-up units.

The 25% funds will be dedicated to promoting Start-ups by SC and Women entrepreneurs, with interest subsidy @ 5% pa only to SC Entrepreneur/ Women Entrepreneur subject to a maximum of Rs. 10 lakh per year for 3 years. Also includes an annual award of Rs. 3 lakh per unit for excellence in productivity, quality, and export for Women Enterprises.

LIST OF SCHEMES FOR WOMEN ENTREPRENEURS

The government of India has come out with start-up schemes to make it easier for women to set up their enterprises. These are some of the top schemes that can be leveraged to set up and grow a business as a women entrepreneur.

1. Bharathiya Mahila Bank Business Loan

Bharathiya Mahila Bank was established in 2013 for those women who have big dreams despite having limited resources. It offers women entrepreneurs running manufacturing businesses loans of up to Rs. 20 crores. If the requested loan amount falls under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) coverage, then no collateral is required for the loan up to Rs. 1 crore.

Benefits:

- Concession of 0.25% in interest rate.
- Combination of working capital and term loan.
- The repayment tenure is flexible up to 7 years.

2. Mudra Yojana Scheme

This MUDRA loan is offered by nationalised banks under the Pradhan Mantri Mudra Yojna, it provides financial assistance to women entrepreneurs who seek to establish their non-corporate, non-farm SMEs such as weavers, beauty parlour, flower shops, tailoring-cum-cloth shop, etc. The loan amount offered is up to Rs. 10 lakhs. There are three sub-plans under this scheme.

The scheme is divided into three categories (Signifying the stages of growth):

- Shishu: It is for new business. The loan amount is up to ₹50,000 (at an interest rate of 1% per month and the repayment period is 5 years).
- Kishor: It is for a well-established business and the loan amount lies above ₹50,000/- and up to ₹5 lakh. (Interest rates are subject to the guidelines and Credit history and the repayment period depends on the discretion of the bank.)
- Tarun: It is for business expansion and the loan amount offered is above ₹5 lakh and up to ₹10 lakh. (Interest rates are subject to the guidelines and Credit history and the repayment period depends on the discretion of the bank.)

Benefits:

- Credit facilities to micro and small enterprises
- No processing charges
- No minimum loan amounts.
- No security or collateral is required.

3. Dena Shakti Scheme

Dena Shakti Scheme provides loans to women entrepreneurs having more than 50% stake in business enterprises in the sectors involving agricultural businesses, retail stores, manufacturing sector, microcredit organisations, housing, education, etc. The loan amount offered is up to ₹20 lakhs.

Benefits

- Concession of 0.25% in interest rate.
- The repayment tenure is flexible up to 10 years.

4. Udyogini Scheme

The Udyogini Scheme was implemented by the Women Development Corporation. It is for those women who come from a family that has an income of below ₹1.5 lakhs per annum. The loan amount offered is up to ₹3 lakhs at a very low-interest rate. Widowed, destitute, or specially-abled women can apply for a loan under this scheme.

Benefits

- No Collateral.
- Skill Training schemes provided.
- Processing fee- Nil
- Up to 30% loan subsidy.

5. Cent Kalyani Scheme

Cent Kaylani is a scheme by the Central Bank of India for women involved in Micro and small enterprises and can be availed by both existing and new entrepreneurs and self-employed women. The loan amount offered of up to ₹100 lakhs is sanctioned without any collateral or processing fees.

Benefits

- No requirement for a third-party Guarantee.
- Insurance of Stock, Machinery equipment, etc. inclusive of Bank clause.
- Margin- 20%
- Processing fee- Nil

6. Mahila Udyam Nidhi Scheme

The Mahila Udyam Nidhi Scheme was launched by the Punjab National Bank and the Small Industries Development Bank of India (SIDBI). The loan amount offered is up to ₹10 lakhs.

Benefits

- Supporting Small Scale Industries (SSI).
- Loan repayment within 10 years.

7. Women Entrepreneurship Platform (WEP)

This scheme was launched by NITI Aayog under the Government of India and the objective of this scheme is to bring together women entrepreneurs and sponsors' support, all in one place. SIDBI partnered with NITI Aayog to assist with this scheme. The WEP is built on three pillars-

- Iccha Shakti: motivating incubation and acceleration programs for businesses in their initial stages
- Gyaan Shakti: providing skill training and mentorship programs to learn about entrepreneurship and leadership
- Karma Shakti: assisting in marketing, support for ensuring compliance with laws and regulations, etc.

Benefits

- Compliance & Tax Assistance (Legal Services)
- Funding and Financial Assistance
- Community & Networking

The potential of women to succeed in business has always been beyond doubt, but societal constraints have always been substantial. With the support of these initiatives, we hope to strengthen our country and create a truly free-market economy. Thus, the Start-ups Schemes for Women plays a pivotal role in serving as a platform for connecting women entrepreneurs to various public and private businesses and supporting the women in setting up their businesses by supporting them financially. Women's entrepreneurship has been recognized as an important source of economic growth.

Frequently Asked Questions (Q&A)

Which states have initiated the start-up policy?

The Department for Promotion of Industry and Internal Trade (DPIIT) as of 24.06.2019 has recognised 19,351 Startups across the country. A dedicated Start-up Policy has been established in 31 of the 36 States and Union Territories and each of the 36 States and Union Territories have at least one DPIIT-recognized start-up. At least one DPIIT-recognised start-up is hosted by 653 districts.

How does DPIIT recognise a start-up?

Step-wise Procedure is as follows:

Step 1. Registration^[1] (startupindia.gov.in)

Step 2. Application Page

Step 3. Start-up reorganisation form (Documents Required)

1. PAN Details

2. Website link of the Start-up

3. Certification of Incorporation or the reorganization

4. Directors' details- the owner of start-ups, etc.

Step 4. Submission

Step 5. Examination

Note: Documents provided by a start-up to the DPIIT if evaluated and found to be procured through forgery, the start-up shall be liable for a fine of 50% of its capital or a minimum punishment of INR 25,000.

Can one register a company while working in India?

Any entity having at least one registered office in India is welcome to register on the hub as per its location preferences, which for the time being are only created for Indian states. The hub is working on international relations and will soon be able to enable registration for stakeholders from the global ecosystem.

Are there any compliance benefits for start-ups?

Yes, the compliance benefits vary from state to state, such as the start-up initiative by the Andaman and Nicobar Islands provides the following benefits:-

1. Self-certification: Self-compliance under 3 environmental and 6 labour laws.

2. Patent Application and IPR Protection Fast Track and up to 80% rebate in filing patents.

3. Income Tax Exemption For 3 consecutive years and exemptions on capital gains & investments above fair market value.

4. Easier Public Procurement Norms Get listed as the seller to the Government and benefit from exemption from EMD and minimum requirements.

5. Easy winding up of company within 90 days under insolvency and Bankruptcy code, 2016.

6. Beneficiary start-ups under A & N Islands Start-up funding and incentives

scheme 2019.

7. Benefits to Start-ups in Public Procurement: EMD Exemption and Relaxed norms under public procurement

8. Women-led start-up: A start-up with a Founder/Co-Founder a Woman with at least 50% equity in the Start-up entity would be considered a Woman led start-up. Under the Start-up Monthly Allowances Incentive, a monthly allowance of Rs 20000/- would be provided to the Woman Led Start-up subject to the fulfilment of the eligibility criteria as prescribed in the notification for Start-up Funding & Incentives.