

Supporting Women-led Startups

Flagship schemes such as Stand-Up India and PM Mudra Yojana have helped women-led startups access funds at minimal cost. With a vision to promote the sustainable development of women entrepreneurs for balanced growth in the country, Startup India has been committed to strengthening women entrepreneurship in India through initiatives, schemes, the creation of enabling networks and communities, and activating partnerships among diverse stakeholders in the startup ecosystem. If more and more women-owned business enterprises can play a prominent role in society by generating employment opportunities in the country, it will bring in demographic shifts and inspire the next generation of women founders.



B S Purkyastha

The Startup India initiative was launched by the Narendra Modi-led Government in 2016 to foster an environment that is conducive to the development of innovation and startups in the country. Sustained efforts by the Government under the Startup India initiative have led to an increase in the number of recognised

startups from 428 in 2016 to 98,119 in 2023, as on 30th April 2023. The Compound Annual Growth Rate (CAGR) of the number of recognised startups during the period between 2016 and 2022 is 142%, highlighting the continued robust growth of the Indian startup ecosystem. While metro cities such as Bengaluru and Delhi-NCR are correctly recognised as the startup

hotspots of India, today there are recognised startups in every State and Union Territory (UT) spread across more than 80% of the districts of the country. These recognised startups have created more than 10.34 lakh direct jobs as on 30th April 2023, driving holistic economic growth.

Even as the aim is to build a stronger ecosystem for nurturing India's startup culture that would further drive our economic growth, support entrepreneurship, and enable large-scale employment opportunities, there is also a sharp focus on facilitating women entrepreneurs through policies and initiatives and the creation of enabling networks. The results of these policies can be seen in the increasing presence of women as entrepreneurs. In 2022, the number of startups led by female founders touched 80,000, up from 6,000 in 2017, a whopping 1233% increase. The share of VC funding to women-led startups also went up to 20% in 2022, up from 11% in 2017. Around 47% of the total DPIIT-recognised startups in India have at least one female director. Among the 105 startups that turned unicorns in 2022, 17% were women-led startups. As per a recent study, the last 10 years saw female-led companies perform 63 per cent better than male-led companies in terms of return on investment, with women showing an unparalleled willingness and capacity to organise, develop, and manage a business venture. According to a report by WISER's Women's in India's Startup Ecosystem Report, women-led startups account for 18% of all startups in India in the past five years.

With a vision to promote the sustainable development of women entrepreneurs for balanced growth in the country, Startup India has been committed to strengthening women entrepreneurship in India through initiatives, schemes, the creation of enabling networks and communities, and activating partnerships among diverse stakeholders in the startup ecosystem. Along with the various schemes accessible to all startups under the Startup India initiative, the government has taken the following specific measures to promote women entrepreneurship in the country:

- i. To promote flow of both equity and debt to women-led startups, 10% of the fund (Rs. 1,000 crore) in the Fund of Funds for Startups Scheme operated by SIDBI is reserved for women-led startups.

- ii. Virtual Incubation Programme for Women Entrepreneurs was conducted to support 20 women-led tech startups with pro-bono acceleration support for three months.
- iii. A webpage dedicated to women entrepreneurs has been designed on the Startup India portal. The page includes various policy measures for women entrepreneurs by both Central and State Governments.
- iv. Awareness and Capacity-Building Workshops for Women: The department conducts various workshops with a specific focus on women entrepreneurs. The workshops included deliberation on various topics, and successful entrepreneurs share their entrepreneurial journeys. The participants of the sessions conducted comprised many women, including both aspiring and existing entrepreneurs. Startups at all stages -- Ideation stage, Validation stage, Early Traction stage, and Scaling stage -- with full-time female founders, or co-founders, or directors are encouraged to attend these workshops.
- v. WING: It aims to support 7,500 women entrepreneurs in the country per year. As a part of DPIIT's programme WING - a capacity development programme for existing and aspiring women entrepreneurs was conducted in Guwahati, Assam, and Kohima, Nagaland in January 2020 which saw the participation of 114 attendees across two parallel workshops. The participants were given mentoring sessions in the following areas:
 - a. Venture Ideation and Business Model Validation
 - b. Governance: Legal/ Compliance
 - c. Marketing/ Branding: Creating differential
 - d. Finance and Financial Decisions
 - e. Mastering Customer Acquisition Strategy and Scaling-up

Through its various awareness programmes and capacity-building programmes organised by the Government, and through print media and social media platforms, the Government also creates awareness about the existing schemes that support micro, small, and medium entrepreneurs, including women entrepreneurs.

Access to Funds: The Biggest Challenge

Women-owned MSMEs face challenges in accessing credit due to a lack of collateral and tangible assets, limited avenues to prove creditworthiness, and perceptual biases against lending to female entrepreneurs or women-led enterprises. As most women-owned businesses are home-run, micro, and informal in nature, they have limited exposure to market spaces and marketing skills. Female entrepreneurs need to deal with mobility and logistics challenges, time poverty and unpaid care work, and safety and security issues to manage the business and achieve the required growth for the enterprise. They also lag in terms of digital and technical skills due to low literacy rates and a lack of access to mobile devices and the Internet. Thus, most women-led MSMEs remain subsistence-oriented rather than growth-oriented.

Government Funding Schemes with special emphasis on Women-led startups

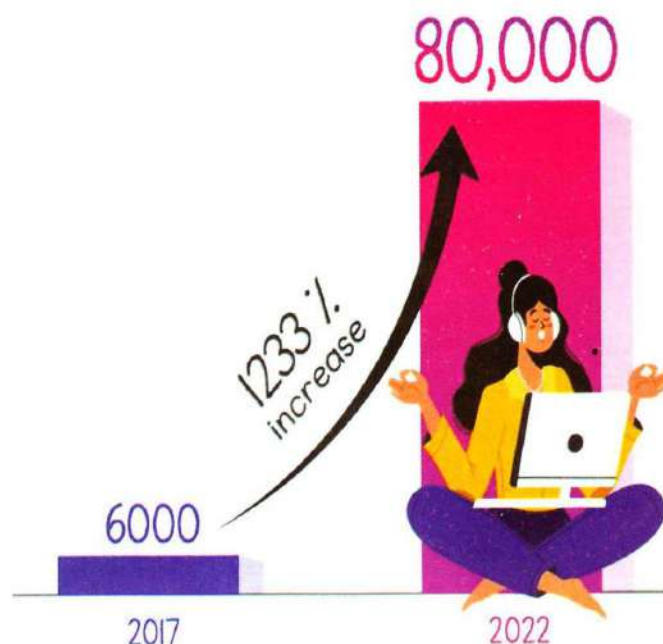
Mudra Yojana for Women/ Mahila Uddyami Yojana

One of the most popular programmes is the Mudra Yojana for Women/ Mahila Uddyami Yojana. Under this, women entrepreneurs who are heading and managing any manufacturing or production business are eligible to get loans up to Rs. 10 lakh without any collateral from the Department of Financial Services under the Ministry of Finance. Women artisans, weavers, craftswomen, etc., are eligible for these loans. Other small and micro-scale businesses run by women, that qualify for Mudra loans are phone repairing, auto-repairing, tailoring, photocopying, servicing centres for electronics appliances, spa, and beauty parlour services. The loans can only be allocated for non-corporate, non-farming, and non-agriculture-based businesses that are headed and run by women entrepreneurs. Total tenure

A NEW ERA OF FEMALE FOUNDERS IS HERE



Startups Led by Female Founders



Huge Number of Startups Being Fueled by Women's Vision

for loan repayment for women is a maximum of 5 years, and a minimum of 3 years. Loans under the Mudra Yojana Scheme for women can be used to set up a new business, expand an existing business or modernise existing business with the latest technology and tools. The age limit for women who can avail of loans under the Mudra scheme is 65 years. The minimum age requirement is 18 years.

As on 25 November 2022, more than Rs. 37.76 crore loans for an amount of Rs. 20.43 lakh crore have been sanctioned since the launch of the Pradhan Mantri Mudra Yojana (PMMY), of which over 70% of the loans have been sanctioned to women entrepreneurs.

Stand-Up India (SUI) scheme

Women entrepreneurs can also avail of loans under the Stand-Up India (SUI) scheme offered by the

Small Industries Development Bank of India (SIDBI). The objective of the SUI scheme is to facilitate bank loans between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise. This enterprise may be in manufacturing, services, agri-allied activities, or the trading sector. In the case of non-individual enterprises, at least 51% of the shareholding and controlling stake should be held by either an SC/ST or woman entrepreneur. Loans under the scheme are available only for Green Field Projects, i.e., the first venture of the beneficiary in the manufacturing, or services, or agri-allied activities, or trading sector.

Since the inception of the Stand-Up India scheme, Rs. 35,886 crore has been sanctioned to 1.58 lakh accounts (as on 25 November 2022), of which 81% of the beneficiaries are women.

Special Schemes for Rural/Disadvantaged Women

Recognising that women in rural India face a different set of challenges while setting up their own enterprises, the Government has designed some special supportive programmes for less-privileged women. One of the flagship schemes is the Skill Upgradation and Mahila Coir Yojana (MCY), implemented by the Ministry of Micro, Small, and Medium Enterprises, an exclusive training programme aimed at the skill development of women artisans engaged in the coir industry. Two months of training in coir spinning is imparted through this programme. The candidates who undergo this training are given a stipend of Rs. 3000 per month. The trained artisans under the scheme are encouraged to avail assistance through the Prime Minister’s Employment Generation Programme (PMEGP) scheme to set up coir units. Under MCY, the Coir Board provides rural women artisans in regions producing coir fibre 75% cost of the motorised Ratt/motorised traditional Ratt as one time subsidy, subject to a ceiling of Rs. 7,500 in the case of motorised Ratt and Rs. 3,200 for the motorised traditional and Electronic Ratt.

Mahila Samridhi Yojana

The National Scheduled Castes Finance and Development Corporation (NSFDC) under the Ministry of Social Justice and Empowerment offers financial assistance to women belonging to scheduled castes

through the Mahila Samridhi Yojana. This is a microfinance scheme for women with a rebate in interest. Financial assistance up to Rs. 1,40,000 is provided to women belonging to backward classes, as per the Government norms, and whose family income is less than Rs. 3 lakh per annum.

Table 1: Coverage of women beneficiaries under various schemes of NSFDC in FY 2023-24 (as on 31.10.23)

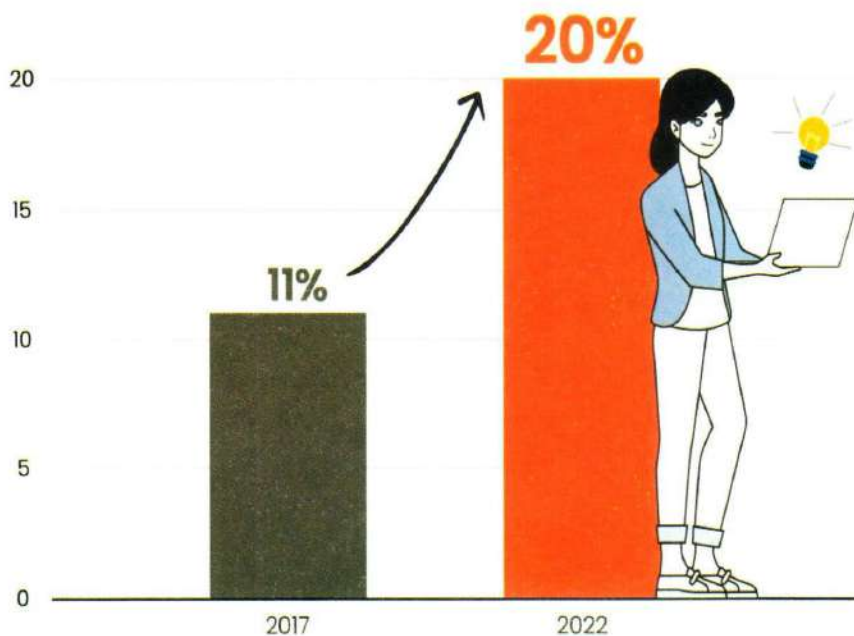
S.N.	Particulars	Women Beneficiaries Covered	Amount Disbursed (in lakh)
1	Term Loan	1	7.65
2	Micro-Credit Finance	384	267.43
3	Mahila Samridhi Yojana	1795	932.75
4	Educational Loan Scheme	42	260.90
5	Laghu Vyavsay Yojana	2339	4029.97
6	VETLS Scheme	0	0
7	Aajivika Micro Credit Scheme	667	300.09
8	Green Business Scheme	0	0
9	Stand-Up India Scheme	0	0
10	Mahila Adhikarita Yojana	471	1297.95
11	Udhyam Nidhi Yojana	2222	2000.00
	TOTAL	7921	9096.74

Source: NSFDC

Again, under the Self Employment Lending Scheme—Credit Line 1—Mahila Samridhi Yojana, training is given to a group of around 20 women in any suitable women-friendly craft activity. The group is formed into a Self-Help Group during the training itself, and after

INVESTING IN SHEER BRILLIANCE

Share of VC Funding to Women-led Startup



Whopping Amounts Being Invested in A Female-Led Future

women entrepreneurs in the age group of 18-50 years engaged in any viable income-generating activity, including small business trade, etc., are provided financial assistance up to a maximum of Rs. 100 lakh for taking up business ventures. Existing businesses are also eligible for expansion, modernisation, and diversification.

To encourage entrepreneurship among women, the Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes. The Ministry implements the Prime Minister's Employment Generation Programme (PMEGP), which is a major credit-linked subsidy programme aimed at generating self-employment opportunities through the establishment of micro-enterprises in the non-farm sector by helping traditional artisans and rural/urban unemployed youth. For beneficiaries belonging to special categories such as Scheduled Caste/Scheduled Tribe/OBC/minorities/women, ex-servicemen, physically handicapped, NER, hill and border areas, etc., a higher subsidy is given.

the training, microcredit is provided to the members of the SHG so formed by the National Minorities Development and Finance Corporation. Credit Line 1 is the existing stream of concessional credit, being disbursed on the basis of income limits of Rs. 98,000 p.a. for rural areas & Rs. 1.20 lakh in urban areas. The maximum duration of the training is six months with maximum training expenses of Rs. 1,500 p.m. per trainee. During the training, a stipend of Rs. 1,000 p.m. is also paid to the trainees. The training cost and stipend are met by NMDFC as grant. After the training, need-based microcredit subject to a maximum of Rs. 1 lakh, is made available to each member of SHG at an interest rate of 7% p.a.

Women Enterprise Development (WED) Scheme

The Ministry of Development of the North Eastern Region (DONER) runs the Women Enterprise Development (WED) Scheme, under which skilled

The Credit Guarantee Fund Trust for Micro, and Small Enterprises (CGTMSE), which was jointly set up by the Ministry of MSME, Government of India and Small Industries Development Bank of India has increased the extent of guarantee coverage of credit to 85% for women entrepreneurs. As an additional concession to Women Entrepreneurs, CGTMSE has reduced the Annual Guarantee Fee by 10%.

Trade Related Entrepreneurship Assistance and Development (TREAD)

Under the Ministry of MSME, the scheme provides assistance in the form of a Government of India (GoI) grant of up to 30 per cent of the total project cost, as appraised by the lending agency, to the non-governmental organisations (NGOs) engaged in income generation activities for women entrepreneurs for promoting entrepreneurship among target groups

of women. The remaining 70 per cent of the project cost is financed by the lending agency as a loan for undertaking activities as envisaged in the project. The NGOs can utilise the grant for training, counselling, tie-ups for marketing on behalf of the beneficiaries, etc. besides their capacity-building for assisting women. Selected training institutions and NGOs conducting training programmes for the empowerment of women beneficiaries identified under this scheme can also avail of Gol grant of up to Rs. 1 lakh per programme, for imparting training to women entrepreneurs, provided such institutions also contribute at least 25 per cent of the grant.

Mentoring Women Entrepreneurs

The Women Entrepreneurship Platform (WEP) is a key enabling programme under the guidance of NITI Aayog. As an aggregator platform, WEP hosts information and services relevant to women entrepreneurs. It enables key partnerships to bring crucial content, workshops, campaigns, and other avenues of learning and growth to its users from trailblazers in the industry. Every year, WEP's flagship Women Transforming India (WTI) awards showcase the successful journeys of women entrepreneurs who are at the frontiers of their fields, from manufacturing, handicrafts, health, and wellness to technology and automation.

To inspire women belonging to minority communities to stand on their own feet, the Government has two broad programmes implemented by the Ministry of Minority Affairs. First is the Nai Roshni Scheme for Leadership Development of Minority Women, which aims to empower and instill confidence among minority women, including their neighbours from other communities living in the same village or locality, by providing knowledge, tools, and techniques for interacting with Government systems, banks, and other institutions at all levels. The Nai Roshni programme is run with the help of NGOs, Civil societies and Government Institutions all over the country. It includes various training modules like leadership of women, educational programmes, health and hygiene, Swachh Bharat, financial literacy, life skills, legal rights of women, digital literacy, and advocacy for social and behavioural change.

Special Schemes of Public Sector Banks

Besides Central government schemes for women-led startups, several public sector banks such as State Bank of India (Stree Shakti Scheme), Punjab National Bank (PNB Mahila, Udyami), Central Bank of India (Cent Kalyani) and Dena Bank (Dena Shakti Scheme) have also launched concessional financing options for women entrepreneurs to set up their own micro enterprises or expand, modernise or undertake technology upgradation of existing units in the manufacturing and services sectors or for working capital needs.

The Way Forward

As per the National Sample Survey (NSS) 73rd Round report, 19.5 per cent of the total unincorporated non-agricultural proprietary enterprises were owned by women, employing 22 to 27 million people. As per the report 'Decoding Government Support to Women Entrepreneurs in India' on the NITI Aayog website, women's economic contribution in India accounts for 17% of the GDP. The majority of women-led enterprises in rural India is in the agriculture and allied sectors such as handloom and handicrafts. While the achievements of women entrepreneurs in urban areas typically get highlighted in the media, their counterparts in rural India may not be getting their share of the limelight.

Even as the Government fine-tunes its various schemes to make them more effective, it must pay particular attention to ensuring female entrepreneurs can equally access the benefits of all entrepreneurship support schemes against only those that specifically target women. Also, more schemes that support entrepreneurship in the digital economy are needed. Non-financial support under schemes in the form of technology upgrades, quality assessment support, intellectual property rights (IPR), marketing infrastructure, market access, incubation facilities, skill training, capacity building, etc., needs to be equally available, especially for women. If more and more women-owned business enterprises can play a prominent role in society by generating employment opportunities in the country, it will bring in demographic shifts and inspire the next generation of women founders. □

February 2024 issue - Food Storage Infrastructure