

# **INDEX**

1. [TRADE RELATED ENTREPRENEURSHIP ASSISTANCE AND DEVELOPMENT SCHEME FOR WOMEN \(TREAD\).](#)
2. [MICRO & SMALL ENTERPRISES CLUSTER DEVELOPMENT PROGRAMME \(MSE-CDP\)](#)
3. [CREDIT GUARANTEE FUND SCHEME FOR MICRO AND SMALL ENTERPRISES](#)
4. [SUPPORT FOR ENTREPRENEURIAL AND MANAGERIAL DEVELOPMENT](#)
5. [EXHIBITIONS FOR WOMEN UNDER PROMOTIONAL PACKAGE FOR MICRO & SMALL ENTERPRISES APPROVED BY CCEA UNDER MARKETING SUPPORT](#)

## **Schemes for the development and promotion of women entrepreneurs**

According to the Third All India Census of Small Scale Industries conducted in 2001-02 and subsequent estimates made, only 10.11% of the Micro and Small Enterprises in India are owned by women while 9.46% of the MSE enterprises are managed by women. Currently (2006-07) their estimated number is 12.99 lakh women managed enterprise and 12.15 lakh women managed enterprise.

In order to encourage more and more women enterprises in the MSE sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeted only at the development of women enterprises in India.

### **1. TRADE RELATED ENTREPRENEURSHIP ASSISTANCE AND DEVELOPMENT SCHEME FOR WOMEN (TREAD)**

With a view to encourage women in setting up their own ventures, government implements a Scheme, namely, "Trade Related Entrepreneurship Assistance and Development (TREAD) during the 11th Plan. The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in non-farm activities. There are three major components of the scheme;

- (i) GoI grant upto 30% of the total project cost to the Non-Government Organisations (NGOs) for promoting entrepreneurship among women. The remaining 70% of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.
- (ii) GoI grant upto Rs.1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs, subject to these institutions/NGOs bring their share to the extent of minimum 25% of GoI grant and 10% in case of NER.

- (iii) Need-based Govt grants upto Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

## **Operationalisation of the Scheme**

The scheme envisages that Women Associations/NGOs/SHGs should prepare composite bankable proposals for a group of women entrepreneurs, and submit to the office of the DC (MSME) for forwarding to the Banks for their appraisal. Bank examines the proposal and issues approval. 30% of the loan amount is sanctioned as grant and made available to the bank by office of DC (MSME) for further disbursement to NGOs.

## **2. MICRO & SMALL ENTERPRISES CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP)**

### **a) Existing Clusters:**

A cluster is defined as a group of enterprises, ideally having 100 members, producing same/similar products/services. While 100 members could be the minimum per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking Diagnostic Study and the subsequent Soft Interventions in a cluster. However, in difficult and backward regions the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster. The Cluster Development Programme (CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify appropriate technologies and their providers and to facilitate adoption of available technology meeting the specific needs of the end users. The Cluster Development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme provides assistance for capacity building, common facilities, marketing etc. the delivery, assimilation and diffusion of the identified technology from its producers to the recipient user/cluster of small enterprises.

### Type of interventions

- I) **Soft Interventions** – capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions, inter alia, include
- i. Diagnostic study
  - ii. Forming association-Trust building & Developing Identity
  - iii. Capacity building,
  - iv. Organising workshops, seminars,
  - v. Training & Exposure visits,
  - vi. Market development,
  - vii. Launch of Website,
  - viii. Common procurement,
  - ix. Common/complementary sales and branding;

In the past depending upon the type of cluster, assistance available for soft interventions has varied in the range of Rs.25 – 35 lakh per cluster. Currently we have an internal ceiling of Rs.10 lakh for soft intervention under this Scheme.

- II) **Hard Interventions** – Hard interventions, inter alia, include

- i. Setting up of Common Facility Centre (CFCs),
- ii. Mini Tool Room
- iii. Design Centre,
- iv. Testing Facilities
- v. Training Centre,
- vi. R&D Centre
- vii. Common Raw Material Bank/Sales depot, etc.
- viii. Display/Exhibition Centre

In case of the hard intervention the contribution from the M/o MSME varies between 30-80% of the total project cost, 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.

#### **b) Creation of physical infrastructure:**

This Ministry implemented the IID Scheme to provide developed sites with infrastructural facilities like power distribution network, water, telecommunications, drainage and pollution control facilities, roads, exhibition/display centres, raw materials, storage and marketing outlets, common service facilities and technological back-up services, etc. This scheme has been subsumed in the MSME-Cluster Development Programme. All the features of IID Scheme have been retained.

To create physical infrastructure exclusively for women enterprises central grant of 40% of the project cost subject to a maximum of Rs.2 crore is available. The Ministry of MSME is making efforts to enhance the quantum of grant to 80% in a project of Rs.10 crore.

#### **Operationalisation of the Scheme**

- i) A Cluster Development Executive (CDE) is required for executing and monitoring all soft interventions in a cluster. Normally, a CDE can be a DIC Officer/MSME-DI officer/retired expert or even hired person from Non-Government Sector.
- ii) The hard interventions in a cluster and creation of physical infrastructure require to set up a users body/special purpose vehicle which could be society/trust/company to be formed by the cluster beneficiaries.

### **3. CREDIT GUARANTEE FUND SCHEME FOR MICRO AND SMALL ENTREPRISES**

The Scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under the scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to Rs.50 lakh. The guarantee cover available is up to 75% of the loans extended. The extent of guarantee cover is 80% for (i) micro enterprises for loans up to Rs.5 lakh; (ii) MSEs operated and/or owned by women; and (iii) all loans in the North-East Region. The lending institutions availing guarantee from the Trust have to pay one time guarantee fee of 1.5% and service charges of 0.75% per annum of the credit facility sanctioned. For loans up to Rs.5 lakh, the one time guarantee fee is 1% and service charges are 0.5% per annum of the credit facility sanctioned.

#### **4. SUPPORT FOR ENTREPRENEURIAL AND MANAGERIAL DEVELOPMENT**

MSME-DIs regularly organize a number of Entrepreneurship Skill Development Programme (ESDPs)/ Entrepreneurship Development Programme (EDPs)/ Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields.

Many of the programmes are tailor made for the target group for SC,ST, OBC,Women, Minorities and other weaker sections **and exclusively for women also.**

These programmes are also called "Out-reach Programmes" as they are conducted in rural / less developed areas.

22.5% of total target of ESDPs/EDPs are conducted exclusively for SC,ST, Women and Physically Challenged persons with a stipend of Rs. 500/- pre month per candidate under the Promotional Packages for MSEs. No fees is charged from SC / ST, **women** and Physically Handicapped.

No fee is charged from SC and ST and 50 % fee from Women and PH candidates who attend the ESDP /EDP /MDP courses conducted for general candidates

#### **5. EXHIBITIONS FOR WOMEN UNDER PROMOTIONAL PACKAGE FOR MICRO & SMALL ENTERPRISES APPROVED BY CCEA UNDER MARKETING SUPPORT**

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at International Trade Fairs/Exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11<sup>th</sup> Plan (2007-2012).

With a view to encourage women entrepreneurs to participate in the International Exhibitions under MDA scheme it has been decided to:

- i) provide rent free space (6/9 Sq Mts) in the exhibitions
  - ii) reimburse 100% economy class air fare for one representative
- The overall ceiling shall however be Rs. 1.25 lac.

During the period April 2008 to September 2008, Office of DC(MSME) participated in the following exhibitions with 36 women out of total 74 participants.

<b>Name of Fair</b>	<b>Date &amp; Duration</b>	<b>Number of Women Participants</b>	<b>Total Participants.</b>
Fujian, China	May 18 – 22 2008	7	17
Imported Goods Fair, Seol, S.Korea	May 2008	11	13
Exporiva, Garda, Italy	June 14 – 17 2008	2	7
SAARC Fair, Colombo, Sri Lanka	August 28-31, 2008	4	7
Budapest International Trade Fair, Budapest, Hungary	September 10-14, 2008	3	16
5 <sup>th</sup> China Small & Medium Enterprises Fair, Guangzhou, China	September 22-25, 2008	9	15

Office of DC (MSME) is participating in the following International Exhibitions / Fairs during September 2008 to March 2009.

<b>Name of Fair</b>	<b>Date &amp; Duration</b>	<b>Name of specific Product</b>	<b>Tentative space rent per Sq. M.</b>
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INDEE, Kualalampur, Malaysia	Sept. 25 – 27 2008	Engineering Items	Rs. 17,978/- with Service Tax
8 <sup>th</sup> Tehran Int. Industry Fair (TIIF), Iran	October 6 – 9 2008	Engineering Items	Rs. 7,000/- + 12.36% Service Tax
AF'L Artigianoin Fiera,- International Craft Selling Fair, Milan, Italy	November 29 – December 8, 2008	Handicraft giftware and related products	Rs. 21,000/- + 12.36% Service Tax
Intermoda-International Apparel & Textile Fair, Guadalajara, Mexico	January 13-16 2009	All wear items & accessories	Rs. 11,000/- + 12.36% Service Tax
Asian Pharma Expo Dhaka, Bangla Desh	January 2009	Pharmaceutical Items & Machinery	To be decided
Cairo International Fair, Egypt	March 15-25, 2009	Multi Product	Rs. 7,000/- + Service Tax
APLF – Asia Pacific Leather Fair, Hong Kong	March 31 – April 2, 2009	Leather goods and Accessories	Rs. 22,000/- + Service Tax

In case any further information or details of these schemes is required, you are welcome to get in touch with the MSME-DI in your state or to Shri P. Lal, DD (MA) (Tel. 011-23062992 / E-mail : [adatta@nic.in](mailto:adatta@nic.in)).

**Note: 100% subsidy on space rent & air fare is also available to SC/ST Entrepreneurs and Entrepreneurs of NE region (50% space rent & 75% air fare to General category of entrepreneurs).**