

# Business Loans By Government for Women in India 2022

Are you looking for loans from banks or government agencies? If yes, then you should read this article. The article explains the various types of Government's schemes for women entrepreneurs.

Banks and other financial institutions offer loans to individuals who want to start their own businesses. These loans come in two forms – personal and commercial. Personal loans are meant for individual borrowers whereas commercial loans are meant for companies.

India has a large population of women entrepreneurs who want to start their own businesses. The government wants to encourage them to become successful entrepreneurs. Government has launched several schemes to provide loans to women entrepreneurs. In order to avail these loans, applicants must meet certain eligibility criteria.

In 2017, about 5% of all startups were run by women. Despite this small number, there has been significant progress made towards increasing the number of female entrepreneurs. For example, NABARD launched the Startup Village initiative in 2010, which provided access to bank credit and other facilities for young women entrepreneurs. By 2012, about 60% of all startups had at least one woman founder. In 2015, the Indian government passed the Startup India Act, which includes provisions to encourage innovation and entrepreneurship across sectors and regions. The act also aims to increase the share of women entrepreneurs from 25% to 40%, and remove barriers to accessing capital, technology, and markets.

# Small Business Loans For Women Entrepreneurs



These are some of the best small business loans for women in India.

## 1. Stree Shakti scheme

The Stree Shakti Scheme is offered by a majority of State Bank of India branches (SBI) in India, providing a business loan for women.

### Features

- Requires no security for loans up to Rs. 5 lakh.
- They lowered the interest rate in case the loan exceeds Rs. 2 lakh.
- Available to women who own a stake of 51% or above in the business.

## 2. Cent-Kalyani Scheme

Cent-Kalyani Scheme is offered by the Central Bank of India, the Cent – Kalyani scheme is for new as well as existing women

entrepreneurs. This scheme is available for women's small business startup loans for women. It is to provide startup loans for women and help them meet their day-to-day expenditures.

## Features

- Loans up to ₹1 crore are sanctioned under this scheme with a margin rate of 20%.
- The rate of interest on loans depends on market rates.
- You do not require any collateral security or guarantors for this scheme.

## 3. MUDRA Yojana



Launched in 2015, MUDRA Yojana comes under Pradhan Mantri Mudra Yojana (PMMY), a loan scheme provided by banks for individuals, startups, business owners, as well as for women entrepreneurs across India.

Under this scheme, a loan amount of up to Rs. 10 lakh is offered to women who want to start their own business or expand the existing business. The loan amount comes under three categories named Shishu, Kishor, and Tarun. Find below

the basic features of the loan scheme offered by banks and Non-Banking Financial Companies (NBFCs) under the MUDRA yojana:

## **Features of MUDRA Yojana**

- Allow Interest Rates for Women Entrepreneurs.
- No collateral or security is required by banks or Non-Banking Financial Companies (NBFCs).
- Its Term Loan.
- 3 Loan Categories are Shishu, Kishor, and Tarun.
- Loan Amount: No minimum limit and maximum up to Rs.10 lakh only.
- Repayment duration: Up to 5 years.
- Processing Fee: Nil or in some cases 0.50% of the sanctioned loan amount.
- Loans for Women living in India.
- Mudra Yojana loans are offered to women to encourage women entrepreneurs and to promote the MSME sector.

Click [here](#) to know about Pradhan Mantri Kaushal Vikas Yojana (PMKVY) , the scheme of the Ministry of Skill Development & Entrepreneurship (MSDE).

## **4. Shringaar and Annapurna from Bhartiya Mahila Bank**

Bhartiya Mahila Bank has a vast range of loans to help women entrepreneurs to set up new or expand their existing businesses. Two of the more options in this category are Shringaar and Annapurna.

A) The Shringaar Loan Scheme targets women who are interested in a Beauty Parlour, Saloon, or Spa.

Features :

- Age of applicant minimum 20 years and maximum 60 years.
- The repayment duration is a maximum of 7 years.
- Collateral free loan to be covered under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme.

B) The Annapurna Loan Scheme provides financial support to women interested in establishing a food catering business.

Features :

- Age of applicant: age should be minimum of 18 years and a maximum of 60 years.
- Collateral Free to be covered under the CGTMSE scheme.
- Repayment duration is up to 3 years.

## **5. Syndicate Bank's Synd Mahila Shakthi from Canara Bank**



The scheme is available as cash credit to meet the working



capital requirements of new and existing businesses. A business seeking such a loan needs to have one or more women owning at least 50% of the financial holding in the business.

## Features

- Maximum Loan Amount provided up to Rs. 5 Crore.
- Loan duration Maximum of 10 years including moratorium period.
- Interest Rates 0.25% below base rate for loans over Rs 10 Lakh, lesser amounts at the base rate.

## 6. Shakti Scheme from Bank of Baroda



The Shakti Scheme supports women entrepreneurs in a wide range of sectors including agriculture & allied activities, retail trade, microcredit, education, housing as well as enterprises in direct/indirect finance and services sectors.

## Features

- Eligibility: Women entrepreneurs with 50% ownership of the business enterprise.
- The maximum Loan Amount is up to Rs. 20 Lakh for

retailing, education, housing, and Rs. 50,000 under micro-credit schemes.

- Rate of Interest 0.25% below base rates for women applicants who are majority stakeholders in the business.

## **FAQ's on Business Loans By Government for Women in India:**