

An Evaluation of State-Led Initiatives for Women Entrepreneurs in Karnataka

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DOI: <https://doi.org/10.47772/IJRISS.2026.10190010>

Received: 14 January 2026; Accepted: 20 January 2026; Published: 14 February 2026

ABSTRACT

Karnataka has long been recognized as India's premier innovation hub, yet gender parity in the entrepreneurial ecosystem remains an elusive goal. While the state boasts a high concentration of tech startups, women-led ventures face systemic barriers, ranging from credit access to socio-cultural constraints. In response, the Government of Karnataka (GoK) has implemented a multi-layered support framework involving financial subsidies, incubation, and specialized skilling programs.

This study aims to analyze the efficacy and reach of state-led initiatives designed to foster women's entrepreneurship in Karnataka. It evaluates key programs such as the Udyogini Scheme, Elevate WomEN, and the Women@Work (W@W) initiative, examining their impact on both urban tech-driven startups and rural micro-enterprises.

Keywords: Women's Entrepreneurship, Karnataka Startup Policy, Udyogini Scheme, Financial Inclusion, Gender Gap, Economic Empowerment, Incubation.

INTRODUCTION

Karnataka, traditionally known as the "Knowledge Capital" of India, has evolved into a formidable engine of economic growth, consistently ranking among the top states for innovation and startup activity. While the state is synonymous with its bustling tech ecosystem in Bengaluru, a significant and transformative shift is occurring in its socio-economic fabric: the rise of women-led enterprises. Transitioning from traditional roles to active participants in the industrial and service sectors, women in Karnataka are increasingly leveraging entrepreneurship as a pathway to financial independence and social empowerment.

The Rationale for State Intervention

Despite their potential, women entrepreneurs often navigate a landscape fraught with systemic barriers, including limited access to institutional credit, deeply ingrained socio-cultural norms, and a persistent "digital divide." Recognizing that gender-inclusive economic growth is not just a moral imperative but a fiscal necessity, the Government of Karnataka (GoK) has pioneered several state-led initiatives. These interventions are designed to bridge the gap between intent and execution, providing a safety net for women in both urban tech corridors and rural micro-enterprises.

Key Policy Frameworks

The state's strategy is multi-dimensional, characterized by a mix of long-standing welfare schemes and modern, innovation-focused policies:

- **The Udyogini Scheme:** A flagship initiative that provides subsidized, collateral-free loans to women, specifically targeting those from marginalized communities to encourage self-reliance.

- **Startup Karnataka & 'Elevate Women':** Tailored programs that offer grant-in-aid funding and incubation support for early-stage, women-led tech startups.
- **Institutional Support:** The **Karnataka State Women Development Corporation (KSWDC)** serves as a dedicated nodal agency, orchestrating everything from Entrepreneurship Development Programs (EDP) to state-level marketing exhibitions.

Specifically, the study focuses on the following key areas:

- **Evaluating Key Government Programs:** The research examines the impact of major initiatives such as the **Udyogini Scheme**, **Elevate Women**, and the **Women@Work (W@W)** initiative.
- **Assessing Diverse Impact:** It evaluates how these programs affect a wide spectrum of businesses, ranging from **urban tech-driven startups** to **rural micro-enterprises**.
- **Analyzing Support Frameworks:** The study explores the multi-layered support systems implemented by the Government of Karnataka, including financial subsidies, specialized skilling programs, and incubation.
- **Identifying Barriers:** It seeks to understand the systemic barriers—such as credit access and sociocultural constraints—that women-led ventures continue to face despite the state's status as an innovation hub.

Challenges faced by women entrepreneurs in India

Socio-Cultural Barriers

- **Deep-Rooted Patriarchy:** Indian society remains largely male-dominated. Women often face resistance when entering business sectors traditionally viewed as "male bastions" and must frequently overcome the skepticism of male peers and family members.
- **The "Double Burden" of Domestic Roles:** Women, particularly in rural areas, are often expected to prioritize household chores and childcare. These heavy domestic responsibilities leave them with significantly less time and energy to dedicate to their businesses compared to men.
- **Socialization and Risk Aversion:** Growing up in highly protected family environments can sometimes result in a lower capacity for risk-taking. This cultural upbringing can impact a woman's confidence in making independent, high-stakes business decisions.
- **Lack of Professional Confidence:** A shortage of visible female role models can lead to self-doubt. Additionally, certain business activities, such as aggressive sales or networking, are sometimes unfairly viewed as socially "unbecoming" for women.

Financial and Resource Constraints

- **Restricted Access to Capital:** Finance is the "lifeblood" of business, yet women struggle to secure it. Family members may be hesitant to invest due to a lack of confidence, and banks often have complex, intimidating loan procedures that hinder access to essential working capital.
- **Procurement Challenges:** Women-led units often struggle to source quality raw materials at competitive prices. This inadequacy in the supply chain can lead to production delays and even the eventual failure of the enterprise.
- **Inadequate Infrastructure:** In backward or rural regions, poor transportation and communication services lead to wasted resources and underutilized production capacity, making the business economically unviable.

Operational and Market Challenges

- **Market Information Gaps:** Many women entrepreneurs lack direct access to "first-hand" market intelligence. Without clear data on consumer trends and competitor behavior, they find it difficult to modernize their products or compete with large-scale industries.
- **Intense Market Competition:** Women often have to compete against established male entrepreneurs who may have more years of experience, better technological adoption, and larger existing networks.
- **Managerial Inadequacies:** Success in modern business requires specialized skill sets and total devotion. Some entrepreneurs face "managerial gaps," where a lack of formal training in business strategy and administration hinders growth.

Skills and Training Gaps

- **The Education-Skill Mismatch:** While more women are graduating from schools, there is still a gap in vocational and technical training specifically geared toward high-productivity business ownership.
- **Lack of Specialized Training:** Many Entrepreneurship Development Programmes (EDPs) use a "onesize-fits-all" approach. This fails to account for the different needs of first-generation entrepreneurs versus second-generation business owners who already have foundational exposure.
- **Technological Literacy:** Limited access to technical workshops and research facilities means many women remain unaware of new technologies that could streamline their operations and improve product quality.
- **Entrepreneurial Mindset:** Beyond technical skills, there is a need for fostering a specific "entrepreneurial aptitude"—the innate drive for innovation and risk-bearing—which is sometimes overlooked in standard training modules.

Motivational Factors

- **The Support Ecosystem:** The success of a woman entrepreneur is often tied to her environment. True growth requires a combination of self-motivation, family encouragement, and an institutional environment (both public and private) that is actively designed to support women in business.

Opportunities for women Entrepreneurs

Central Government Schemes for Karnataka Entrepreneurs: Karnataka's entrepreneurial landscape is supported by a robust mix of Central Government initiatives and State-specific reinforcements. These schemes focus on providing collateral-free credit, capital subsidies, and innovation grants.

Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)

The **Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)** is a flagship initiative by the Department of Pharmaceuticals to provide high-quality generic medicines at affordable prices.

For **women entrepreneurs**, the government has introduced special incentives and relaxed criteria to encourage them to open and operate these Jan Aushadhi Kendras.

1. Key Benefits for Women Entrepreneurs

Women are classified under the "Special Category," which entitles them to additional financial support that general applicants do not receive.

- **Higher Incentives:** Women entrepreneurs can receive a total incentive of up to **₹7.00 Lakh**.

- **Normal Incentive:** Up to **₹5.00 Lakh** (linked to monthly purchases).
- **Special Incentive:** An additional **₹2.00 Lakh** as a one-time grant.
- **Infrastructure Support:** The ₹2.00 Lakh special incentive is specifically provided to cover:
 - **₹1.50 Lakh** for furniture and fixtures.
 - **₹0.50 Lakh** for computer, internet, printer, and scanner setup.
- **Application Fee Waiver:** The non-refundable application fee (usually ₹5,000) is **waived** for women entrepreneurs.

Prime Minister's Employment Generation Programme (PMEGP)

The **Prime Minister's Employment Generation Programme (PMEGP)** is a flagship credit-linked subsidy scheme by the Ministry of MSME designed to help aspiring entrepreneurs set up new micro-enterprises.

For **women entrepreneurs**, the scheme is particularly attractive because they are classified under the "**Special Category**," which entitles them to higher subsidies and lower personal investment requirements compared to the general category.

Financial Benefits for Women

Under PMEGP, the government provides "Margin Money" (subsidy), which significantly reduces the loan burden.

Key Details & Eligibility

- **Project Limits:** You can apply for projects up to **₹50 lakh** in the Manufacturing sector and up to **₹20 lakh** in the Service/Business sector.
- **No Income Ceiling:** There is no family income limit to apply for this loan.
- **Age:** Any woman above **18 years** of age is eligible.
- **Education:** For projects above ₹10 lakh (Manufacturing) or ₹5 lakh (Service), the applicant must have passed at least the **8th standard**.
- **New Units Only:** The subsidy is only available for setting up **new** micro-enterprises.
- **Collateral-Free:** Loans up to **₹10 lakh** generally do not require collateral security (covered under the CGTMSE guarantee).

How to Apply

1. **Online Application:** Visit the official [PMEGP e-Portal](#).
2. **Training (EDP):** Once the loan is sanctioned, undergoing Entrepreneurship Development Programme (EDP) training is mandatory before the subsidy is released.
3. **Lock-in Period:** The government subsidy is kept in a fixed deposit for **3 years**, after which it is adjusted against your loan account.

Stand-Up India Scheme

The **Stand-Up India Scheme** is a flagship initiative of the Government of India designed specifically to promote entrepreneurship among women and the SC/ST communities. It focuses on providing institutional credit to those who are often underserved by the traditional banking system.

For women entrepreneurs, here is a concise breakdown of the scheme:

Core Objective

The scheme aims to facilitate bank loans between **₹10 Lakh and ₹1 Crore**. Each bank branch of all Scheduled Commercial Banks is mandated to provide at least one such loan to a woman entrepreneur **Key Features for Women**

- **Target:** Specifically for women entrepreneurs (above 18 years of age) starting their first venture.
- **Loan Amount:** Composite loan (Term Loan + Working Capital) ranging from **₹10 Lakh to ₹100 Lakh (₹1 Crore)**.
- **Greenfield Projects:** The loan is strictly for "**Greenfield**" projects—meaning it must be the entrepreneur's first-time venture in the manufacturing, services, trading, or agri-allied sectors.
- **Ownership:** In the case of non-individual enterprises (like a partnership or company), at least **51% of the shareholding** and controlling stake must be held by a woman.
- **Interest Rate:** Guaranteed at the **lowest applicable rate** of the bank for that category, not to exceed (Base Rate (MCLR) + 3% + Tenor Premium).

Repayment & Support

- **Repayment Period:** The loan is repayable in **7 years**, with a maximum moratorium (grace period) of **18 months**.
- **Margin Money:** The borrower is generally required to bring in 10% of the project cost as their own contribution. The scheme can cover up to 85% of the project cost.
- **Handholding Support:** The scheme isn't just about the money; it provides a "Stand-Up Mitra" portal that offers guidance on training, mentoring, and preparing project reports.
- **Working Capital:** For amounts up to ₹10 Lakh, working capital is provided as an **overdraft** with a RuPay debit card for easy access.

How to Apply

You can apply for the Stand-Up India scheme through three main channels:

1. Directly at a **bank branch**.
2. Through the **Stand-Up Mitra Portal** (www.standupmitra.in).
3. Via the **Lead District Manager (LDM)** in your area.

Note: As of 2026, the scheme continues to be a primary vehicle for women's financial empowerment. Ensure you have a solid business plan (Project Report) ready, as this is the most critical document for bank approval.

Agri-Clinics & Agri-Business Centres (AC&ABC) scheme

The **Agri-Clinics & Agri-Business Centres (AC&ABC)** scheme is a flagship initiative by the Ministry of Agriculture and Farmers' Welfare, Government of India. It is designed to transform agriculture graduates into "Agripreneurs" who provide professional extension services to farmers while running profitable businesses.

For **women entrepreneurs**, the scheme offers significantly higher financial incentives compared to the general category to encourage their participation in the rural economy.

1. Key Benefits for Women Entrepreneurs

Women are treated as a "Special Category" under this scheme, receiving the following enhanced benefits:

- **Higher Subsidy:** Women are eligible for a **44% back-ended composite subsidy** on the total project cost (compared to 36% for general category men).
- **Lower Margin Money:** While banks usually require a 15–25% contribution from the entrepreneur, for women, **NABARD may provide up to 50% of this margin money** as an interest-free loan if the borrower cannot meet the requirement.
- **Collateral Waiver:** No collateral security is required for loans up to **₹10 lakh**.

2. Eligibility & Training

To avail of the loan and subsidy, a woman entrepreneur must satisfy these conditions:

- **Education:** Must be a graduate/post-graduate in Agriculture or allied subjects (Horticulture, Sericulture, Veterinary Sciences, Dairy, Fisheries, Home Science, etc.) OR a Diploma holder (50% marks) in these fields.
- **Age:** 18 to 60 years.
- **Mandatory Training:** You must complete a **45-day free residential training program** at a Nodal Training Institute (NTI) coordinated by **MANAGE**, Hyderabad. This training covers business planning and technical skills.

3. Eligible Business Activities (Examples)

- **Agri-Clinics:** Soil testing labs, pest surveillance, and crop protection advice.
- **Agri-Business:** Custom hiring of farm machinery, seed processing units, vermiculture, apiaries (honey), and livestock health covers.
- **Value Addition:** Post-harvest management, cool chains, and retail outlets for processed agri-products.

National Backward Classes Finance and Development Corporation (NBCFDC)

The **National Backward Classes Finance and Development Corporation (NBCFDC)** offers specialized loan schemes to empower women entrepreneurs from Other Backward Classes (OBC). In Karnataka, these schemes are primarily implemented through the **D. Devaraj Urs Backward Classes Development Corporation Ltd.** The two most prominent schemes for women are **New Swarnima** and **Mahila Samridhi**

1. New Swarnima Special Scheme

This is a term-loan scheme designed specifically for women to inculcate the spirit of self-dependence through entrepreneurship.

- **Loan Amount:** Up to **₹2,00,000** per beneficiary.
- **Interest Rate:** Very low, typically **5% per annum**.
- **Beneficiary Contribution:** For projects up to ₹2 Lakh, the woman entrepreneur is **not required** to invest any of her own money (NBCFDC funds 95%, and the state agency covers the rest).
- **Repayment:** Up to **8 years** (including a 6-month moratorium period).

2. Mahila Samridhi Yojana (Micro-Finance)

This scheme focuses on micro-credit for small business needs, often provided to individual women or members of Self-Help Groups (SHGs).

- **Loan Amount:** Up to ₹1,25,000 per beneficiary.
- **Interest Rate:** Highly subsidized at **4% per annum**.
- **Purpose:** Small-scale business activities like tailoring, beauty parlors, small retail shops, or handicraft units.
- **Repayment:** Usually within **3 to 4 years**.

Eligibility Criteria

To avail of these loans in Karnataka, the applicant must meet the following:

- **Gender:** Must be a woman.
- **Caste:** Must belong to the **OBC category** (as notified by Central or State Government).
- **Income:** Annual family income must be less than **₹3,00,000**.
- **Age:** Generally between **18 and 55 years**

How to Apply in Karnataka

Since NBCFDC does not lend directly to individuals, you must apply through its **State Channelizing Agency (SCA)**:

1. **Contact Agency:** Visit the office of the **D. Devaraj Urs Backward Classes Development Corporation** (available at the district level in Karnataka).
2. **Documents Needed:**
 - Caste Certificate & Income Certificate.
 - Aadhaar Card & Ration Card.
 - Project Report/Business Plan (a simple brief of what business you intend to start).
 - Bank Passbook details.

3. **Submission:** Submit the prescribed application form at the district office or through the official [KDSBD Devaraj Urs portal](#).

RKVY – Village Soil Labs

The **RKVY – Village Soil Labs** (officially known as the **Village Level Soil Testing Lab (VLSTL)** scheme) is a component of the Rashtriya Krishi Vikas Yojana (RKVY) aimed at decentralizing soil testing and promoting rural entrepreneurship. In Karnataka, the scheme is particularly focused on empowering rural youth and women's collectives to provide soil health services at the doorstep of farmers

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1. Key Objectives for Entrepreneurs

- **Decentralization:** Bringing soil testing facilities from district/taluk headquarters directly to the village level.
- **Employment:** Creating self-employment opportunities for rural youth and women entrepreneurs.
- **Soil Health:** Assisting the Government in issuing **Soil Health Cards (SHC)** by collecting and testing samples locally.

2. Financial Assistance (Grant)

The scheme provides a **one-time financial assistance of ₹1.5 Lakh** per lab to set up the facility. This is typically split as follows:

- **₹1.00 Lakh:** For soil testing equipment (reagents, sample shaker machines, and mini-lab kits).
- **₹0.50 Lakh:** For laboratory consumables (distilled water, pH meters, glassware, filter papers, etc.)

3. Eligibility Criteria

While the scheme is open to general rural youth, it offers specific avenues for women through Self-Help Groups (SHGs).

- **Individuals:** Must be between **18 to 27 years** of age.
- **Groups:** Self-Help Groups (SHGs), Farmer Producer Organizations (FPOs), and Krishi Sakhis are highly encouraged to apply.
- **Education:** Minimum **10th Pass** with a science background and basic computer knowledge.
- **Infrastructure:** The entrepreneur must have their own premises or a rented building with a lease agreement of at least 4 years

4. How the Business Works

1. **Sample Collection:** The entrepreneur collects soil samples from local farmers.
2. **Testing:** Samples are tested for 12 key parameters (N, P, K, pH, EC, Organic Carbon, etc.).
3. **Reporting:** Results are uploaded to the National Soil Health Card Portal.
4. **Earnings:** Entrepreneurs earn through the service fee for soil testing and a government-fixed rate for generating Soil Health Cards (typically around **₹300 per card**, which includes collection, testing, and awareness)

How to Apply in Karnataka

1. **Contact:** Reach out to the **Deputy Director of Agriculture (DDA)** or the **District Agriculture Officer (DAO)** in your district.
2. **Application:** Submit the application along with your Aadhaar, PAN card, educational certificates, and proof of premises.

3. **Approval:** Proposals are vetted by the District Level Executive Committee (DLEC) and finalized by the State Level Executive Committee (SLEC)

NSFDC Credit Schemes for SC Entrepreneurs

The National Scheduled Castes Finance and Development Corporation (NSFDC) provides several credit schemes specifically designed to empower **Scheduled Caste (SC) women entrepreneurs**. In Karnataka, these schemes are typically implemented through State Channelizing Agencies (SCAs), primarily the **Dr. B.R. Ambedkar Development Corporation Limited**.

Here are the primary NSFDC credit schemes available for SC women in Karnataka:

1. Mahila Samridhi Yojana (MSY)

This is a flagship microfinance scheme aimed at providing immediate financial relief to women from underprivileged backgrounds to start small-scale businesses.

- **Loan Amount:** Up to **₹1,40,000**.
- **Interest Rate:** Concessional rate of **6% per annum** for the beneficiary.
- **Repayment:** 3.5 years (including a short moratorium period).
- **Eligibility:** SC women with an annual family income up to **₹3,00,000** (for both rural and urban areas).
- **Activities:** Small shops, tailoring, dairy, or any small-scale income-generating activity.

2. Mahila Kisan Yojana (MKY)

Specifically designed for women involved in agriculture and allied sectors.

- **Loan Amount:** Up to **₹2,00,000**.
- **Interest Rate:** Highly subsidized at **5% per annum**.
- **Repayment:** Up to 10 years (including a moratorium).
- **Focus:** Agriculture, horticulture, dairy farming, poultry, and purchase of small agricultural equipment.

3. Micro Credit Finance (MCF)

Provided to women entrepreneurs through Self-Help Groups (SHGs) or individually for petty trades.

- **Loan Amount:** Up to **₹60,000** per beneficiary.
- **Interest Rate:** Usually around **6% per annum**.
- **Repayment:** Generally, within 3 years in quarterly installments.

How to Apply in Karnataka

1. **Visit the District Office:** Applications are processed through the District Offices of the **Dr. B.R. Ambedkar Development Corporation Limited** in your respective district (e.g., Bengaluru, Mysuru, Hubballi).
2. **Documents Required:** * Caste Certificate (issued by Tahsildar).

- Income Certificate.
- Aadhaar Card and Voter ID.
- Project Report/Business Idea (brief description).
- Bank Account details (Passbook copy).

3. **Selection:** Beneficiaries are often selected by a committee headed by the local MLA or designated government officials.

Khadi Karigar Janashree Bima Yojana (KKJBY)

The **Khadi Karigar Janashree Bima Yojana (KKJBY)** is a group insurance scheme specifically designed to provide a social security net for Khadi artisans, including women spinners and weavers. In Karnataka, where the Khadi industry is a significant rural employer, this scheme plays a vital role in protecting women entrepreneurs and workers against unforeseen risks. **Core Objectives**

The scheme aims to provide financial protection to Khadi artisans (aged 18 to 59) against death and disability. It is implemented by the **Khadi and Village Industries Commission (KVIC)** in collaboration with the **Life Insurance Corporation of India (LIC)**.

Key Benefits for Women Artisans

The scheme provides financial compensation for various circumstances:

Benefit Category	Coverage Amount
Natural Death	₹30,000
Accidental Death	₹75,000
Permanent Total Disability (loss of 2 eyes/limbs)	₹75,000
Partial Permanent Disability (loss of 1 eye/limb)	₹37,500

Additional "Add-on" Benefits:

- **Shiksha Sahyog Yojana (Scholarship):** To support the education of the artisan's children, a scholarship of **₹300 per quarter** (₹1,200 annually) is provided for up to two children studying in classes 9th to 12th (including ITI students).
- **Special Women's Benefits:** Some variations of the Janashree Bima Yojana for Self-Help Groups (SHGs) also include critical illness coverage (up to ₹20,000 for specific reproductive health issues) and maternity benefits for eligible members.

Eligibility & Premium Structure

The scheme is highly subsidized to ensure it remains accessible to rural women entrepreneurs:

- **Age:** 18 to 59 years.
- **Occupation:** Must be a spinner, weaver, or pre/post-weaving artisan associated with a KVIC-recognized institution.

- **Premium:** The total annual premium is generally ₹100–₹200, but the **artisan's share is only about ₹12.50 to ₹25**. The rest is covered by the Central Government, KVIC, and the specific Khadi Institution.

How to Apply in Karnataka

Since this is a group insurance scheme, women entrepreneurs do not usually apply individually to LIC.

1. **Contact your Khadi Institution:** Reach out to the local Khadi society or institution where you are registered.
2. **Submit Identification:** Provide basic documents like your **Aadhaar card**, age proof, and Artisan Identity Card.
3. **Nomination:** Ensure you have a registered nominee (usually a family member) who can claim the benefits in case of an emergency.

Coir Vikas Yojana (CVY)

The **Coir Vikas Yojana (CVY)** is a flagship umbrella scheme by the Ministry of MSME, implemented through the **Coir Board**. In Karnataka—a major coconut-producing state—this scheme is a key driver for women entrepreneurs looking to enter the coir industry, from traditional rope making to high-end export products.

The scheme is primarily divided into two areas of interest for you: **Empowerment of Women (Mahila Coir Yojana)** and **Export Market Promotion**.

Mahila Coir Yojana (MCY) – For Women Artisans

This is the most popular component for rural women. It focuses on converting raw coconut husk into value-added yarn and products.

- **Training & Stipend:** Women receive skill development training (spinning, weaving, etc.) for **2 months**. During this period, a monthly stipend of **₹3,000** is provided.
- **75% Subsidy:** After successful training, women can avail a **75% subsidy** on the cost of motorized ratts (spinning wheels) and other coir processing machinery.
- **Entrepreneurship Path:** Trained artisans are encouraged to set up their own units under the **PMEGP (Prime Minister's Employment Generation Programme)**, where project costs up to **₹25 lakhs** can be funded with significant subsidies.

Export Market Promotion (EMP) – For Entrepreneurs

If you are looking to scale your business globally, this component helps Karnataka-based entrepreneurs reach international markets.

- **International Participation:** Financial assistance to participate in international exhibitions, trade fairs, and "Buyer-Seller Meets" abroad.
- **Market Development Assistance (MDA):** Support for activities like product promotion, catalog printing, and market study tours.
- **Quality Certification:** Assistance for obtaining international quality certifications (like ISO) to make products export-ready.

How to Apply in Karnataka

1. **Contact Local Offices:** Reach out to the **Coir Board Regional Office** in Bangalore or the Sub-Regional Office in Hassan.
2. **Online Portal:** Applications can be submitted through the [Coir Board Services Portal](#).
3. **Documentation:** You will typically need your Aadhaar card, proof of residence, bank details (Aadhaarlinked), and 2 passport-size photos.

Karnataka has established a robust ecosystem for startups through various grant-based and credit-linked schemes. Below are the details of specific programs.

Idea2PoC / ELEVATE

This is the flagship initiative of the **Department of IT, BT and S&T, Government of Karnataka**. It is designed to identify and nurture innovative startups at their earliest stages.

- **Objective:** To provide a "Proof of Concept" (PoC) grant to transform an idea into a prototype or a marketready product.
- **Grant Amount:** Winners receive a one-time, equity-free grant of up to **₹50 Lakhs**.
- **Support:** Beyond funding, it offers incubation, mentoring, and access to government-backed networks.
- **Eligibility:** Startups must be headquartered in Karnataka and incorporated for less than 10 years.

Elevate Unnati & Elevate Women

These are specialized tracks under the main ELEVATE program aimed at ensuring social and gender inclusivity.

- **Elevate Unnati:** Specifically reserved for startups founded by entrepreneurs from **SC (Scheduled Caste) and ST (Scheduled Tribe)** communities. It uses earmarked funds (SCSP/TSP) to provide the same ₹50 Lakhs grant to ensure diversity in the tech ecosystem.
- **Elevate Women:** A dedicated call for **women-led startups**. While the general ELEVATE program also supports women, this specific initiative focuses on mentorship and acceleration programs tailored to the unique challenges faced by female founders, often reserving a significant percentage of the total grant winners for women.

Fund of Funds – Karnataka + SIDBI

To move beyond just grants, the Government of Karnataka (GoK) partners with **SIDBI** (Small Industries Development Bank of India) to manage a venture capital fund.

- **Mechanism:** Instead of investing directly in startups, the GoK contributes to a "Fund of Funds." This money is then committed to **SEBI-registered Alternate Investment Funds (AIFs)** (daughter funds).
- **Multiplier Effect:** These AIFs are required to invest at least twice the amount of the state's contribution back into Karnataka-based startups.
- **Focus:** It aims to provide **Series A and Growth Stage** capital to startups that have already passed the "Idea2PoC" stage.

Vridhhi Scheme

The **Vridhhi Scheme** is a soft loan initiative launched by the **Karnataka Innovation and Technology Society (KITS)** in collaboration with the **Karnataka State Women Development Corporation (KSWDC)**. It is specifically designed to bridge the credit gap for women entrepreneurs.

Key Details:

- **Financial Assistance:** Provides low-interest loans ranging from **₹5 Lakhs to ₹10 Lakhs**.
- **Interest Rate:** Offered at a highly subsidized rate of **4% per annum**.
- **Repayment Tenure:** The loan is repayable in **60 monthly installments** (5 years).
- **Target Audience:** It is aimed at women-led startups and micro-enterprises incorporated in Karnataka that need capital for machinery, equipment, or working capital.
- **Integration:** It serves as a follow-up for women who may have already received initial grants but need debt capital to scale operations.

The **Karnataka State Women's Development Corporation (KSWDC)** implements several flagship schemes designed to foster financial independence and social rehabilitation for women and marginalized groups in Karnataka.

Udyogini Scheme

This is the primary financial assistance scheme for women starting small businesses.

- **Support:** Provides loans up to **₹3 Lakhs** through banks.
- **Subsidy:** 50% for SC/ST women; 30% for General/Special categories.
- **Eligibility:** Women aged 18–55 with a family income below ₹1.5 Lakh (General) or ₹2.0 Lakh (SC/ST). No income limit for widows or disabled women.

Women Training Programme

Focuses on skill development to make women "employable" or "self-employable."

- **Details:** Offers vocational training in various trades (like tailoring, beautician, computer skills).
- **Incentive:** Trainees often receive a monthly stipend during the 3–6 month course period.

Marketing Assistance Scheme

Helps women entrepreneurs overcome the challenge of finding customers.

- **Support:** KSWDC organizes **Exhibitions (Melas)** at district and state levels where women can sell their products (handicrafts, pickles, garments) directly to the public without middlemen.

State Resource Centre (SRC)

Acts as the knowledge hub for women's empowerment.

- **Function:** Conducts research, collects data on women's issues, and provides academic/technical resources for continuing education and skill-building programs.

Micro Credit (Self-Help Groups)

Targeted at women in the informal sector or SHGs.

- **Support:** Provides small, low-interest loans (often through the Kayaka scheme or SHG linkages) for daily income activities like vegetable vending or petty shops.

Chetana

A dedicated rehabilitation scheme for women in sex work.

- **Support:** Provides a financial grant (approx. ₹30,000) and skill training to help them transition into dignified, alternative livelihoods.

Rehabilitation of Transgender Persons

Focuses on the socio-economic integration of the transgender community.

- **Support:** Provides financial assistance (up to ₹30,000 subsidy) to start small businesses and escape social exclusion.

Interest Subsidy Scheme (KSFC)

Implemented in collaboration with the **Karnataka State Financial Corporation (KSFC)**.

- **Benefit:** For larger business ventures, women can get term loans from KSFC where the interest rate is subsidized. The effective interest rate for the entrepreneur is usually as low as **4%**, with KSWDC paying the remaining interest.

Samrudhi Scheme

A partnership-based model to encourage entrepreneurship.

- **Details:** The government partners with private companies to provide **franchise or dealership** opportunities to women from marginalized communities (SC/ST). It includes initial capital support and training.

Saviruchi

A unique culinary and livelihood initiative.

- **Project:** Helps Women's Self-Help Groups set up **Mobile Canteens** or catering units in all districts to provide affordable, home-cooked food to the public.

Limitation

Geographic Limitation

By focusing only on Karnataka, the study faces a **generalizability** issue.

- **Cultural & Policy Context:** Karnataka has a specific socio-economic climate. For example, Bengaluru is a global tech hub, and the state government has specific policies (like the *Priyakshini* scheme) that may not exist in Bihar or Rajasthan.

- **The "Universal" Gap:** Because the study stays within state lines, it cannot claim to represent the "Universal Entrepreneurial Profile." A woman running a manufacturing unit in Hubballi faces different infrastructure, language, and cultural norms than a woman running a boutique in New York or even a tea estate in Assam.
- **Regional Variance:** As the text notes, "different factors play different roles in different regions." In some regions, religious or traditional norms might be the biggest barrier; in others, it might be the lack of physical electricity or transport.

Selection Bias (The "DIC Registration" Filter)

The study only looked at women registered with **District Industry Centres (DICs)**. This creates a significant "blind spot" in the data:

- **The Informal Sector:** A massive portion of women-led businesses in India are informal or "nanoenterprises" (e.g., home-based tailoring, pickle making, or small-scale farming) that are never officially registered.
- **The "Survival" vs. "Growth" Gap:** Women who register with the DIC are often more "growth-oriented" or possess higher awareness of government schemes. They likely have more education or better access to resources than those who remain unregistered.
- **Data Skew:** By ignoring unregistered entrepreneurs, the study might make women's entrepreneurship look more successful or "formal" than it actually is on the ground.

CONCLUSION

Karnataka has successfully established a robust and multi-dimensional ecosystem to support women entrepreneurs, ranging from high-tech urban innovators to rural micro-entrepreneurs. Through a combination of Central Government schemes (such as Stand-Up India and PMEGP) and State-specific initiatives (such as the Udyogini Scheme and Elevate Women), the state provides a comprehensive safety net involving collateral-free credit, capital subsidies, and specialized incubation.

However, the study highlights that significant hurdles remain. Deep-rooted patriarchy, the "double burden" of domestic responsibilities, and a persistent lack of technological literacy continue to hinder full gender parity in the entrepreneurial landscape. Furthermore, while the current policy framework is extensive, its full impact may be obscured by a "blind spot" in the informal sector; many "nano-enterprises" remain unregistered and thus underserved by formal District Industry Centre (DIC) mechanisms.

For Karnataka to truly bridge the "gap between intent and execution," future interventions must move beyond "one-size-fits-all" training to address the specific regional, cultural, and educational needs of first-generation entrepreneurs.

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