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Study Of Various Initiatives And Obstacles Faced By Women Entrepreneurs Of Msme Sector In Haryana

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ABSTRACT

The Micro, Small, and Medium Enterprises (MSME) sector is a significant driver of economic growth, employment, and innovation. Women entrepreneurs, in particular, play a pivotal role in this sector, contributing to societal and economic progress. This paper examines the initiatives undertaken by the Haryana state government and the central government of India to support and promote women entrepreneurship in the MSME sector. By addressing challenges such as limited access to finance, infrastructure, and skill development, these initiatives aim to create an enabling environment for women entrepreneurs. Key programs include financial assistance schemes, infrastructure development projects, skill training initiatives, and credit guarantee schemes. The concerted efforts by these governments highlight the commitment to fostering an inclusive entrepreneurial ecosystem that empowers women and promotes sustainable economic growth.

Keywords: MSME, Government Schemes, Women Entrepreneurs

INTRODUCTION

The Micro, Small, and Medium Enterprises (MSME) sector performs important role in fostering economic improvement and employment generation in many countries around the world. This sector is characterized by its size and investment thresholds, and it encompasses a diverse range of industries and business activities. The significance of the MSME sector lies in its capacity to contribute notably to GDP, promote entrepreneurship, and beautify the overall competitiveness of the economy. MSMEs make substantial contributions to the Gross Domestic Product (GDP) of many countries. Their collective output and economic activities notably effect the overall economic and also an critical part of large supply chains, providing goods and services to larger enterprises. They play a critical function in ensuring the smooth functioning of the whole business ecosystem.

CLASSIFICATION OF MSMEs

MSMEs are India's second-largest supply of employment after agriculture. Nearly 95% of industrial units, 40% of industrial manufacturing, 34% of exports, and greater than 6000 goods are produced by using them. The empowerment of women's monetary popularity, extended family fitness, and expanded engagement of women are the developmental targets of micro, medium, and small businesses. In India as well as the rest of the globe, women make up about half of the population. The exploitation of Indian women as stunning showpieces has ceased (Riana, 2013).

According to the Micro, Small and Medium Enterprises Development Act 2020, there are two categories of Micro, Small and Medium Enterprises:

A) Manufacturing Enterprises: Enterprises engaged in the manufacture or production of goods concerned to any industry specified in the first schedule to the industries (Development and Regulation Act, 1951).

B) Service Enterprises: Enterprises engaged in providing or offering of services and are defined in terms of investment and equipment.

COMPOSITE CRITERIA: INVESTMENT IN PLANT AND MACHINERY AND ANNUAL TURNOVER			
CLASSIFICATION	MICRO	SMALL	MEDIUM
Manufacturing Enterprises and Enterprises rendering services	Investment in plant and machinery or equipment: Not more than Rs.1 Crore and Annual Turnover; not more than Rs. 5 Crore	Investment in Plant and Machinery or Equipment: Not more than Rs. 10 Crore and Annual Turnover; not more than Rs. 50 Crore	Investment in Plant and Machinery or Equipment: Not more than Rs. 50 Crore and Annual Turnover; not more than Rs. 250 Crore

(<http://msmedikarnal.gov.in/>)

Microsoft defined MSMEs based on the amount of money invested in plant and machinery for manufacturing units and in equipment for service businesses.

INVESTMENT AND TURNOVER LIMITS FOR MSMEs AS OF 2025

The Union Budget 2025 revised MSME classification thresholds, increasing investment and turnover limits for micro, small and medium enterprises. Here is a tabular representation of the new limits.

COMPOSITE CRITERIA: INVESTMENT IN PLANT AND MACHINERY AND ANNUAL TURNOVER			
CLASSIFICATION	MICRO	SMALL	MEDIUM
Manufacturing Enterprises and Enterprises rendering services	Investment in plant and machinery or equipment: up to Rs. 2.5 Crore and Annual Turnover; up to Rs. 10 Crore	Investment in Plant and Machinery or Equipment: up to Rs. 25 Crore and Annual Turnover; up to Rs. 100 Crore	Investment in Plant and Machinery or Equipment: up to Rs. 125 Crore and Annual Turnover; up to Rs. 500 Crore

(UNION BUDGET 2025)

COMPARISON BETWEEN 2020 AND 2025 INVESTMENT AND ANNUAL TURNOVER LIMITS FOR MSMEs

The classification criteria for Micro, Small, and Medium Enterprises (MSMEs) in India were revised in the Union Budget 2025-26, increasing both investment and turnover limits. Below is a comparison between the 2020 and 2025 thresholds:

ENTERPRISE TYPE	INVESTMENT LIMIT (₹ Crore)		ANNUAL TURNOVER LIMIT (₹ Crore)	
	2020	2025	2020	2025
MICRO	1	2.5	5	10
SMALL	10	25	50	100
MEDIUM	50	125	250	500

These enhancements-2.5 times increase in investment limits and 2 times in turnover limits aim to support MSMEs in achieving greater economies of scale, technological advancements, and improved access to capital.

IMPACT ON THE ECONOMY:

- 1) **Enhanced Growth and Competitiveness:** The revised thresholds enable more enterprises to qualify as MSMEs, granting them access to profits such as priority sector lending, subsidies, and tax incentives. This inclusion is expected to stimulate business extension and competitiveness (**Indianexpress.com**).
- 2) **Employment Generation:** MSMEs are significant employers in India, contributing to job creation across various sectors. The reclassification is anticipated to facilitate the growth of these enterprises, leading to enlarged employment opportunities (**pib.gov.in**).
- 3) **Contribution to GDP and Exports:** MSMEs play a vital role in India's economy, contributing approximately 30% to the GDP and accounting for about 45% of exports. The improved classification criteria are expected to strengthen these contributions by enabling MSMEs to scale operations and penetrate new markets (**Dailyexcelsior.com**).
- 4) **Regional Development:** By encouraging the growth of MSMEs, especially in rural and semi-urban areas, the revised classification supports balanced regional development, reducing disparities and fostering inclusive economic growth (**aavas.in**).

Overall, the updated MSME classification in the Union Budget 2025-26 aims to empower these enterprises, fostering a more robust and inclusive economic environment in India.

LITERATURE REVIEW

Srinivas (2013) in his paper entitled Role of micro, small and medium enterprises in inclusive growth concluded that the MSMEs has been termed as the engine for the growth of the Country. In the last few years, there has been great change in the national & State level for consolidating this sector. Poor infrastructure & lack of marketing connections are the key reasons for the poor growth of the MSMEs in India. The support provided by the state as well as Central Govt. is not acceptable for the upliftment of the MSMEs in India. Therefore the entrepreneurs in India & Govt. should take some initiatives for further-development of these MSMEs in India.

Bhuyan (2016) has analysed that the Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly exciting and dynamic sector of the Indian economy. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as subsidiary units and this sector contributes immensely to the socio-economic development of the country.

Kankipati et al (2017) has observed that the entrepreneurship generally speaking refers to the overall course of action undertaken by an owner in starting and managing his enterprise for profit. Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. Over last 5 decades MSME sector emerged as extremely effervescent and vigorous segment of Indian economy. There is continuous growth in MSME employment and MSME providing more employment opportunities over last 7 years.

Jain and Jain (2012) examined the government of Uttarakhand promotes the development of the industrial sector in the state. It provides financial assistance to promote the growth of the industrial sector and the development of industrial infrastructure. Approximately 3 million SMEs account for 42% of India's exports and 50% of the nation's industrial activity. The results showed that small-scale manufacturing units in India saw an astounding 18% increase between 2001–2002 and 2006–07; in Uttarakhand, this growth was 22.8%. The research states that there was a 15% increase in unregistered units and a nearly 50% increase in SSI registered units in Uttarakhand. SMEs have faced several obstacles in their growth and performance due to a range of reasons, including inadequate financial foundations, low installed capacity utilization, a lack of market expertise,

a misinterpretation of international trade norms, or a lack of professionalism. The research concluded that in order for SMEs to become profitable and more globally competitive, they need support with marketing.

OBJECTIVES OF THE STUDY

- 1) To study the various initiatives taken by state (Haryana) and central government for supporting and promoting the women entrepreneurship in the MSME Sectors.
- 2) To study the financial obstacles faced by women entrepreneurs of MSME sectors in Haryana.
- 3) To suggest various measures to resolve the major financial problems faced by women entrepreneurs in MSMEs to make their performance effective.

RESEARCH METHODOLOGY

The paper is descriptive and exploratory in nature. The data used in this paper is mainly from the secondary sources. The data has been collected from secondary sources like Research Papers, Annual Reports of government, Internet, Articles, Economic Surveys, Journals.

INITIATIVES TAKEN BY CENTRAL GOVERNMENT FOR SUPPORTING AND PROMOTING THE WOMEN ENTREPRENEURSHIP IN MSME SECTOR:

1. **Stand-Up India Scheme:** This scheme was launched by the Government of India in 2016 to facilitate bank loans between ₹10 lakh and ₹1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrow per bank branch for setting up greenfield enterprises in the manufacturing, services, or trading sectors (<https://www.standupmitra.in/>).
2. **Pradhan Mantri Mudra Yojana (PMMY):** Launched in 2015, this scheme aims to offer funding to the non-corporate, non-farm small/micro enterprises. Women entrepreneurs can avail of loans up to ₹10 lakh under the "Shishu" category without any collateral security requirements (<https://www.mudra.org.in/>).
3. **Mahila Coir Yojana (MCY):** This scheme was launched by the Ministry of Micro, Small and Medium Enterprises to promote women entrepreneurship in the coir sector. Under this scheme, financial assistance and training are provided to women entrepreneurs for setting up coir units (<https://coirboard.gov.in>).
4. **Support to Training and Employment Programme for Women (STEP):** STEP is a scheme carried out through the Ministry of Women and Child Development to empower women through skill development and employment technology. It gives training and support for women entrepreneurs to establish and grow their businesses (<https://wcd.nic.in/schemes>).
5. **Udyogini Scheme:** This scheme, implemented through the Bihar Mahila Udyog Sangh, aims to provide financial assistance and guide to women entrepreneurs for setting up their own micro and small enterprises. It gives loans and training programs to inspire women to become self-employed (<https://www.bmus.in/schemes>).

INITIATIVES TAKEN BY STATE (HARYANA) GOVERNMENT FOR SUPPORTING AND PROMOTING WOMEN ENTREPRENEURSHIP IN MSME SECTOR:

1. **Stree Udyamita Protsahan Yojana:** The Government of Haryana has released this scheme to encourage and support women entrepreneurs. It provides diverse incentives together with interest subsidy, reimbursement of expenses on quality certification, and financial assistance for attending trade fairs and exhibitions (<https://hrywomenhub.gov.in>).
2. **Haryana Women Startup and Entrepreneurship Programme (HWSEP):** This program aims to provide support to women entrepreneurs in Haryana by offering incubation, mentorship, and funding opportunities. It also organizes training programs and workshops to enhance entrepreneurial abilities (<https://hwsep.com/>).
3. **Women Entrepreneurship Promotion Cell (WEPC):** The Haryana Industries and Commerce Department has set up WEPC to provide a platform for women entrepreneurs to community, collaborate, and access resources. It organizes events, seminars, and training programs to promote women entrepreneurship (<https://haryanaindustries.gov.in>).

FINANCIAL OBSTACLES FACED BY WOMEN ENTREPRENEURS OF MSME SECTORS IN HARYANA

Women entrepreneurs in Haryana's Micro, Small, and Medium Enterprises (MSME) sector come upon several financial challenges that hinder their business operations and growth. Key issues include:

1. **Limited Access to Financial Credit:** A massive number of women entrepreneurs struggle to acquire financial credit. A report indicates that 47% of women in India's MSME sector face challenges in getting access to financial credit. Additionally, 95% of surveyed women lack awareness of government financial schemes, leading many to depend upon informal lending channels (economictimes.indiatimes.com).
2. **Lack of Awareness of Government Schemes:** Many women entrepreneurs are not knowledgeable about government initiatives designed to help MSMEs. This lack of know-how prevents them from leveraging available resources and benefits (sibepress.co.in).
3. **Inadequate Financial Support from Formal Institutions:** Studies have observed that a huge percentage of women entrepreneurs face challenges in availing loan services from nationalized banks. For example, around 85% of women entrepreneurs reported problems in finding loans from such banks (livemint.com).
4. **Dependence on Informal Lending Channels:** Due to challenges in accessing formal financial services, many women entrepreneurs resort to informal lending channels, which may not always be in their best interest (knnindia.co.in).
5. **Socio-Cultural Barriers:** Societal norms and family responsibilities can limit women's capability to engage fully in entrepreneurial activities. Factors which include lack of family support, cultural obstacles, and a male-dominated society contribute to the challenges faced by women entrepreneurs (academia.edu).

Addressing these challenges requires a multifaceted approach, including enhancing awareness of government schemes, improving access to formal financial services, and creating supportive networks to empower women entrepreneurs in Haryana's MSME sector.

MEASURES TO RESOLVE MAJOR FINANCIAL PROBLEMS FACED BY WOMEN ENTREPRENEURS IN MSMEs TO MAKE THEIR PERFORMANCE EFFECTIVE:

Women entrepreneurs in micro, small, and medium enterprises (MSMEs) face several financial challenges that can hinder their performance. Here are several measures that can be applied to help resolve these issues:

1. Access to Finance: Enhancing access to finance is crucial for women entrepreneurs. Financial institutions should create unique schemes and loan applications with favorable terms and conditions for women-led MSMEs. Initiatives including low-interest loans, collateral-free loans, and flexible repayment options can help address their financial needs effectively. Organizations just like the International Finance Corporation (IFC) offers assets and guidelines for financial institutions to promote gender-inclusive financing (International Finance Corporation (IFC) - Gender: www.ifc.org/gender).

2. Capacity Building and Training: Offering targeted capacity-building programs and training particularly designed for women entrepreneurs in export-oriented MSMEs can empower them to better control their finances. Workshops, seminars, and mentoring programs on financial management, accounting, budgeting, and financial planning can equip them with the necessary skills to deal with financial challenges effectively (ITC - Women in Trade: www.intracen.org/women-in-trade).

3. Access to Market Information: Access to market information is vital for women entrepreneurs to identify lucrative export opportunities and make knowledgeable financial decisions. Governments and trade associations can increase online platforms, databases, and information centers that provide up-to-date market research, trade regulations, and export requirements. This information can help women entrepreneurs assess market demand, price their products competitively, and explore new export markets (International Trade Centre (ITC) - Market Access Map: www.macmap.org).

4. Networking and Collaboration: Encouraging networking and collaboration among women entrepreneurs can offer them with access to valuable resources, consisting of financial expertise. Establishing platforms such as business associations, industry-specific networks, and mentorship programs can facilitate knowledge sharing, partnerships, and potential investors' connections (ITC – She Trades Hub: www.shetrades.com).

5. Government Support and Policy Reforms: Governments should implement supportive policies and reforms that promote gender equality in entrepreneurship. These can include tax incentives, grants, subsidies, and government-backed loan guarantee schemes exclusively for women-led export-oriented MSMEs. Streamlining bureaucratic processes, lowering regulatory burdens, and improving infrastructure can also create a conducive environment for their boom and financial success (ILO - Women's Entrepreneurship Development: www.ilo.org/wed).

6. Research and Data Collection: Collecting gender-disaggregated data on the financial challenges faced by women entrepreneurs in export-oriented MSMEs is vital for informed policy-making and targeted interventions. Governments, research institutions, and international organizations should conduct complete studies and surveys to understand the specific financial barriers faced by women entrepreneurs and design tailored solutions accordingly (World Bank - Women, Business and the Law: www.worldbank.org/wbl).

These measures can collectively contribute to resolving the financial problems faced by women entrepreneurs in export-oriented MSMEs, permitting them to perform correctly. However, it is crucial to observe that the implementation of these measures need to be context-specific and may vary across countries and regions.

CONCLUSION

The initiatives undertaken by the Haryana state government and the central government replicate a concerted effort to empower women entrepreneurs and bolster the MSME sector. By addressing critical challenges such as access to finance, skill improvement, and infrastructure, these programs goal to unlock the potential of women-led enterprises and contribute to economic growth. Continued focus on such measures, along with robust implementation, is vital for growing an inclusive entrepreneurial ecosystem that recognizes and nurtures the abilities of women entrepreneurs. As these efforts mature, they are anticipated to have a transformative impact, fostering innovation and resilience in the MSME sector while promoting gender equality in entrepreneurship.

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