



GOVERNMENT OF KARNATAKA

**EVALUATION OF INTEREST SUBVENTION FOR
WOMEN ENTREPRENEURS IMPLEMENTED BY
KARNATAKA STATE WOMEN DEVELOPMENT
CORPORATION FROM 2015-16 TO 2018-19**



ಕರ್ನಾಟಕ ಮೌಲ್ಯಮಾಪನ ಪ್ರಾಧಿಕಾರ
Karnataka Evaluation Authority

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DEPARTMENT OF PLANNING, PROGRAMME MONITORING AND STATISTICS

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LIMITED**

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DEVELOPMENT CORPORATION**



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Foreword

Government of Karnataka had introduced the 'Interest Subvention Scheme for Women Entrepreneurs' in 2015-16 as part of the New Karnataka Industrial Policy 2014-19 to foster a more inclusive, sustainable, and balanced industrial development. The scheme has been implemented by Karnataka State Women Development Corporation (KSWDC) with the financial support of Karnataka State Financial Corporation (KSFC), which provides term loans to women entrepreneurs at a subsidized interest rate of 4% to establish new enterprises as well as expand and modernize existing enterprises. Under the scheme, KSFC has provided term loans to 1389 beneficiaries during 2015-16 to 2019-20 covering 30 districts of the state.

The study titled "Evaluation Study of the Interest Subvention Scheme of Women Entrepreneurs from 2015-16 to 2019-20", has been evaluated by the "KPMG Advisory Services Private Limited". The study mainly focused on evaluating the impact of the Interest Subvention Scheme on Women Entrepreneurs and Enterprises, impact of financial support provided on existing Micro, Small and Medium Enterprises (MSMEs), factors influencing access to credit for women, analysing the costs and benefits of the scheme *vis a vis* similar schemes, the supply and demand of credit, coherence impact of similar schemes and scope for rationalization of the schemes.

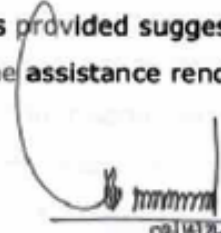
To achieve these objectives, both secondary and primary data has been used. Secondary data on physical and financial information by districts was analysed for assessing the physical and financial performance. Primary data has been collected in 12 districts across the 4 divisions in the state. Interviews and Focused Group Discussions were conducted with key respondents including Women Entrepreneurs, which included 207 beneficiaries and 37 non-beneficiaries, and 22 officials of the State government.

Results have demonstrated that the economic condition of 47% of beneficiaries improved after availing the scheme, improvement in their standard of living by 86.9% and gaining social recognition by 70.5%. All the SC/ST beneficiaries covered under the study reported that the scheme has helped in skilling/upskilling, development of their business and avoided borrowing money at exorbitant interest rates from private money lenders.

The study has proposed establishment of a unified Management Information System (MIS) for the Interest Subvention Scheme. Capacity building programmes, mentorship and experience-sharing sessions could be facilitated to further enhance the knowledge and skills of the scheme beneficiaries. Backward and forward linkages should be provided to service sector enterprises to sustaining business operations.

I am sure that the findings of evaluation report and recommendations will provide useful insights for improving the efficacy of the Interest Subvention Scheme. The guidance from the Director (Evaluation) throughout the study and inputs from the then ACEO-KEA and experts is greatly appreciated and acknowledged.

The study received support and guidance of the Additional Chief Secretary to Government, Planning, Programme Monitoring and Statistics Department, Government of Karnataka. The review of the draft report by KEA, members of the Technical Committee, and an Independent Assessor, has provided suggestions to enhance the quality of the report. I duly acknowledge the assistance rendered by all in successful completion of the study.



Chief Evaluation Officer
Karnataka Evaluation Authority

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We would also like to extend our thanks to the Managing Director, Karnataka State Women Development Corporation, Government of Karnataka and Managing Director, Karnataka State Financial Corporation, Government of Karnataka, other key stakeholders such as State, divisional and district level officials of KSWDC and KSFC of Ramanagara, Bagalkot, Bidar, Kodagu, Bengaluru Urban, Dharwad, Kalaburgi, Mysuru, Davangere, Uttara Kannada, Yadgir, Chamrajnagara and respective women entrepreneurs for their enthusiastic support, inputs and timely information.

— Study team, led by Sandy TS, Principal Investigator

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List of Acronyms and Abbreviations

APMC	Agriculture Produce Market Committee
AWAKE	Association of Women Entrepreneurs of Karnataka
BE	Budget Estimate
BPL	Below Poverty Line
CeDoK	Center for Entrepreneurship Development of Karnataka
CMKKY	Chief Minister Kaushalya Kalyana Yojane
CPC	Central Processing Center
COVID-19	Corona Virus Disease 2019
CO-WE	Confederation of Women Entrepreneurs
DAY-NRLM	Deendayal Antyodaya Yojana – National Rural Livelihood Mission
DDU_GKY	Deedayal Upadhyay-Grameen Kaushal Yojana
DGM	Deputy General Manager
EDP	Enterprise Development Programme
eMERG	Engineering Manufacturing Entrepreneurs Resource Group
FGD	Focus Group Discussions
FY	Financial Year
GAME	Global Alliance for Mass Entrepreneurship
GDP	Gross Domestic Product
GeM	Government e-Marketplace
GM	General Manager
GoK	Government of Karnataka
GoI	Government of India
GNI	Gross National Income
GSDP	Gross State Domestic Product
GTTC	Government Toolroom and Training Centre
IDIs	In-depth Interviews
IMA	Indian Medical Association
ILO	International Labour Organisation
ITBT	Information Technology and Business Transformation
KDEM	Karnataka Digital Economy Mission
KEA	Karnataka Evaluation Authority

KGTTI	Karnataka German Technical Training Institute
KSRLPS	Karnataka State Rural Livelihood Promotion Scheme
KSFC	Karnataka State Financial Corporation
KSWDC	Karnataka State Women Development Corporation
KIADB	Karnataka Industrial Areas Development Board
KSSIDC	Karnataka State Small Industries Development Corporation
MIS	Management Information System
MIWE	Mastercard Index of Women Entrepreneurs
MoMSME	Ministry of Micro, Small and Medium Enterprise
MSME	Micro, Small and Medium Enterprise
NABARD	National Bank for Agriculture and Rural Development
NAPS	National Apprenticeship Promotion Scheme
NPA	Non-Performing Asset
NSFDC	National Scheduled Caste Finance and Development Corporation
PhD	Doctor of Philosophy
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PUC	Pre-University Course
QCBS	Quality Cost Based System
RBI	Reserve Bank of India
RFP	Request for Proposal
REESI	Relevance, Effectiveness, Efficiency, Sustainability, and Impact
SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act
SC	Scheduled Caste
SDG	Sustainable Development Goals
SHGs	Self Help Groups
SME	Small and Marginal Enterprise
SSLC	Secondary School Leaving Certificate
ST	Scheduled Tribe
ToR	Terms of Reference
ToC	Theory of Change
T&C	Terms and Conditions

UNDESA	United Nations Department of Economic and Social Affairs
WEF	World Economic Forum
WESP	World Economic Situations and Prospects
WPR	Worker Population Ratio
WCD	Women and Child Development

Executive Summary

According to the World Economic Situations and Prospects (WESP)¹ Report of the United Nations Department of Economic and Social Affairs (UNDESA), India is the fastest growing major economy in the world. However, the worker population ratio (WPR) of women in India is 17.6% while that of men is 66.6% (Period Labour Force Survey, July – September 2021)². In order to significantly impact India's economic growth, the participation of women in the economy should increase. It has been estimated that women-owned enterprises can generate over 50-60 million direct jobs by 2030.

In an attempt to foster a more inclusive, sustainable and balanced industrial development the Karnataka Government had introduced the 'Interest Subvention Scheme for Women Entrepreneurs' in 2015-16 as part of the New Karnataka Industrial Policy 2014-19. The scheme which is implemented by Karnataka State Women Development Corporation (KSWDC) with the financial support of Karnataka State Financial Corporation (KSFC) provides term loans to women entrepreneurs at a subsidized interest rate of 4% to establish new enterprises as well as expand and modernize existing enterprises. Under the scheme, KSFC has provided term loans to 1389 beneficiaries in the period between FY 2015-16 and FY 2019-20 in all 30 districts in the state.

KPMG was selected through the QCBS process by the Karnataka Evaluation Authority to undertake the 'Evaluation Study of the Interest Subvention Scheme of Women Entrepreneurs from 2015-16 to 2019-20'. The objectives of the study include evaluating the impact of the Interest Subvention Scheme on Women Entrepreneurs and Enterprises run by them, impact of financial support provided on existing MSMEs, factors influencing access to financials for women, analyzing the costs and benefits of the scheme when compared to similar schemes, the supply and demand of credit requirements, evaluating the impact of other interest subvention scheme on the current scheme and scope for rationalization of the scheme. In accordance with the ToR, the study was conducted in 12 districts across the 4 divisions in the state. Interviews and Focused Group Discussions were conducted with key respondents including Women Entrepreneurs – 302 Beneficiaries and 37 Non-beneficiaries, and officials of the State government.

Study Findings

- **Awareness about the scheme**

- KSFC used multiple platforms and methods for generating awareness about the scheme. This includes newspaper notifications, social media advertising, state level exhibitions, interaction with women industrial associations, outreach through EDPs at women engineering colleges, business meets, industry and economy fairs.

¹ [World Economic Situation and Prospects \(WESP\) 2022 | United Nations](#)

² [Periodic Labour Force Survey \(PLFS\) – Quarterly Bulletin \[July-September2021\] \(pib.gov.in\)](#)

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

- KSFC was successful in generating awareness about Interest subvention scheme. Majority of the beneficiary respondents came to know about the scheme either through meetings or seminars (97.1%) and through KSFC officials (44%).
- **Reasons for availing the scheme**
 - According to the Beneficiary respondents, skill development and empowerment of women (96.6%), reduced interest rate (86.4%) and quantum of loan (14%) were identified as the major reasons for availing the loan.
 - The Beneficiaries reported that the major motivating factors for availing the Interest Subvention Scheme include supporting their families (85.99%), economic empowerment (78.74%), gaining respect and identity (72.7%) and skill upliftment (62.3%).
- **Processes and procedures**
 - The complexity and delays in the loan application and disbursement process involving high degree of documentation and multiple visits for the KSFC are the major concerns reported by the respondents.
 - Based on the analysis of the loan application process and the interviews with the KSFC officials it was seen that the lack of standard timelines for service delivery or uniformity in parameters considered for selecting beneficiaries were major lacunae.
 - The collateral requirement under the Interest Subvention Scheme is high. This resulted in lower amounts than requested being sanctioned to beneficiaries and caused delays in loan processing.
- **Loan Sanctioned**
 - 37.68% of beneficiary respondents received lesser amount than they applied for leading to a mismatch in supply and demand in credit.
 - The sectoral distribution of beneficiaries getting lower sanctioned loan amounts is in line with the sector profile of beneficiary enterprises in the study sample.
- **Utilization of the scheme and management of the enterprises**
 - 94.66% of the beneficiaries used the loan amount to expand or modernize their current enterprises.
 - 92.7% of the beneficiary respondents reported the major challenge faced by them in managing their enterprise were financial constraints. Beneficiaries and KSFC officials suggested increasing the quantum and tenure of the loan. This is because most enterprises require high capital investment especially in health (18% of enterprises) and manufacturing sectors (52%).
 - 98% of the 302 enterprises sampled were currently operational indicating viability of the enterprises supported by the scheme.

- 97% of the beneficiaries stated that they were not part of any fora for macro-economic policies, state, or central budget. Thus, steps need to be taken to make such fora more inclusive and bring about reforms to improve the participation of female entrepreneurs.
- **COVID 19: Effects and Actions**
 - KSFC continued its operations even during the lockdown period to ensure that the beneficiaries do not face challenges when applying for the loan. According to Division-level officials of KSFC, all the relief measures and guidelines which were set by RBI to support the beneficiaries who faced challenges due to COVID-19 and those were adhered to by KSFC.
 - COVID-19 negatively impacted the business entities of 94% of beneficiary respondents. 6% beneficiary respondents reported that there was no major impact of COVID-19 on their business entities; these enterprises were in the health and manufacturing sectors and were in the Bagalkot, Chamarajanagar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts
 - 94% (194) beneficiary respondents reported that their staff strength was negatively impacted due to COVID-19, with substantial amount of staff reduction. Whereas 6% beneficiary respondent reported that there was no impact on their staff strengths due to COVID-19. Out of the 194 beneficiary respondents, 48.3% beneficiary respondents reported 25-50% reduction in staff strengths in their business entities.
 - 13% of enterprises that falls in health sector, manufacturing sector and food processing sector from Bagalkot, Bidar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts reported an increase in the market size due to the pandemic and 54.5% beneficiary respondents reported that there was a decrease in the market size due to the pandemic.
 - 6% beneficiary respondents with enterprises running in health sector and manufacturing sector from Bagalkot, Chamarajanagar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts reported up to 50% increase in the turnover of their business entity due to the pandemic.
 - Reducing the staff strength and reducing the expenditure was the strategies adopted by 13.5% and 8.6% beneficiary respondents respectively to cope with COVID19 imposed challenges.
- **Monitoring of loan utilization**
 - The major tool used for monitoring loan utilization by KSFC is site visits. 96.6% of beneficiary respondents, reported that KSFC and KSWDC officials visit their enterprise/ business unit. 51% (106) shared that the officials visit the business unit once in three months.
- **Loan repayment and recovery**
 - KSFC follows the procedures/ steps detailed as per the Loan Recovery Manual for recovering the loan amount.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

- According to the data provided by KSFC, 295 (24.4%) beneficiaries of the 1207 loan recipients have completed the loan repayment and the defaulters under the scheme are identified monthly, and there are no defaulters in August 2022.
- The KSFC officials reported that for beneficiaries whose loan repayment schedule got affected by COVID19, KSFC waived off their penalties, and rescheduled the repayments.
- 47% beneficiary respondents mentioned that they are not comfortable with the loan repayment schedule. Out of this, 54.08% suggested that a loan repayment timeframe of 7 years would be most suitable. 32.6% suggested that 8 years is the most suitable timeframe for loan repayment. KSFC officials of the Bengaluru and Uttara Kannada districts suggested that an increase in repayment Period from 5 years to 7 years, excluding moratorium of 12 -18 months, shall be beneficial for the beneficiaries of the scheme.
- **Overall Impact of the scheme**
 - The economic condition of 47% of beneficiaries improved after availing the scheme. 86.9% of beneficiary respondents reported improvement in their standard of living and 70.5% of the /beneficiaries reported gaining social recognition after availing the subsidized loan.
 - Even though the scheme is focused on women, 43% of the enterprises are being managed by men.
 - 95.6% of the beneficiary respondents reported that the loans aided them by preventing them from borrowing from money lenders at higher interest rates. Beneficiary respondents also reported that they gained the skill to start and run a business in the concerned sector, gained self-confidence and became self-reliant due to self-employment. They also reported gaining better aspirations for themselves and their families.
 - KSFC officials reported that the scheme has led to the upliftment of the socio-economic status of the beneficiaries and fulfilled the expected outcomes of the scheme.
 - 60% of the SC/ST beneficiaries reported an improved economic condition after availing loan.
 - All the SC/ST beneficiaries reported an improvement in their social status after availing loan either as an increased living standard or in gaining recognition. All the SC/ST beneficiaries reported having major control over decisions on small expenses.
 - All the SC/ST beneficiaries reported that the scheme aided them by helping them gain skills in running the business and safeguarding them from borrowing money at exorbitant rates from private money lenders.

Recommendations

- The loan application, processing and repayment should be simplified and digitized.
- The evaluation of loan applications/proposals should be streamlined and uniform
- A unified Management Information System (MIS) for the Interest Subvention Scheme should be established.

- The scheme provisions could be made more attractive to expand the uptake of the scheme.
- A library of bankable projects could be created for consideration under funding
- Capacity building programs, mentorship sessions and experience-sharing sessions could be facilitated to enhance the knowledge and skills of the scheme beneficiaries.
- Efforts should be made to ensure greater participation of new entrepreneurs and inclusion of vulnerable groups.
- Backward and forward linkages should be provided to service sector enterprises to enhance their sustainability and effectiveness of operations

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

1 Introduction and Study Design

This introductory chapter deals with the background and context of the evaluation study on ‘Interest Subvention for Women Entrepreneurs implemented KSWDC from 2015-16 to 2018-19’, the Theory of Change pertaining to this study, and the study scope and objectives.

1.1 Background

Over recent years, women continue to make notable headways in the entrepreneurial landscape as the gender divide in entrepreneurship narrows on various fronts. The bias in opportunities for women entrepreneurs could be reduced by increasing women’s inclination towards inclusiveness, women’s perception of opportunities, innovation in businesses, women’s ownership of businesses, women’s entrepreneurship intentions, development in knowledge and awareness and innovation in business³.

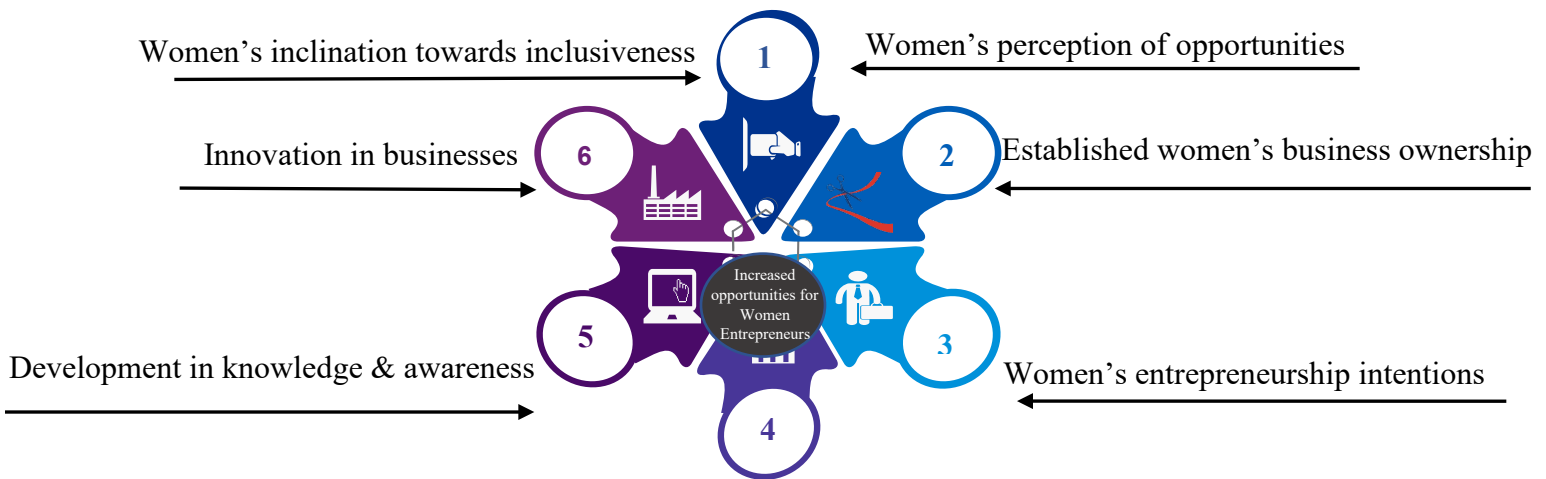


Figure 1: Factors that can lead to increased opportunities for Women Entrepreneurs

The Indian economy today is showing rapid economic progress due to the increase in privatization and globalization. Also, the augmentation of various initiatives and schemes have paved the economic independence of all the categories and social classes of women in general. According to the report, “Performance of women entrepreneurship in India, the growth of Self-Help Groups (SHGs) is the evidence of increased women empowerment through micro-entrepreneurship development, enabling them to maintain their knowledge, skills and earning capacity.

³Global Entrepreneurship Monitor Report

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

In spite of the recent advances, India is ranked 12th amongst the 15 Asia Pacific nations based on the generated income levels⁴ of the women entrepreneurs and their respective stages of development as listed below.⁵

Country	Income level				Stages of Development		
	Low	Lower Middle	Upper Middle	High	Innovation	Efficiency	Factor
Australia							
Hong Kong SAR							
Japan							
Korea							
New Zealand							
Singapore							
Taiwan							
China							
Malaysia							
Thailand							
Bangladesh							
India							
Indonesia							
Philippines							
Vietnam							

Figure 2: Country-wise ranking of generated income levels for women entrepreneurs

Source: MIWE report 2018; World Bank GNI per capita Income classifiers; World Economic forum stage of development classifiers

According to the report published by Bain & Company on “Powering the economy with her”⁶, it has been estimated that women-owned enterprises can generate over 50-60 million direct jobs by 2030.

Additionally, India’s working population will surpass 1 billion by 2030, where up to 400 million (40%) would be women. If timely interventions are not provide women’s economic potential may be left under utilized. The figure depicting the estimated direct employment of Indian women (million per people) and India’s entrepreneurial landscape is given below:

⁴ The World Bank GNI per capita Standards, Lower income: <\$1046, Lower-middle income: \$1046-\$4095, Upper-middle income: \$4096-\$12695, High income: >\$12695

⁵ (i) Factor driven economies are the least developed. They are dominated by subsistence agriculture and extraction businesses, with a heavy reliance on (unskilled) labour and natural resources. (ii) Efficiency-driven economies are increasingly competitive, with more-efficient production processes and increased product quality (iii) Innovation-driven economies are the most developed. In this phase, businesses are more knowledge-intensive, and the service sector expands.

⁶ Powering the Economy with Her: Women Entrepreneurship in India | Bain & Company

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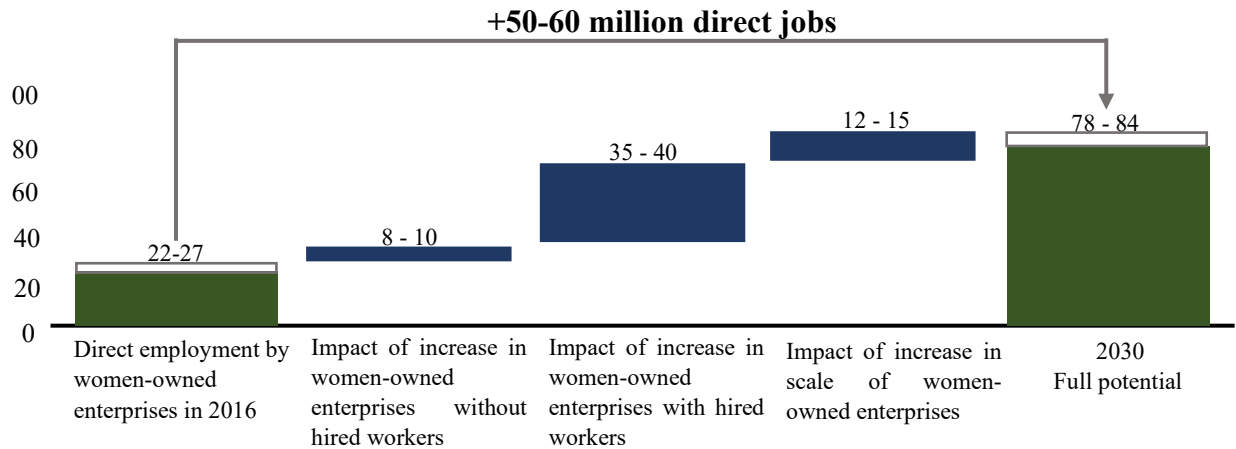
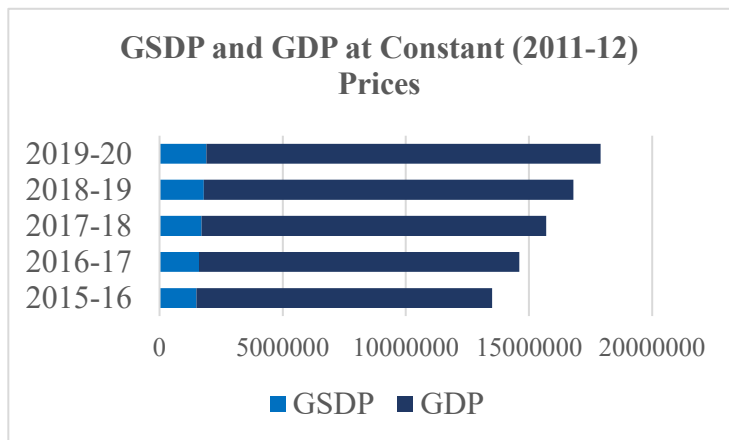


Figure 3: Impact of increase in women-owned enterprises in employment generation

Source: Powering the Economy with Her: Women Entrepreneurship in India | Bain & Company

1.1.1 Performance of Karnataka on GDP growth rate

Karnataka, a world-renowned hub of knowledge and innovation, has continuously outperformed national growth. The Gross State Domestic Product (GSDP) of Karnataka is anticipated to grow at 6.8% whereas the Gross Domestic Product (GDP) at national level is 5.0% at constant (2011-12) prices in 2019-20. Karnataka continually has increased its contribution to the National GDP, in 2011-12 Karnataka’s GSDP was 6.8% of national GDP and in 2019-20 it was 8.1% as depicted in the figure below.



India
5% growth in GDP
for 2019-20

Karnataka
6.8% growth in
GSDP for 2019-20

Figure 4: Karnataka's Contribution to India's GDP (FY 2015-16 to FY 2019-20)

1.1.1 Objectives & Scope of the Study

Scope:

This evaluation study covers the woman entrepreneurs who benefited from Interest Subsidy Scheme across 12 districts in the State on sample basis from 2015-16 to 2019-20

Objectives:

- 1** Evaluate the impact of the Interest Subvention Scheme on women entrepreneurs and the enterprises.
- 2** Evaluate the impact of financial support provided by the scheme to existing small and medium scale enterprises.
- 3** Analyze the cost versus benefit of the scheme as compared to the other similar schemes
- 4** Assess the factors influencing access to Financial/scheme for women.
- 5** Analyze the supply and demand of the credit requirement across the small and medium enterprises for women entrepreneurs specific to manufacturing sector and service enterprises.
- 6** Evaluate the impact of similar interest subvention schemes on the present scheme and scope for rationalization of similar interest subvention schemes.

The Interest Subvention Scheme by KSFC provided subsidized loans to 1389 women entrepreneurs during the period of evaluation (2015-16 to 2019-20)

1.2 Log Frame theory/Theory of Change

The following Theory of Change has been developed for the purpose of this study to evaluate the impact of the Interest Subvention Scheme for Women Entrepreneurs.

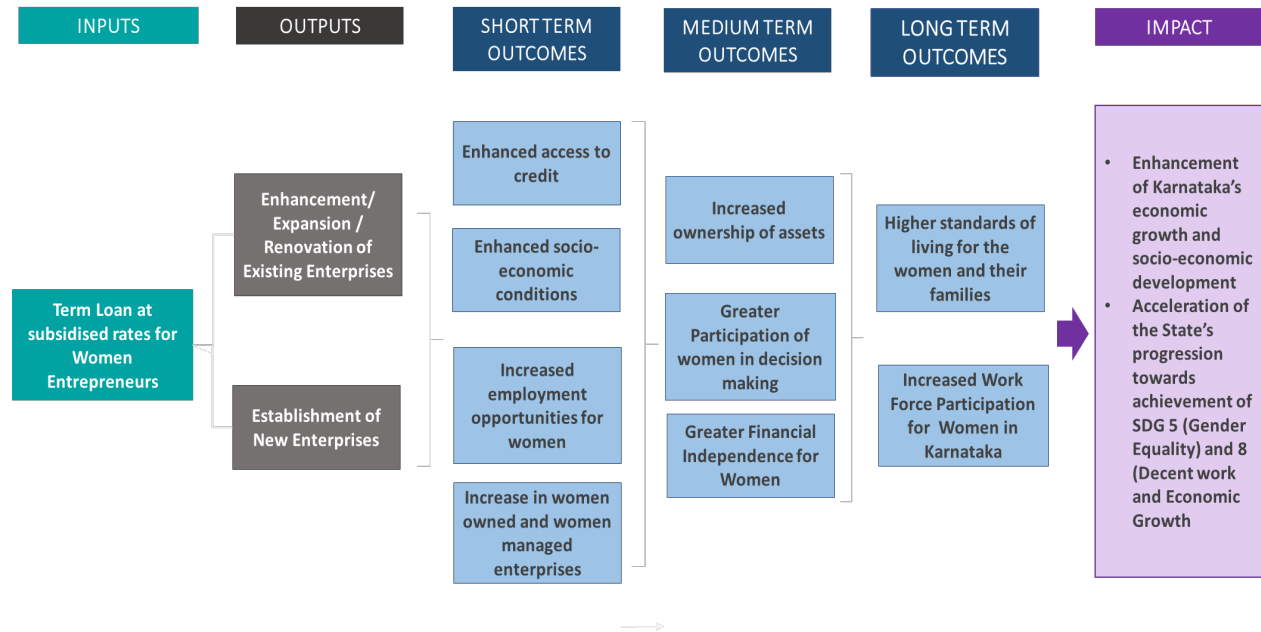


Figure 5: Theory of Change

The input for the scheme is subsidized financial assistance provided in the form of an interest subvention scheme at a rate of 4%.

- The direct outputs from these are the enhancement, expansion and/or renovation of existing enterprises run by the women entrepreneurs and the establishment of new enterprises.
- The short-term outcomes include (i) Enhanced access to credit, (ii) Enhanced socio-economic conditions, (iii) Increased employment opportunities for women, and (iv) Increase in women-owned and women-managed enterprises.
- The medium-term outcomes include (i) Increased ownership of assets, (ii) Greater participation of women in decision making and (iv) Greater Financial Independence for Women.
- The long-term outcomes include (i) Better standards of living for the woman and her family and (ii) Increased work force participation of women in Karnataka.

The overall impact would be the enhancement of the State of Karnataka's economy growth and socio-economic development and acceleration of the State's progress towards achievement of SDGs 5 [Gender Equality] & 8 [Decent Work and Economic Growth]

1.3 Objectives and Performance of the Interest Subvention Scheme for women entrepreneurs in Karnataka

In order to encourage entrepreneurs to establish Micro/Small Scale/Services enterprise to expand/diversify/modernization of their existing units and considering the difficulties faced by these enterprises in availing institutional credit towards capital investments at reasonable interest rates, especially ventures promoted by Women Entrepreneurs, the Government of Karnataka has introduced the Interest Subvention Scheme on loans sanctioned to SC/ST entrepreneurs by KSFC across all 30 districts of the State in 2015-16.

The key highlights of the Scheme are as provided below:

Interest Subvention Scheme for women entrepreneurs belonging to Scheduled Caste and Schedule Tribes, 2007

Ref: GO Number W&CD 64 WDC 2014 Bangalore, Dated: 10.12.2015

This scheme introduced by the state government for Scheduled Caste and Scheduled Tribe Entrepreneurs. This scheme introduced by the state government for Scheduled Caste and Scheduled Tribe Entrepreneurs in 2007 aimed at giving 10% interest subsidy. The scheme for the women entrepreneurs who are involved in MSME activities and availing 5 to 50 lakhs of loan through KSFC in association with KSWDC was initiated in 2015. This scheme will be effect from the year 2015-16. The expenses incurred for this scheme will be taken from 221 lakhs under 2015-16 Budget HOD 2235-02-001-0-10-106 subsidy 422 – scheduled caste subcommittee, 423 – tribal subcommittee (scheme) This order has been issued in accordance with notification issued by finance department note number 4 of FD 633 Cost-3 2015 Dated 3.7.2015

Interest Subvention Scheme for women entrepreneurs, 2015-16

Ref: GO Number W&CD 50 WDC 2017 Bangalore, Dated: 12.05.2017

Based on the success of the scheme introduced in 2007 and considering the demand from aspiring women entrepreneurs, the Karnataka State Government has introduced a similar scheme to include women entrepreneurs irrespective of their social status with effect from 2015-16. The KSFC under this scheme has increased the maximum amount of loan under the KSFC budget subsidy scheme from Rs 50 Lakhs to Rs 2 Crore as per the declaration in the financial year 2017-18. KSWDC has been given an administrative sanction for implementation of interest subsidy scheme by the KSWDC for transparency on planning guidelines for women who are participating in employment activities for MSME industries with 4% interest rate payment along with 10% interest subsidy. The cost incurred for the project shall be borne by grants provided under the Budget HOA number 2235-02-001-0-10

SCHEME AMENDMENTS

- ✓ The Amended Scheme is implemented in KSFC with effect from 20th January 2022.
- ✓ The scheme is extended to new and existing Micro and Small Enterprises in Service Sector. It extends to all new investments in building, plant and machinery / equipment by new enterprises in service sector and by way of expansion, diversification, modernization and technology up-gradation etc., by existing enterprises in service sector.
- ✓ Investments made towards purchase of land either own/leased land or land allotted by Government agencies like KIADB / KSSIDC etc., are not eligible for financing under the scheme.
- ✓ The interest subvention / subsidy would be available for a period of 5 years from the date of first disbursement of loan/s by KSFC.

SCHEME GUIDELINES

In 2018, to cover maximum units the corporation adopted the following guidelines:

- ✓ For loans of INR 50 lakhs and below, interest subsidy is for full term loan.
- ✓ For loans between INR 50 lakhs and INR 100 lakhs, interest subsidy is limited upto INR 50 lakhs and the balance amount will carry normal rate of interests.
- ✓ For loans between INR 100 lakhs and INR 200 lakhs, 50% of the loan amount will carry interest subsidy and balance amount will carry normal interest at normal rate.

ELIGIBLE SCHEME CRITERIA

- ✓ Women entrepreneurs who avail term loan from KSFC for establishing new units in small and medium scale sectors and service enterprises as well as for expansion/ modernization/ diversification of existing units.
- ✓ This scheme is applicable for loans sanctioned only after 10-12-2015 from KSFC.
- ✓ The unit should be owned by women entrepreneur. In case of partnership firms and companies, women partners/ directors should hold minimum 50% shares.
- ✓ Women entrepreneurs are eligible to avail the benefits of the scheme only once under the original scheme but can re-avail the loan according to the January 2022 amendment.
- ✓ The unit will be eligible for interest subsidy for a period of 5-years from the date of first disbursement of the loan. even if the repayment extends beyond five years.
- ✓ The units which have already availed the interest subsidy under any other scheme of GoK/GoI are not eligible for interest subsidy under this scheme.

QUANTUM OF LOAN

- ✓ Minimum loan size is 5.00 Lakhs for all activities except for existing units going in for expansion/ modernization/ diversification. In case of medical and Veterinary doctors, the minimum loan size is 2.00 Lakhs. The maximum loan size is 50.00 Lakhs (2015-16 to 2016-17) and 200.00 lakhs (2017 - 18 onwards).

RATE OF INTEREST

- ✓ KSFC shall sanction loans with normal applicable rate of interest and the promoters shall pay the interest accordingly. The effective interest rate to be paid by the beneficiary is 4% p.a.
- ✓ The difference between the normal lending rate of KSFC and effective interest rate of 4%, which will be reimbursed by KSWDC on monthly basis. To avail this interest subsidy, the entrepreneurs should make regular repayment of instalments.

REPAYMENT PERIOD

- ✓ The repayment period is 5 years including moratorium period in case of loan upto INR500.00 lakhs and upto 10 years in case of loan above INR500.00 lakhs but below INR1,000.00 lakhs.

SCHEME OUTCOMES

- ✓ During 2015-16 to 2019-20, KSFC has disbursed a loan amount of 652.18 crore and KSWDC has reimbursed Rs 80.76 crore towards the interest in loans of INR 50 lakhs and below, interest subsidy is for full term loan.
- ✓ During 2021-22, as of January 2022, 19548 groups have been provided INR729.91 Crore of loans with the loan outstanding of INR1626.73 crore from 78172 groups. As of January 2022, INR52.77 crore of interest subsidy has been released.

2 Review of Literature and Evaluation Methodology

2.1 Review of Past Evaluation Reports and their Findings

This section comprises of the literature review and the findings of secondary research conducted as part of this study. Extensive secondary research was conducted including assessment of National schemes and initiatives, activities, etc. from trusted data sources such as annual reports, published literature, journals pertaining to MSME, women entrepreneurship & allied areas and the operational records of KSWDC, KSFC for benchmarking best practices and effective strategies for economic development of women in Karnataka.

The following are the secondary sources and studies have been included in the report:

1. Entrepreneurship Development Interventions for Women Entrepreneurs: An update on what works; 2018, International Labour Organization, Issue Brief No. 7.
2. Analysis of National level initiatives to support women entrepreneurs in India.
 - (a) Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM)
 - (b) India’s Gender Budget: Holistic picture of Schemes targeting women entrepreneurship in the last three years (2019-20 to 2021-22)
3. Analysis of State level initiatives to support women entrepreneurs in Karnataka
 - (a) Karnataka Budget 2021-22: Highlights on initiatives to uplift women entrepreneurs
 - (b) Analysis: Karnataka Female Work Force Participation Rate (1990-2015)
 - (c) Karnataka Industrial Policy 2020-25: Major highlights on Women empowerment
 - (d) 6th Economic Census of Karnataka: Highlights on Financial Support to women Entrepreneurs
 - (e) Key Features and Status of Interest Subvention Scheme
 - (f) Study of similar Interest Subvention Schemes for setting up MSME units in India
 - (g) Other State Financial Schemes for women entrepreneurs in Karnataka
 - (h) Data on Year-wise loan sanctions of KSFC
 - (i) Cost versus Benefit of Interest Subvention Scheme with respect to other comparable schemes
 - (j) KSFC data on loan repayment under the Interest Subvention Scheme for Women Entrepreneurs
 - (k) Annual report of KSFC, 2021
4. AWAKE – Association of Women Entrepreneurs of Karnataka: Highlights on developing women entrepreneurship by improving their economic conditions.
5. Research papers: Highlights on initiatives to uplift women entrepreneurs and its major findings
 - (a) Financing of women entrepreneurs by KSFC – A case study of North Karnataka
 - (b) Women Entrepreneurship & Empowerment through Self Help Groups in Tumkur District of Karnataka

(c) Evaluation of Government Support for Promoting Women Entrepreneurs in Karnataka

2.1.1 Entrepreneurship Development Interventions for Women Entrepreneurs: An update on what works; 2018, International Labour Organization(ILO), Issue Brief No. 7

The report was released as part of the ‘What works in SME Development’ series of the ILO and continuing the research after the ILO Women Entrepreneurship Development (WED) brief in 2014. It was seen that interventions that combine financial measure, business training and follow-up technical assistance are more effective than schemes which provide financial support or business training alone. Other potentially effective measure in WED, according to the report, includes individual savings products, cash transfers or grants and influencing larger enabling environments.

Inferences:

The paper found that interventions in WED were more effective for new entrepreneurs than existing entrepreneurs which is contrary to the findings in the current evaluation study according to primary research. It was found that in designing and evaluating interventions in WED dimensions such as women’s access to the scheme including opportunities, services and assets required and women’s agency including capacity building and influence in decision making. Hence these aspects were given primacy in the primary research and analysis.

2.1.2 Analysis of National level financial assistance to Women entrepreneurs in India

2.1.2.1 Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY - NRLM): Analysis of the first ten years (2011-2021)

The Government of India has launched \$5.1 billion DAY-National Rural livelihood Mission in 2011, the world’s largest initiative aimed at supporting Millennium Development Goals on Nutrition, Gender and Poverty. It aims at creating multi-dimensional impact to 350 million people, especially women from rural households in 12 State across the nation. The key highlights of DAY-NRLM in regard to supporting women entrepreneurs are as follows⁷:

⁷ Source: World Bank, “Institution Building and Capacity Building in NRLM”

KEY HIGHLIGHTS OF DAY-NRLM ON SUPPORTING WOMEN ENTREPRENEURS

- ✓ Mobilized > 400,000 differently abled persons into SHGs and facilitated their access to entitlements, credit, and livelihood opportunities
- ✓ Mobilized household savings exceeding \$1 billion
- ✓ Provided 13 million households with access to credit on a sustainable basis
- ✓ Enabled SHGs to leverage nearly \$7.5 billion in credit from commercial banks
- ✓ Enrolled 11 million SHG members and their spouses for health, life & disability insurance.
- ✓ Helped open 1.5 million SHGs accounts & 4.5 million savings accounts for the poor in commercial banks
- ✓ Set up 3000 help desks in commercial banks to facilitate banking services for poor clients, particularly households with marginalised women heads.
- ✓ Enabled 21,200 community institutions to function as village level 'banking correspondents.
- ✓ The villages with DAY-NRLM intervention experienced an overall increase of 20.4 percent in self-employment livelihood activities, which in turn led to a 13.6-percent increase in women's participation in the workforce within the first 5 years of DAY-NRLM implementation.
- ✓ Helped women landowners and leaseholders to access 4,70,000 acres of land to grow food by providing access to entitlements.
- ✓ Enabled large multinationals like Hindustan Unilever to leverage SHG networks to increase their rural footprint to 100,000 villages in India.

INFERENCES WITH RESPECT TO INTEREST SUBVENTION SCHEME

- ✓ Interest Subvention Scheme lacks special focus on mobilising differently abled persons into entrepreneurship and facilitating their access to entitlements, credit, and livelihood opportunities
- ✓ Lacks enabling factors to provide access to institutional credit.
- ✓ Does not facilitate health, life, and disability insurance to SHG members and their spouses.

2.1.2.2 India's Gender Budget: Holistic picture of Category 'A' Schemes targeting women entrepreneurship in the last three years (2019-20 to 2021-22)

India's gender budget 2022-23 aims to address gender related trials and creates opportunities for inclusive development, a top priority of Amrit Kaal, the 25-year lead up to India at 100. In terms of absolute numbers, Rs 1,71,006.47 crore has been allocated for women-centric schemes under the gender budget 2022-2023, which is an increase of 11.5 per cent from Rs 1,53,326 crore allotted in the 2021-22 budget estimates (BE). Under the current gender budget, the Part A component, which comprises 100 per cent women-specific schemes, has been allocated Rs 26,772.89 crore, indicating an increase in six per cent from the last gender budget where Rs 25,260.95 was allocated. Part B, which includes programs where at least 30 per cent of the allocation is for women, has witnessed a hike of 12 per cent when compared to last year, increasing from Rs 1,28,749.83 to Rs 1,44,233.58 crore.

Table 1: India's Gender Budget

Department	Scheme	Accounts 2019 –20	Budget Estimate 2020 –21	Revised Estimates 2020 –21	Budget Estimate 2021 –22
Social Welfare Dept	1) Micro Credit to SCs through Self Help Groups (SHGs)	650	1000	500	300
	2) Micro Credit to STs through Self Help Groups (SHGs)	162.5	650	650	500
	3) Micro Credit to SCs through Self Help Groups (SHGs)	525	550	300	0
	4) Micro Credit to STs through Self Help Groups (SHGs)	500	500	500	0
Total		1837.5	2700	1950	800
Department of WCD	1) Chetana	205	400	400	535
	2) Interest subsidy for women through KSFC	1000	5000	2550	5800
	3) Rehabilitation of Devadasi women (1994)	830	614	614	0
	4) Training Programme for Women Entrepreneurs through Women's Development Corporation (2004-05)	350	100	100	50

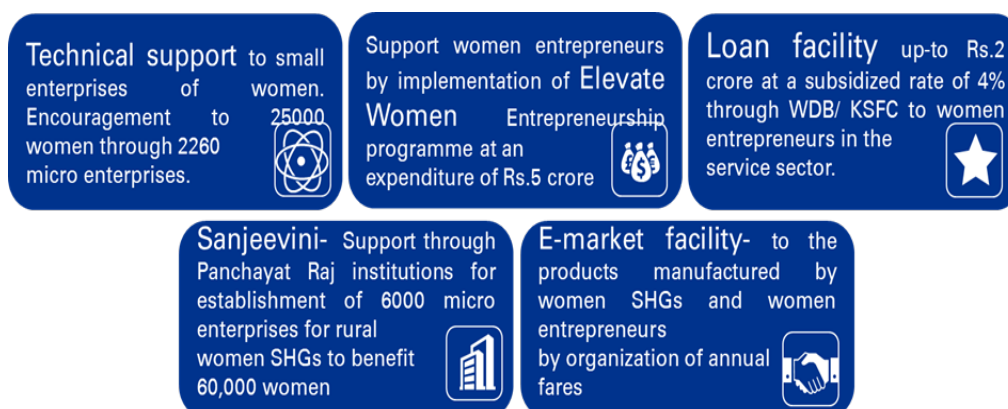
Department	Scheme	Accounts 2019 –20	Budget Estimate 2020 –21	Revised Estimates 2020 –21	Budget Estimate 2021 –22
	5) Udyogini (1987-88) – Women Development Corporation	2530	2000	1000	1500
	6) Stree Shakti (2000-01)	797.20	702	507.03	667.00
	7) Samrudhi	300	0	0	0
	8) Dhanashree	500	200	200	200
	9) Micro Credit Financing for SHGs	500	2500	2500	300
Total		7012.2	11516	7871.3	9052
Department of WCD (Non- Beneficiary oriented)	1) Construction of training institute for SHGs & cluster (2011-12)	20	0	0	0
Total		20	0	0	0
GRAND TOTAL		8869.7	14216	9821.3	9852

2.1.3 Analysis of financial assistance to Women entrepreneurs in the State of Karnataka

2.1.3.1 Karnataka Budget 2021-22: Key highlights of initiatives to uplift women entrepreneurs

The State Government of Karnataka in its previous budget had announced several initiatives to uplift women entrepreneurs and thereby facilitate women empowerment. Support will be provided under State Rural Livelihood Mission ‘Sanjeevini’ covering rural women self-help groups to start 6,000 micro enterprises in catering, cleanliness work, poultry, sheep rearing, solid waste management, hygiene, construction, and other sectors through Panchayat Raj institutions. 60,000 women were targeted for self-employment under this. Assistance to be provided to women entrepreneurs manufacturing papads, pickles, roti, spices, and other food products by providing food safety, packaging, branding, roadside vending and access to online marketing and other technical help. This was to help 25,000 women, with 10 from each taluka through 2,260 micro enterprises. Key highlights of Karnataka Budget 2021-22 are as depicted below:

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19



2.1.3.2 Analysis: Karnataka Female Workforce Participation rate (1990-2015)

The various initiatives and interventions brought up by the Government of Karnataka in a time-bound manner, such as strengthening women SHGs, cooperatives, promoting schemes for fostering women entrepreneurship, providing infrastructure and support facilities, facilitating entry of women in skilled jobs etc. has fostered greater female work participation in the State. The following graph shows a trend of the female work participation trend over the period of 1991-2011 in the State of Karnataka based on the census of 1991, 2001 and 2011 respectively.

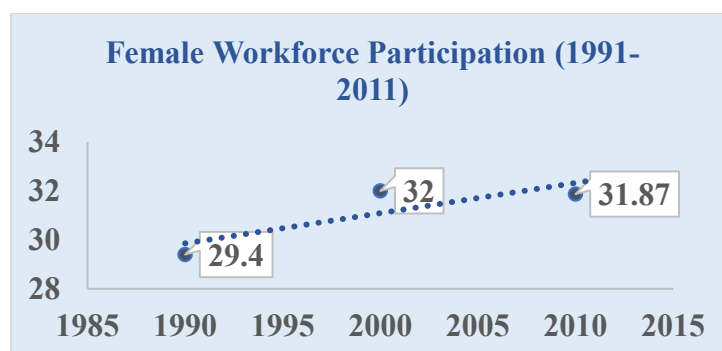
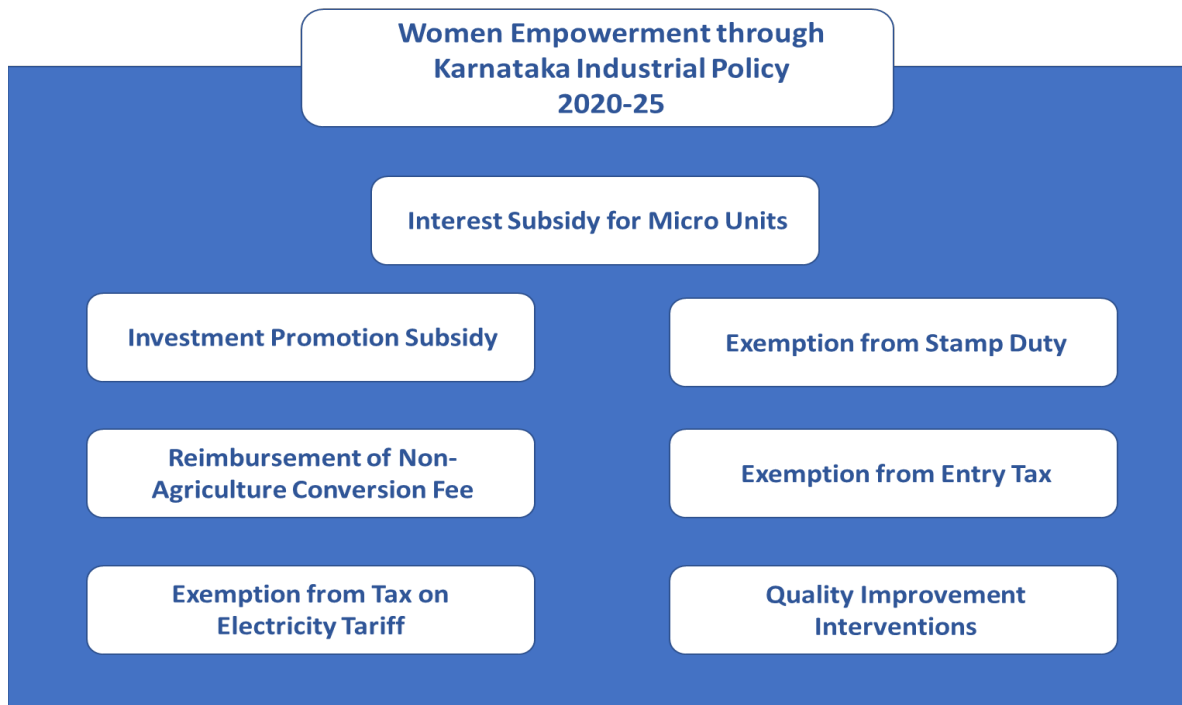


Figure 6: Trend in Female Workforce Participation in Karnataka

2.1.3.3 Karnataka Industrial Policy 2020-25: Major highlights on Women empowerment

The policy envisioned to build prosperous Karnataka through inclusive, sustainable, and balanced industrial development by encouraging women to take up entrepreneurial activities.



2.1.3.4 6th Economic Census of Karnataka: Key highlights of Financial Support to women Entrepreneurs

According to the 6th Economic Census, Karnataka, there are various sources of financial support women entrepreneurs seek for setting and running up their establishments out of which majority of establishments are self-financed. However, there is a considerable number of women entrepreneurs who are dependent on external source of financing.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

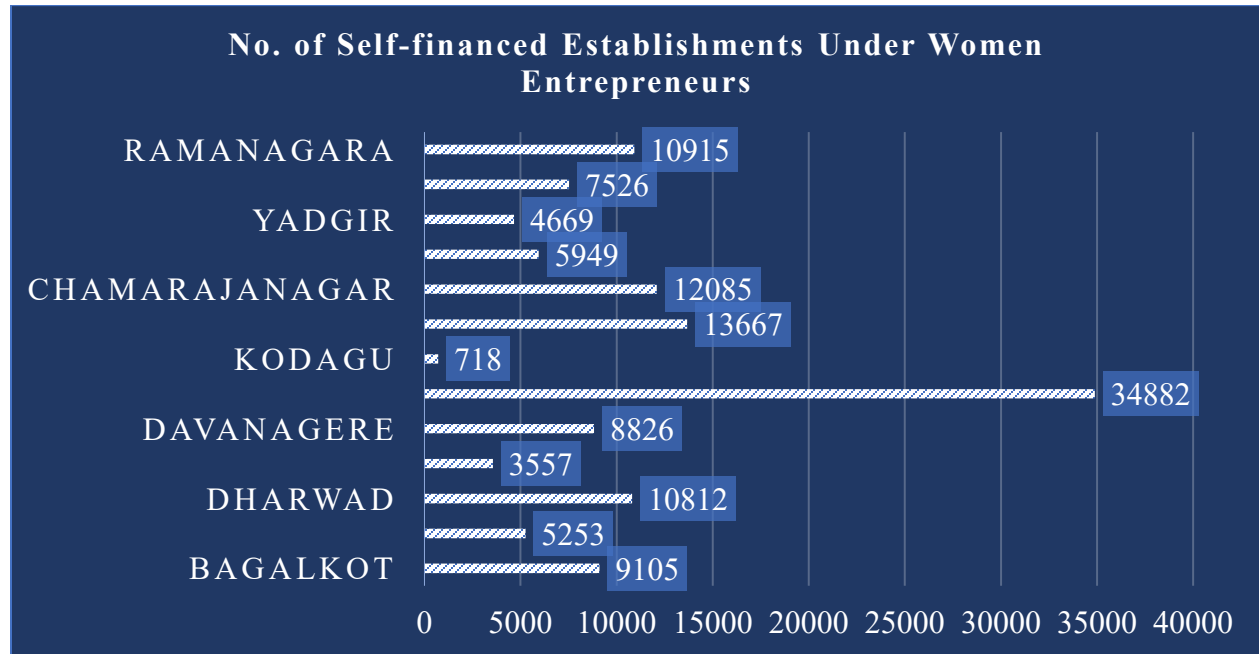


Figure 7: Number of Self-Financed Establishments by Women Entrepreneurs

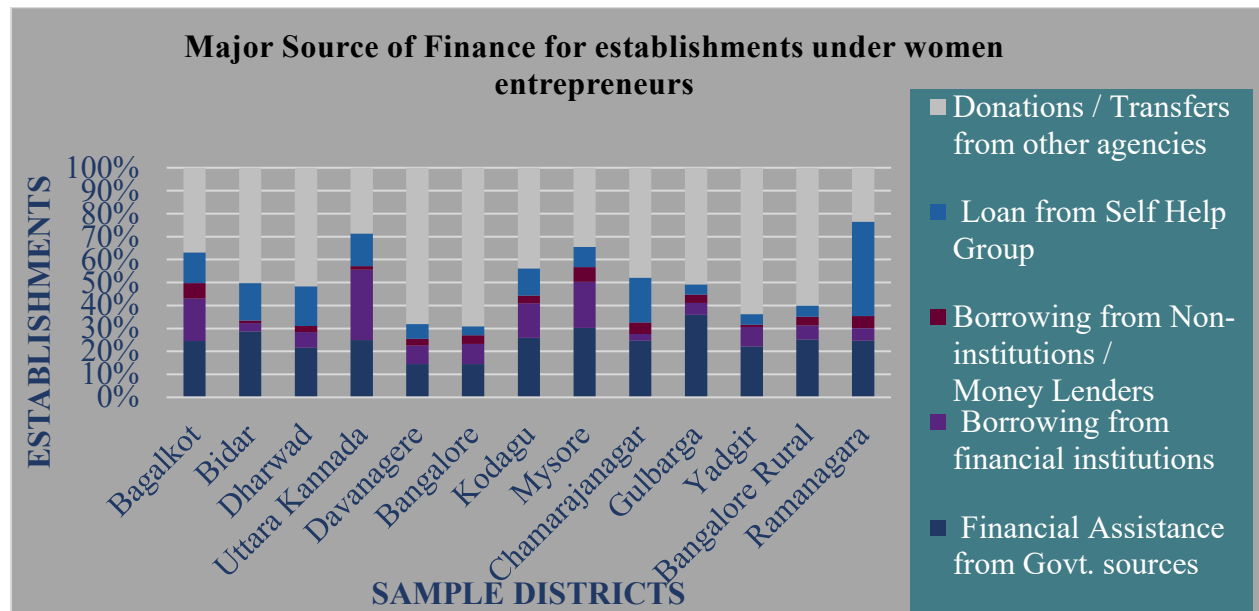


Figure 8: Major Sources of Finance for Establishments run by Women Entrepreneurs

2.1.3.5 Study of similar Interest Subvention Schemes for setting up MSME units in India⁸

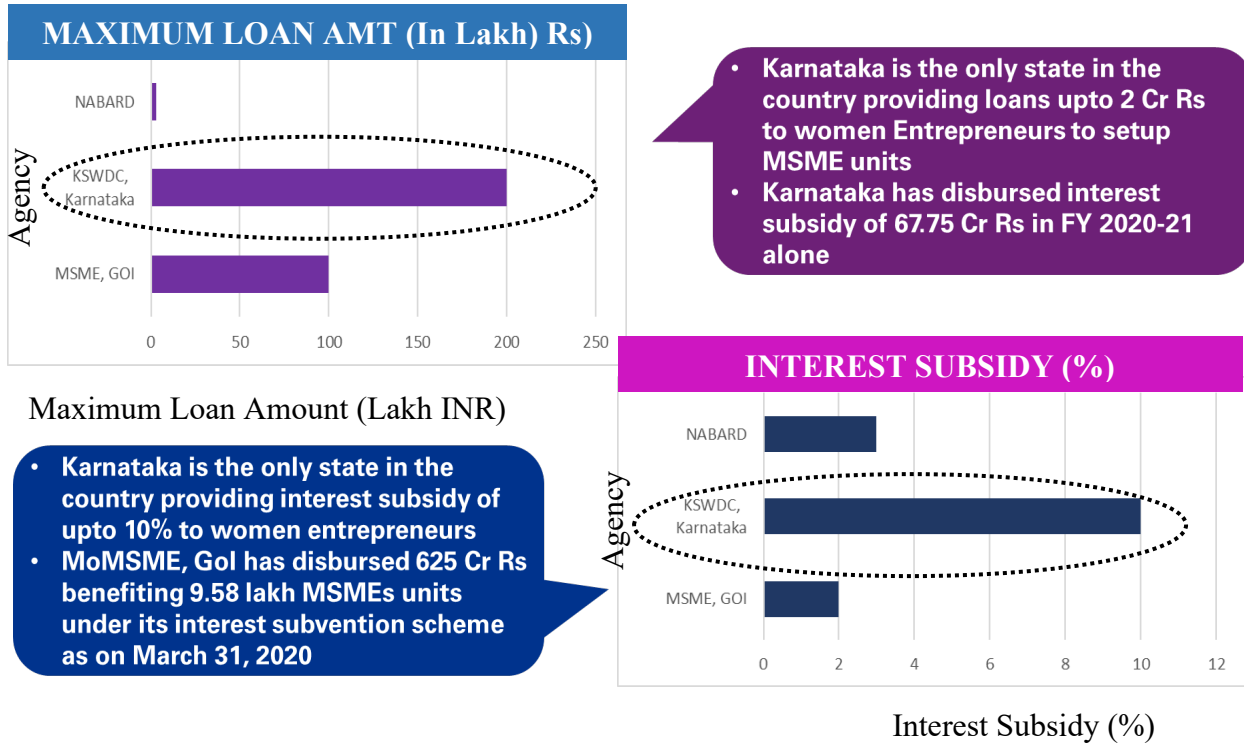


Figure 9: Comparison of Maximum Loan amount and Interest Subsidy among similar schemes in India

⁸ NABARD - National Bank For Agriculture And Rural Development; Women Entrepreneurs | Ministry of Micro, Small & Medium Enterprises (msme.gov.in)

2.1.3.6 Highlights on Financial assistance for women entrepreneurs in Karnataka

The State government has from time to time introduced several schemes towards assistance of women entrepreneurs. To fulfill the objectives of women upliftment, the state has set up the Karnataka State Women Development Corporation. It is working towards framing and implementing the Schemes for economic and social development of Women.

Udyogini Scheme	<ul style="list-style-type: none">• Launched in 2008 by the KSWDC, Saraswat Bank, Punjab and Sind Bank, Regional Rural Banks, Cooperative Banks along with different private and other public sector Banks• Governed by KSWDC.• It aims to provide financial help to women in establishing their small businesses.• Maximum loan amount provided under this scheme is up to INR 3 lakhs and no income limit for widowed and disabled women.
Micro Finance Savings	<ul style="list-style-type: none">• Aims to provide micro credit for small and marginal business to women belonging to Vishwakarma Communities through self-help groups.• Financial assistance to the extent of INR 10,000.00 /- Loan at the rate of 4% per annum & 30% subsidy with a maximum of INR 5,000.00/- is provided.
Micro Credit Scheme	<ul style="list-style-type: none">• Launched in 2011-12 and is implemented by KSWDC.• This scheme is to provide interest free loan of INR 1.00 lakhs to INR 2.00 lakh to Stree Shakthi SHGs to establish their own entrepreneurship or smaller unit for taking up the viable economic activities.• The unit cost is INR25,000/- of which INR 10,000/- subsidy from the corporation and INR15,000/- is term loan from NSFDC'
Chetana Scheme	<ul style="list-style-type: none">• Under this Scheme financial assistance of INR 50,000/- (INR 25,000/- loan and INR 25,000/- incentive) is provided to the sex worker for self-employment and to lead a decent and dignified life.

Samrudhi Scheme	<ul style="list-style-type: none"> • This Scheme is implemented from the year of 2016-17 • An amount of INR 10,000/- is being given to Women street vendors and financial assistance of INR 50,000/- (INR 25,000/- loan and INR 25,000/- subsidy) is given to women who are HIV infected, to take up income generating activities.
Saviruchi Scheme	<ul style="list-style-type: none"> • Launched in 2017-18. • Aims to encourage District Sreeshakthi Federations. Each Sreeshakthi Federation is provided with INR 10.00 lakh interest free loan.

2.1.3.7 Data on year wise loan sanctions from KSFC

Further, according to the data provided by KSFC, the range of loan sanction in the span of 5 years has been up to 5273 lakhs.

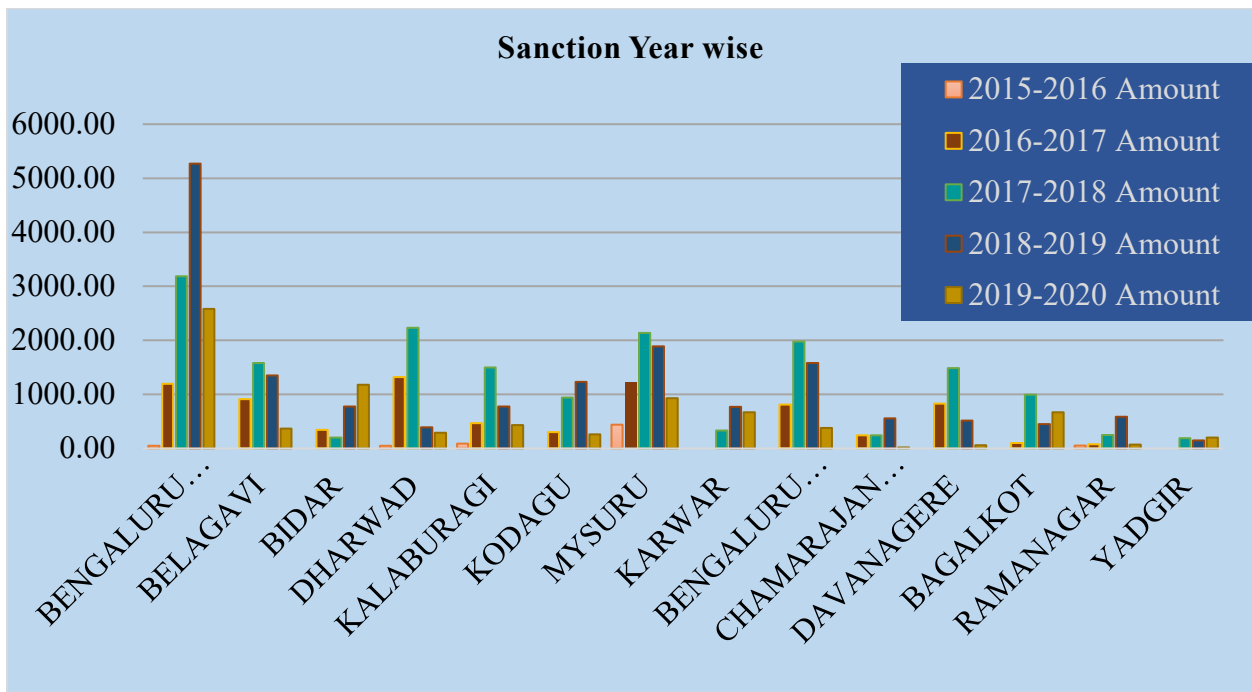


Figure 10: District wise distribution of loan sanctioned to by KSFC

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

2.1.3.8 Cost versus Benefit of Interest Subvention Scheme with respect to other comparable schemes

The state and central government have initiated various schemes to encourage the entry of women into entrepreneurship. Hence, it becomes important to analyse the cost versus benefits of the various scheme available for women entrepreneurs in order to understand the significance of the Interest Subvention Scheme being evaluated and ways to improve the same. The loan particulars of other comparable schemes available to women entrepreneurs is as given below:

Table 2: Cost versus Benefit of Interest Subvention Scheme with respect to other comparable schemes

Scheme	Loan Amount	Interest Rates	Loan Tenure	Collateral	Intended Beneficiary	Central/ State Scheme	Other Features
Interest Subvention Scheme for Women Entrepreneurs	Up to 2 crores INR	4% (Effective interest rate after subvention)	5 years	Collateral Required (1:3 ratio)	<ul style="list-style-type: none"> New Entrepreneurs Established Entrepreneurs 	State	<p>Original Scheme (2015-2020): Available to MSMEs in all sectors</p> <p>Renewed Scheme (2022 onwards): Available only to MSMEs in service sector (health, hospitality, IT/ITES)</p>
Cent Kalyani Scheme		Market rates	7 years	Collateral Free	<ul style="list-style-type: none"> New Entrepreneur Established Entrepreneurs 	Central	
Bharatiya Mahila Bank	Upto 20 crore-case specific	Varies from 10.15%		Collateral Free	<ul style="list-style-type: none"> New Entrepreneurs 	Central	<p>Shringar: For Beauty Saloons</p> <p>Parvarish: Loans up to INR 1 Crore to start and</p>

Review of Literature and Evaluation Methodology

Scheme	Loan Amount	Interest Rates	Loan Tenure	Collateral	Intended Beneficiary	Central/ State Scheme	Other Features
		to 13.65%			<ul style="list-style-type: none"> Established Entrepreneurs 		run Creche and Day care centers Annapurna: For Food Entrepreneurs
Mudra Loans	Shishu – up to INR 50,000 Kishor- INR 50000 - 5 lakh Tarun- up to INR 10 lakhs	7.3% or higher: dependent on individual bank policy and credit score of borrowers with 2% interest subvention	5 years	Collateral Free	<ul style="list-style-type: none"> New Entrepreneurs Established Entrepreneurs 	Central	Shishu –for enterprises in initial stages Kishor- for established enterprises looking to improve services Tarun- for established enterprises looking to expand reach
Udyogini Scheme	Upto INR 3 lakhs	Interest Free Loans	Shringar: 7 years Parvarish: 5 years Annapurna: 3 years	Collateral Free	<ul style="list-style-type: none"> New Entrepreneurs 	State	
Oriental Mahila Vikas Yojana Scheme	INR 10 lakhs – INR 25 lakhs	Market Rates with interest subvention of 2%	7 years	Collateral Required	<ul style="list-style-type: none"> New Entrepreneurs Established Entrepreneurs 	Central	

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

Scheme	Loan Amount	Interest Rates	Loan Tenure	Collateral	Intended Beneficiary	Central/ State Scheme	Other Features
Mahila Udyam Nidhi Yojana	INR 10 lakhs	Dependent on project cost and varies from bank to bank	10 years	Collateral Required	<ul style="list-style-type: none"> New Entrepreneurs Established Entrepreneurs 	Central	
Stree Shakti Yojana	Up to INR 2lakhs	Interest concession of 0.05%			<ul style="list-style-type: none"> Established Entrepreneurs 	Central	For Women Entrepreneurs enrolled in Entrepreneurship Development Programmes
Annapurna Scheme	INR 50000	Market rates	3 years		<ul style="list-style-type: none"> New Entrepreneurs Established Entrepreneurs 	Central	Entrepreneurs in Food Catering Businesses

2.1.3.9 KSFC data on loan repayment under the Interest Subvention Scheme for Women Entrepreneurs

According to the details on loan repayment shared by KSFC, 789 accounts are active on 31 July 2022. The total loan outstanding for these units amount to INR 42, 569.55 lakhs. 24.44% (295) of loan accounts have been closed statewide as on 31 July 2022. As interest subsidy under the scheme is available only on prompt repayment each month, defaulters are considered on a monthly basis, and there are no defaulters under the scheme in August 2022.

2.1.3.10 Annual Report of KSFC, 2021

According to the Annual report of KSFC, 2021, the Government of Karnataka has provided an equity capital of INR 100.00 crore and interest subsidy of INR 172.25 crore out of which INR 67.75 crores were allocated to women entrepreneurs across the State during FY 2020-21.

Table 3: Sector-wise distribution of loan sanctioned

Sector-wise distribution of loans sanctioned by KSFC			
Sl. No.	Industry	Amount (In Crore INR)	Percentage of Total Loans Sanctioned (%)
1.	Engineering Sector	66.84	16.64
2.	Chemical Sector	12.51	3.11
3.	Textiles and Readymade Garments	38.38	9.56
4.	Food Processing and Beverages Sector	87.14	21.69
5.	Non-Metallic Products Sector	47.10	11.73
6.	Rubber & Rubber Products Sector	0.50	0.12
7.	Basic Metal Sector	5.24	1.30
8.	Wood & Cork Furniture & Fixture Sector	8.86	2.21
9.	Paper & Paper Products	8.15	2.03
10.	Printing & Publishing	3.50	0.87
11.	Transport/ Transport Equipment Sector	11.31	2.82
12.	Others	--	--
13.	Hotels & Restaurants (Hospitality)	41.80	10.41
14.	Construction & Real Estate Sector	16.00	3.98
15.	Miscellaneous Manufacturing Sector	54.33	13.53
Total		401.66	100.00

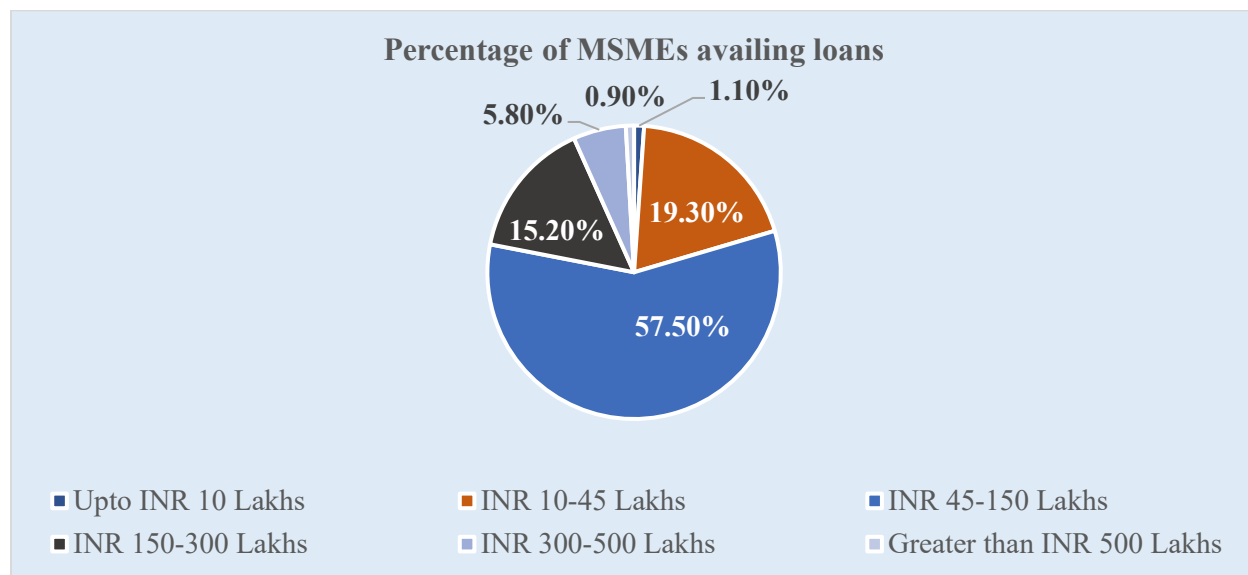


Figure 11: Percentage distribution of loan amounts availed by MSMEs

2.1.4 Key Initiatives undertaken by Government of Karnataka for spreading awareness about its schemes and programs for women self-help groups and entrepreneurs

2.1.4.1 AWAKE – Association of Women Entrepreneurs of Karnataka: Highlights on developing women entrepreneurship by improving their economic conditions⁹

Table 4: Projects by Association of Women Entrepreneurs of Karnataka

Projects name	Outcome	Location(s)	Beneficiaries
PROJECT SWASHAKTHI, 2001 (Sponsored: DIC, Govt. of Karnataka)	Rural Women’s Development and Empowerment. Methodology: The training imparted was on Development Approach and Awareness Generation, Group formation and Credit Management, Participatory Training Methodology and Facilitation Skills.	Kolar, Chitradurga, Bellary and Tumkur.	198 SHG members and 20 NGOs.

⁹ [Projects - Awake India](#)

Projects name	Outcome	Location(s)	Beneficiaries
REHABILITATION OF BEEDI WORKERS, 2004 (Sponsored: International Labor Organization (ILO))	An alternate livelihood options to women whose occupation was rolling Beedis by developing sustainable entrepreneurial activities with relevance to local resources. Developing capacities of the local NGOs in conducting Entrepreneurship Development Program to identify SHG members.	Mangalore	470 Beedi women workers
NAGARASTREESHAKTHI PROJECT, 2006 (Sponsored: KSWDC)	Empowerment of Women by conduction of one-day orientation program for the EDP trainers from various organizations of Karnataka. 6 to 7 batches of EDPs were simultaneously conducted in various districts	12 districts of Karnataka	2680 women
ENTERPRISE LEARNING NETWORK, 1996 (Sponsored: Women's World Banking)	Respond to non-financial needs of growth-oriented micro-enterprise in the readymade sector by providing the "Best Practice Learning" in production capacity, product design, quality, and commercial chains.	Bengaluru	NA

2.1.5 Research papers: Highlights on initiatives to uplift women entrepreneurs

2.1.5.1 Financing of women entrepreneurs by KSFC – A case study of North Karnataka¹⁰

STUDY

The present study covers a range of issues connected with the financial assistance provided by the KSFC to small-scale industrial units organized and managed by women entrepreneurs in the selected seven districts (Dharwad, Gadag, Haveri, Belgaum, Bijapur, Bagalkot and Uttar Kannada) in the North Karnataka districts. The analysis covers the involvement of the KSFC loans' purpose wise and sector wise over a period of 5 years in the SSI units, issues of recovery and repayment and overall impacts of loans are covered by the study.

- ✓ Reduction in the interest cost of KSFC in view of the limited financial strength of the small units owned and managed by the women entrepreneurs.
- ✓ Improve the network accessibility of the commercial banks for easy facilitation of the credit assistance to women entrepreneurs.

- ✓ It has been reported that, a balance of around Rs 400 crores of subsidies to the small-scale industries have not yet been released. Hence, more initiatives should be facilitated to foster more enrolments and awareness.
- ✓ Lack of creation of joint efforts of loanees and the lending institutions to ensure proper utilisation of funds for repaying the loans as per the repayment schedule, leading to non-repayment of instalments regularly due to project failures, labour problems, etc.
- ✓ Lack of development of overall knowledge and expertise of women entrepreneurs related to budgeting, accounts, banking procedures, marketing etc.

¹⁰ <http://hdl.handle.net/10603/95923>

2.1.5.2 Women Entrepreneurship & Empowerment through Self Help Groups in Tumkur District of Karnataka¹¹

STUDY

The overall objective of the present micro level study is to analyze the economic empowerment of women through SHGs in some selected villages of Tumkur District of Karnataka and to study and demonstrate that SHGs are the best formal micro level finance institutions to generate additional employment and income for needy people by involving them in planning, decision making and management of sustainable natural resource.

MAJOR FINDINGS RELEVANT TO THE STUDY

- ✓ Inadequate per capita facilitation of the loan amount in the SHGs.
- ✓ Reduction in interest rate while ensuring recovery of costs.
- ✓ Non factorisation of reducing women's economic exploitation by ensuring development of expertise and knowledge on market and different procedures and challenges.
- ✓ Improve the network accessibility of the commercial banks for easy facilitation of the credit assistance to women entrepreneurs.
- ✓ Inadequate fund availability in SHGs at group level.
- ✓ Lack of Maintenance of good repayment culture in SHG portfolio

¹¹ International Journal of Current Engineering and Technology, Special Issue1 (Sept 2013)

2.1.5.3 Evaluation of Government Support for Promoting Women Entrepreneurs in Karnataka¹²

MAJOR FINDINGS RELEVANT TO THE STUDY

- Key findings :
 - ✓ The study says that understanding motivational and success factors can be helpful for entrepreneurs and their SME's because it could affect the in cress of percentage of successful ventures
 - ✓ Internal support is very important for starting any business more than external Support
 - ✓ Women's political empowerment linked with women Entrepreneurial behaviors
 - ✓ Simplification of administrative activates for women Entrepreneur is one of the key success factors
- Key Recommendations:
 - ✓ To increase the reach of the programmes Government may provide guidance, facilitate grant/loan, provide required training in different skills and also motivate women entrepreneurs in establishing new enterprises and to upgrade and develop the existing ones
 - ✓ It is necessary to make significant improvements in the process of institutionalization of supporting SME's.
 - ✓ Internal supports are family, spouse, parents, moral support, financial support, motivation and encouragement from internal family members
 - ✓ Extension participation program may be arranged with extension agencies for the SHGs and entrepreneurs to visit their business houses to know the functions and its administration so that it creates awareness.

2.2 Evaluation Methodology

A mixed method approach involving both primary and secondary data collection and analysis was used for this study. Qualitative and quantitative tools were employed to collect information from all key stakeholders.

2.2.1 Scope of the Study

This evaluation study covers the woman entrepreneurs who benefited from Interest Subsidy Scheme across 12 districts in the State on sample basis from 2015-16 to 2019-20. The study covers 3 districts, with low, medium and high number of beneficiaries in each division.

¹² Source: International Journal of Economics & Management Sciences

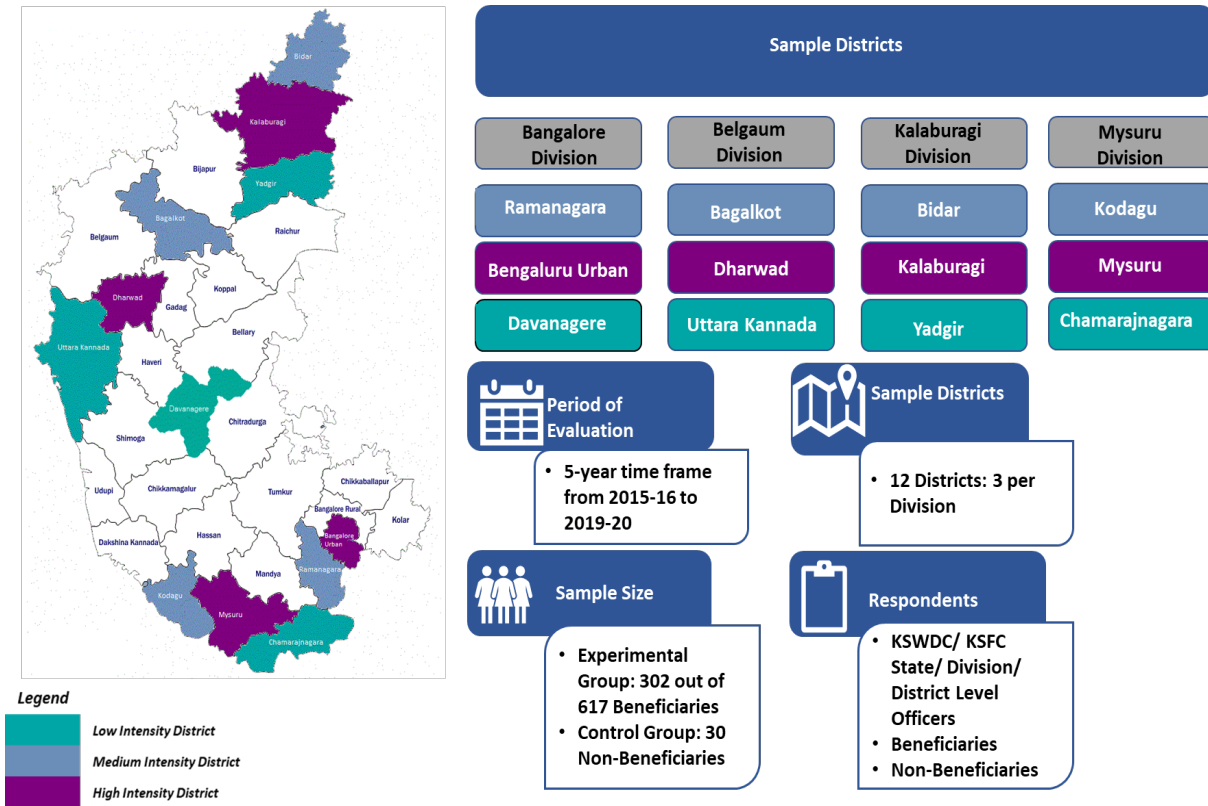


Figure 12: Scope of Study

2.2.2 Phase-wise Evaluation Approach

In line with the ToR, a 3-phase approach was adopted for the evaluation study.

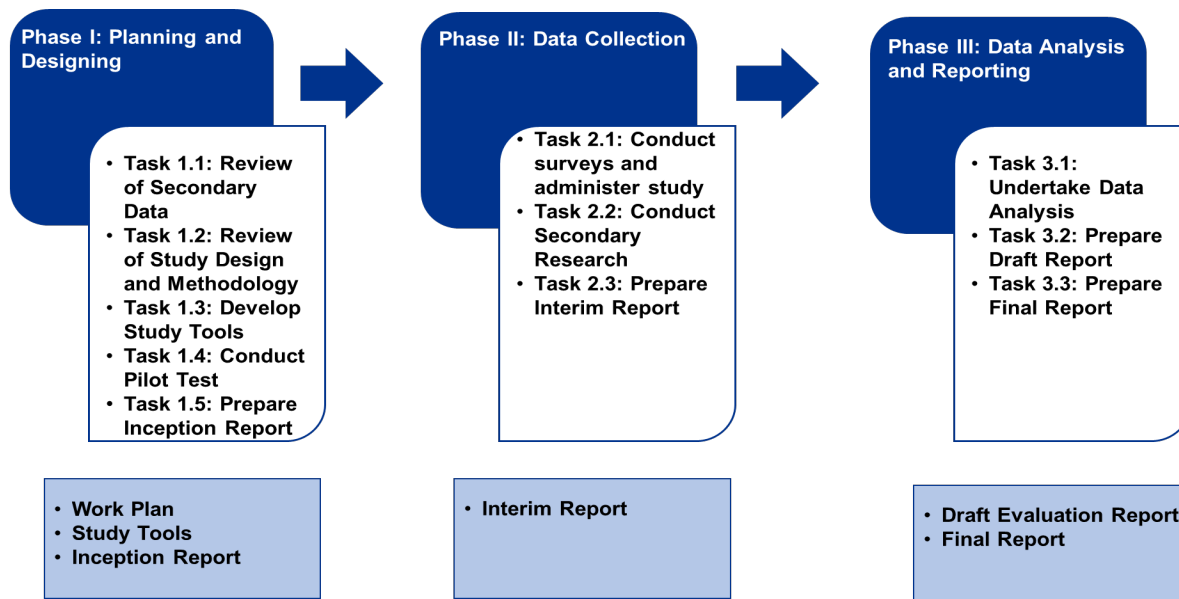


Figure 13: Phase-wise Evaluation Approach

2.2.3 Sample Design and Methodology

In accordance with the ToR, a sample of 302 beneficiaries were identified for the purpose of the study from 12 districts. As per the ToR, the control group for the study should include 30 non-beneficiaries of the scheme. To analyze the impact of the scheme more effectively, a control group comprising of 37 non-beneficiary female entrepreneurs were drawn. The database of women entrepreneurs who had applied for the loans provided by KSFC was used to identify the control group. This comprised of both applicants whose loans were sanctioned but not availed or utilized and applicants whose loans were not sanctioned.

As per the ToR, interviews were also conducted with the officials from the Government of Karnataka from KSFC and KSWDC.

The category of key stakeholders, the number of respondents and tools of quantitative and qualitative data collection for the study as per the ToR is as given below.

Table 5: Stakeholder consultation requirements as per ToR

Sl. No.	Stakeholder Category	No. of Respondents	Method of Data Collection	Research Instruments
1	Women Entrepreneurs			
	Beneficiaries [Experimental Group]	302	Interviews, Focused Group Discussions, Case Studies	Structured Questionnaires, FGD Schedules, Case study checklists
	Non-Beneficiaries [Control Group]	30	Interviews, Focused Group Discussions	Structured Questionnaire
2	Government of Karnataka Officials			
	KSFDC Officials <ul style="list-style-type: none"> • State Level Officials 2 • Division Level Officials 4 • District Level Officials 4 		In-Depth Interviews	Semi-structured Questionnaires
	KSWDC <ul style="list-style-type: none"> • State Level Official 3 • District Level Officials 10 		Interview	Semi-structured Questionnaires

The following table contains the district-wise classification of beneficiaries and non-beneficiaries included in the sample. It has been noticed that while the sample size of the experimental group is 302, only 207 beneficiaries responded to the evaluation study. The decision to limit the study to the 207 beneficiary respondents was according to the review meeting conducted with the Additional CEO of the Karnataka Evaluation Authority. According to the suggestion in the review meeting the operational status of the 95 beneficiaries who did not cooperate with the study was recorded. Of the 95 beneficiary entities who failed to respond, it was seen that 92 were operational while 3 were not.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

Table 6: Sample distribution of beneficiary respondents as per ToR

Divisions	Sample Districts as per ToR	Sample Size as per ToR	Actual Sample Covered		
			Responded to all Questions	Responded only to Questions on Operational Status	Control Group
Bengaluru	Ramanagara	8	5	--	3
	Davangere	27	17	--	--
	Bengaluru Urban	63	40	69	10
Belgaum	Bagalkot	14	12	1	1
	Dharwad	39	26	8	5
	Uttar Kannada	10	9	3	1
Kalaburagi	Bidar	16	15	--	2
	Kalaburagi	25	20	5	3
	Yadgir	3	1	--	1
Mysuru	Chamarajanagar	9	7	--	3
	Kodagu	15	13	4	1
	Mysuru	53	42	5	7
Total		302	207	95	37

The following table gives the profile-based classification of the Government of Karnataka Officials. The post of AGM, KSWDC was vacant at the time of the study and hence could not be included in the study.

Table 7: Sample Distribution of Government Officials as per ToR

Organization	Designation	No. of officials as per ToR	No. of officials interviews
KSFC	ED2 and DGM (State level)	2	2
KSFC	GM (Division level)	4	4
KSFC	AGM/Branch Manager (District level)	4	4
KSWDC	MD, GM & AGM (State level)	3	2 ¹³
KSWDC	Development Inspectors (District level)	10	10

¹³ The post of AGM, KSWDC was vacant.

2.2.4 Evaluation Matrix

The evaluation criteria, key evaluation questions and sub-questions, data sources, and data collection methods are summarized under the 5 parameters of the REESI Framework - Relevance, Effectiveness, Efficiency, Sustainability, and Impact.

Table 8: Evaluation Matrix

EVALUATION MATRIX				
Evaluation criteria	Key evaluation question	Key evaluation sub-questions	Data sources	Data collection methods/ Analytical tools
RELEVANCE				
Program Objectives & Actual Requirements	To what extent has the Interest Subvention scheme achieved the envisioned objectives & goals?	<ol style="list-style-type: none"> 1. Did new women entrepreneurs establishing new SME/ services units avail the scheme? 2. Did existing women entrepreneurs, augmenting their SME/ services units, avail the scheme? 3. Did women entrepreneurs across sectors and the 4 divisions in the State avail the scheme? 	Scheme beneficiaries, scheme non-beneficiaries	<ul style="list-style-type: none"> • IDIs with beneficiaries and non-beneficiaries • FGDs with beneficiaries • Observation of beneficiary enterprises
EFFECTIVENESS				
Inputs & process of implementation	How appropriate are inputs & implementation process of the Interest Subvention scheme?	<ol style="list-style-type: none"> 1. Appropriateness of operational guidelines of the scheme 2. Selection process of beneficiaries & coordination of different Departments 3. Process of sanction of credit & adequacy of loan received for establishing new units or expansion of existing enterprises across different types of enterprises and the proportion of loans 	Scheme beneficiaries, scheme non-beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries and non-beneficiaries • FGDs with beneficiaries • Observation of beneficiary enterprises

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

EVALUATION MATRIX				
		4. Adequacy, quality, and timeliness of services, financial as well as non-financial, received by the beneficiaries		<ul style="list-style-type: none"> • IDIs with government officials
EFFICIENCY				
Cost benefit analysis	How effective & efficient is the Interest Subvention scheme?	1. Comparison of the cost vs achieved benefits of the scheme 2. How many Enterprises availed the loan and benefitted from the scheme? 3. How many Enterprises are still operational?	Scheme beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries • FGDs with beneficiaries • Observation of beneficiary enterprises • IDIs with government officials
Break Even Analysis	Whether the interest subvention scheme achieved the breakeven	1. How much loan amount has been disbursed during the scheme period? 2. How much amount has been recovered so far?	Scheme beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries • FGDs with beneficiaries • IDIs with government officials

EVALUATION MATRIX				
Fund Utilization and capacity building	What is the extent/ loan utilization patterns across divisions/ sectors?	<ol style="list-style-type: none"> 1. How are the loan utilization pattern across the regions, are there any deviations, misutilization, fake beneficiaries? 2. What are the patterns in the repayment of the loans? 	Scheme beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries • FGDs with beneficiaries • IDIs with government officials
Output produced	Did the Interest subvention scheme achieve the desired/ envisioned output?	<ol style="list-style-type: none"> 1. Did the scheme impact the development of entrepreneurship among women? 	Scheme beneficiaries, scheme non-beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries and non-beneficiaries • FGDs with beneficiaries • Observation of beneficiary enterprises • IDIs with government officials
IMPACT				
Outcomes- short, medium, and long term	What steps need to be taken to maximize the scheme's outcomes?	<ol style="list-style-type: none"> 1. What is the scheme impact on development of entrepreneurship among women? 2. How has the scheme impacted women's control over income; relative contribution to family support; access to credit, and control over family resources? 	Scheme beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries • FGDs with beneficiaries • Observation of beneficiary enterprises • IDIs with government officials

EVALUATION MATRIX				
SUSTAINABILITY				
Sustainability of the project in the long run	What steps need to be taken to maximize the scheme's long-term extension and sustainability?	<ol style="list-style-type: none"> 1. What steps need to be taken to diversify/enhance to suit upcoming needs of the target beneficiary group? 2. What steps need to be taken to address current gaps/ improvement areas for long term viability of the scheme? 3. Physical performance of enterprise – <ul style="list-style-type: none"> • Whether employee strength increased/decreased over the period? • Manufacturing unit – whether new machineries have been added to the unit? • Service – whether office space has been increased? • Generation of own resources • Have you installed solar panel for power generation? • Have you installed rainwater harvesting system for water requirement? • Saving and investment - Does the beneficiary own any assets? • Financial performance • Whether the income has increased over the period? • Profitability – what is the profit of the enterprise in last five financial years? 	Scheme beneficiaries, government officials	<ul style="list-style-type: none"> • IDIs with beneficiaries • FGDs with beneficiaries • IDIs with government officials

EVALUATION MATRIX				
		4. Market potential and utilization - What is the method for providing services / products?		

2.2.5 Hypothesis Testing

In accordance with the ToR, the hypothesis for testing the significance of the evaluation study with respect to the Interest Subvention Scheme for Women Entrepreneurs is as follows:

Null Hypothesis (H₀): The economic condition of the women entrepreneur is not significantly impacted by availing the scheme.

Alternative Hypothesis (H₁): The economic condition of the women entrepreneur is significantly impacted by availing the scheme.

The hypothesis was tested for the experimental group consisting of 207 beneficiary respondents and the control group of 37 respondents. The confidence interval was taken to be 95% and the margin of error was taken as 5% in accordance with the ToR. For the purpose of testing the hypothesis, a Chi-square test has been used in order to compare the observed values and the expected values. From the test conducted it was observed that the null hypothesis has to be rejected and the alternative hypothesis has to be retained. Detailed findings have been incorporated in the section regarding results, discussions and major findings.

2.3 Limitations/constraints in the evaluation study

The challenges and limitations of the study have been summarized below:

- **Incorrect contact information of beneficiaries:** Majority of the contact numbers and addresses provided by KSFC were incorrect, not available or not in service; thus, contacting the beneficiaries to schedule appointments was difficult and time-consuming.
- **Challenges in facilitating participation of beneficiaries for the survey:** Most of the beneficiaries were unwilling to participate in the survey and many of them declined/refuse to co-operate citing different reasons like lack of time, lack of interest, migrated or moved out, inability to recall loan details, lack of intimation from KSFC branch officials, acquaintance with influential persons, and others. This constrained us from adhering to the timelines for completion of data collection, and thereby forcing us to over-stay and repeat our visits to the residences and/or officers of the beneficiaries.
- **Refusal of beneficiaries to divulge details and/or respond to specific questions:** Some of the beneficiaries refused to answer questions on their caste, sources of income, turnover, loan repayment, etc.
- **Challenges in securing cooperation of government officials for the survey:** Citing other commitments and also lack of time, most of the government officials were unwilling to participate in the survey despite repeated communication from KEA. This constrained us from adhering to the timelines for completion of data collection.
- **Disconnect in data provided in the ToR and that reported by KSFC:** There is a disconnect in the data provided in the ToR and that reported by KSFC for the number of beneficiaries, loan volumes, District-wise spread of beneficiaries, and other parameters. For example, as per the ToR, loans have been provided under the scheme to 1389 beneficiaries in the state, while data reported by KSFC indicates that the loans under the scheme has been provided to 1207 beneficiaries.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

3 Results and Discussions¹⁴

In this chapter, the broad findings from the data collection and analysis undertaken as part of this Final Evaluation Report have been presented. The findings derived from the study have been analyzed and have been classified into the following heads: -

- Profile of Respondents
- Awareness about the scheme
- Reasons for availing the scheme
- Processes and procedures
- Loan Sanctioned
- Utilization of the scheme and management of the enterprises
- COVID 19: Effects and Actions
- Monitoring of loan utilization
- Loan repayment and recovery
- Overall Impact of the scheme

3.1 Profile of Respondents¹⁵

In this chapter, the profile of the respondents of the study is presented. These include:

- i. Scheme Beneficiaries [Experimental Group] and Non-Beneficiaries [Control Group]
- ii. Officials of Government of Karnataka

3.1.1 Profile of Scheme Beneficiaries and Non-Beneficiaries

(i) Age of Respondents

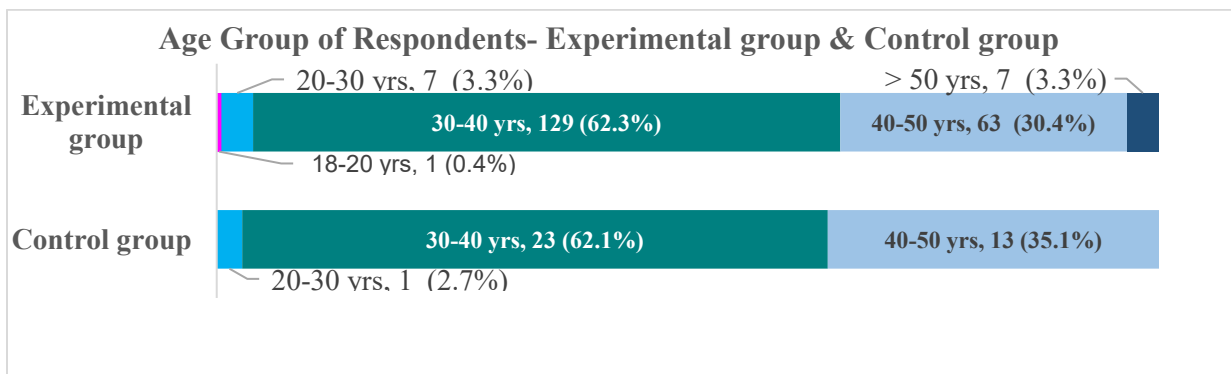


Figure 14: Age Group of Respondents- Experimental Group and Control Group

¹⁴ All figures and tables in this section are derived from primary research

¹⁵ All graphs and tables in the section are derived from primary research

Majority of respondents in both the groups were in the age group of 30-50 years.

In both the experimental and the control group, around 62% of respondents belonged to the 30-40 years age group, while the percentage of respondents into the age group of 40-50 years was 30.4% in the experimental group and 35% in the control group.

(ii) Gender of respondents

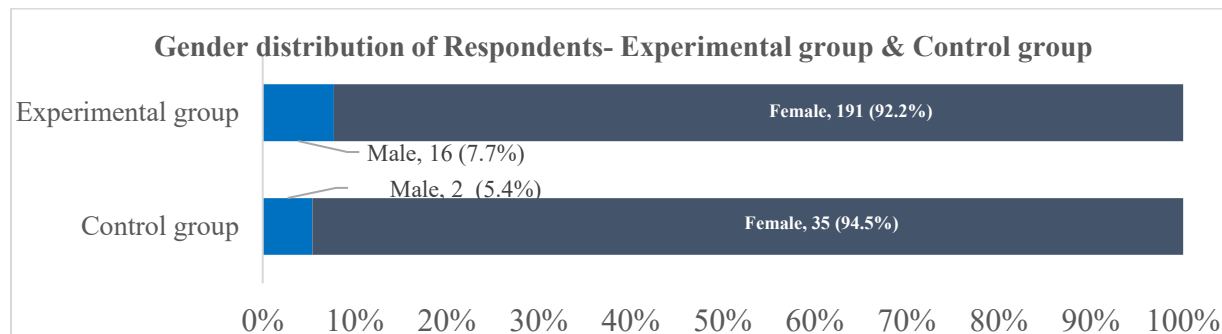


Figure 15: Gender of Respondents: Experimental Group and Control Group

92.2% of respondents in the experimental group were women, while 7.7% of the respondents in experimental group were men as the women beneficiaries were unable or unwilling to participate in the study.

(iii) Marital status of the respondents

99.5% of the beneficiary respondents reported to be married. Only 1 beneficiary from Uttara Kannada was unmarried.

(iv) Number of children

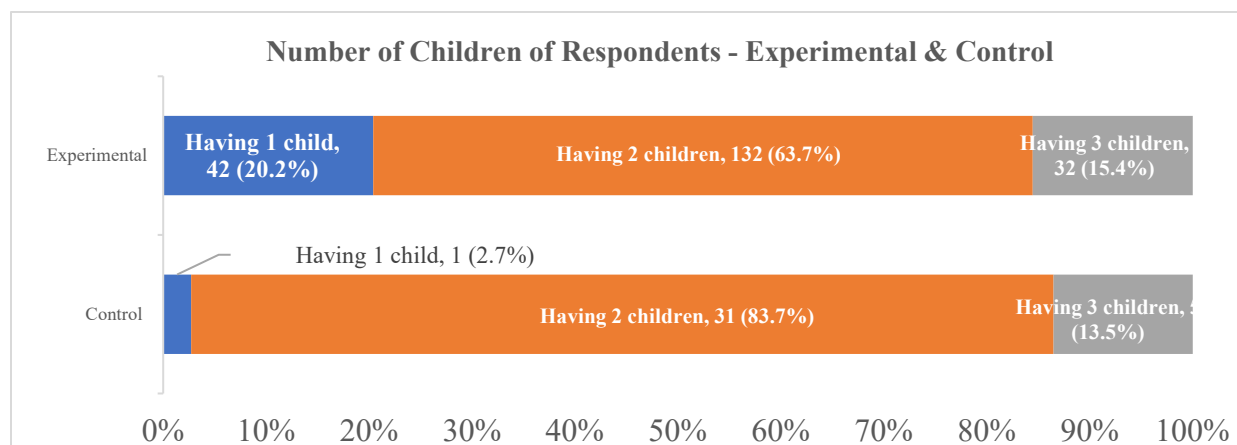


Figure 16: Number of Children of Respondents

63.7% of the beneficiary respondents in the experimental group and 83.7 % beneficiary respondents in the control group reported having 2 children.

(v) Geography

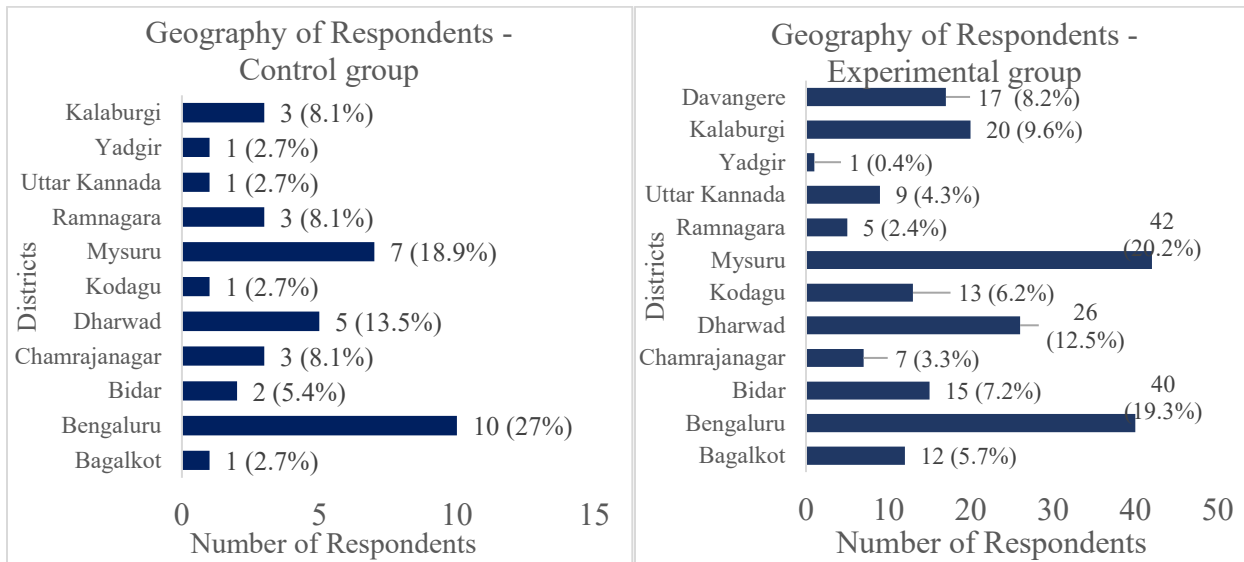


Figure 17: Geographical Distribution of Respondents (a) Control Group (b) Experimental Group

52% of respondents in the experimental group were from Mysuru, Bengaluru and Dharwad. Similar trend was observed in the control group as well. This is also aligned with the total numbers of loans sanctioned during the evaluation period from 2015-2019 under the scheme by KSFC. The highest number of loans sanctioned were in the districts of Bengaluru, Mysuru and Dharwad. This may be due to the existing enabling environment and proximity to industries and enterprise.

(vi) Caste category

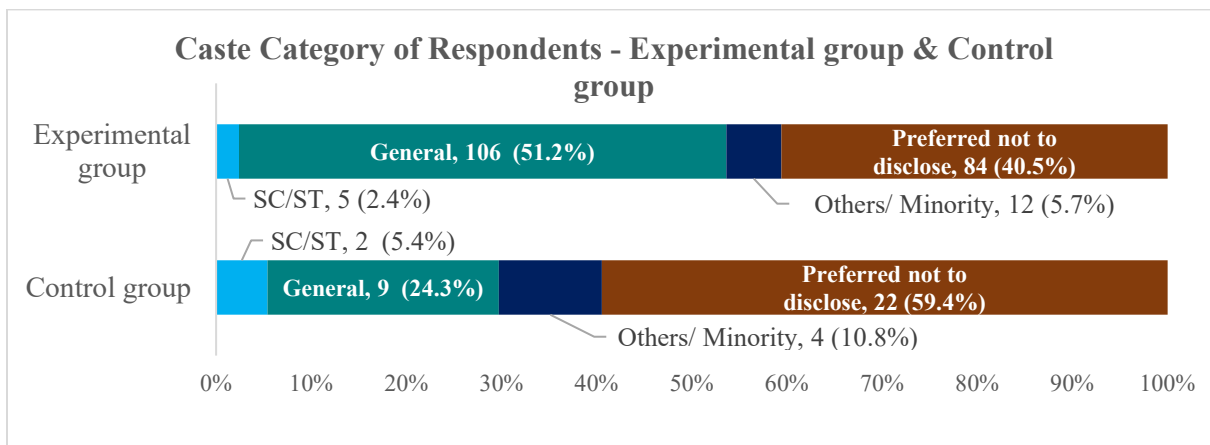


Figure 18: Caste Category of Respondents

A significant percentage of respondents refused to divulge their castes in both the experimental (40.5%) and the control groups (59.4%). 51.2% in the experimental group belonged to the general category. A small percentage of respondents reported that they belonged to the others/minority category (5.7%) and SC/ST category (2.4%). 24.3% of respondents in the control group reported that they belonged to the general. 10.8% belonged to the others/minority category while 5.4% belonged to the SC/ST category.

(vii) Education of respondents

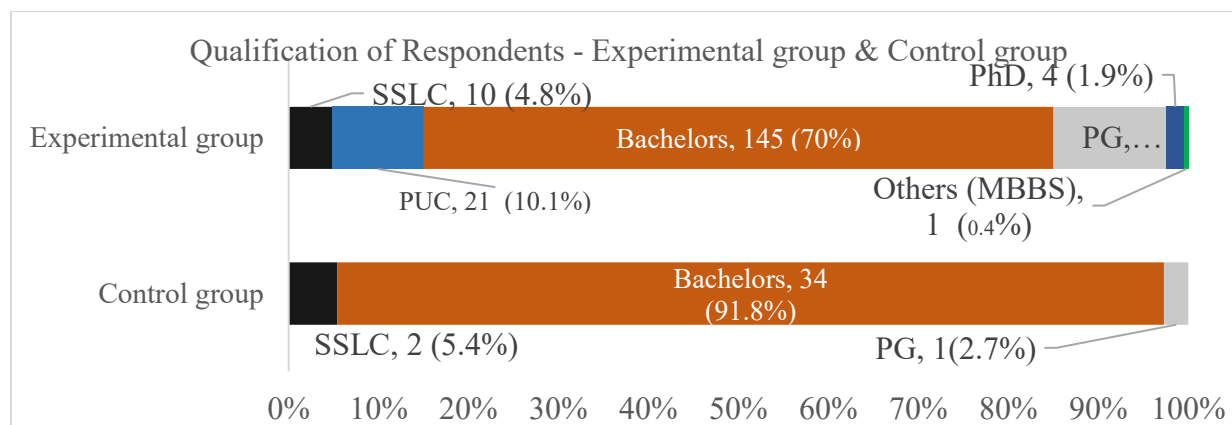


Figure 19: Educational Qualification of Respondents

70% of the respondents in the experimental group reported holding a bachelor’s degree. 12.5% of respondents held post-graduate degrees. Other levels of education of the respondents in the experimental group included SSLC (4.8%), PUC (10.1%), PhD (1.9%) and MBBS (0.4%) degrees.

Majority (92%) of respondents in the control group held bachelor’s degrees. Control group also included respondents holding SSLC (5.4%) and post-graduate (2.7%) degrees.

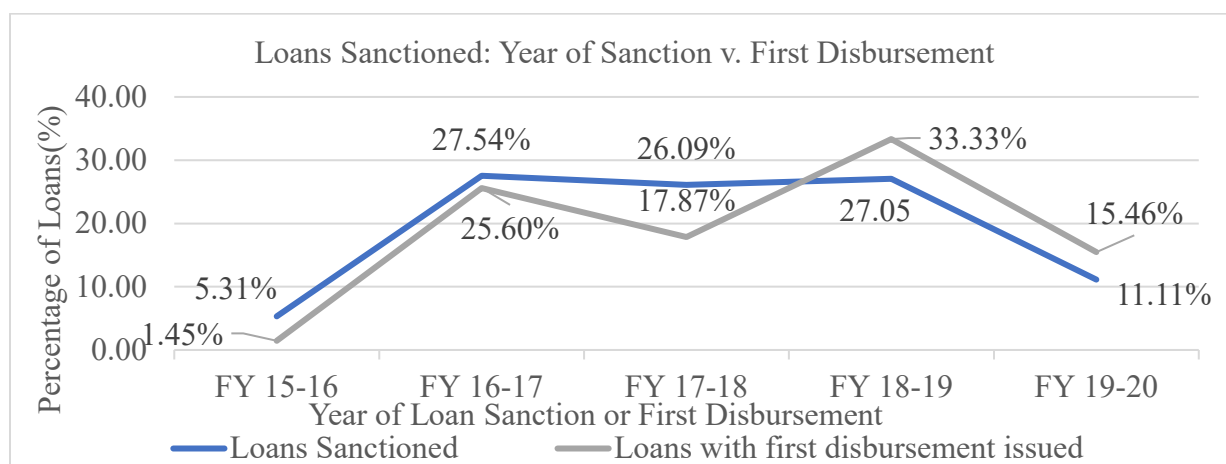
(viii) Year of loan sanction under the Interest Subvention Scheme

Figure 20: Year of Loan Sanction versus First Disbursement under Interest Subvention Scheme¹⁶

For 5.31% (11) of beneficiary respondents the loan was sanctioned during FY 2015-16. The number of beneficiaries for whom the loan was sanctioned under the scheme increased to 27.54% in FY 2016-17 and then stabilized in the same range for the next two years before falling to 11.11% in FY 2019-20.

However, the loans were disbursed to only 1.45% (3) of the beneficiary respondents in FY 2015-16, this increased to 25.60% in FY 2016-17 and then decreased to 17.87% in FY 2017-18. The highest number of loans were disbursed in FY 2018-19, 33.33%.

¹⁶ Source: Data provided by KSFC

(ix) Income and Expenditures of Respondents and their families

Monthly Income of Respondents

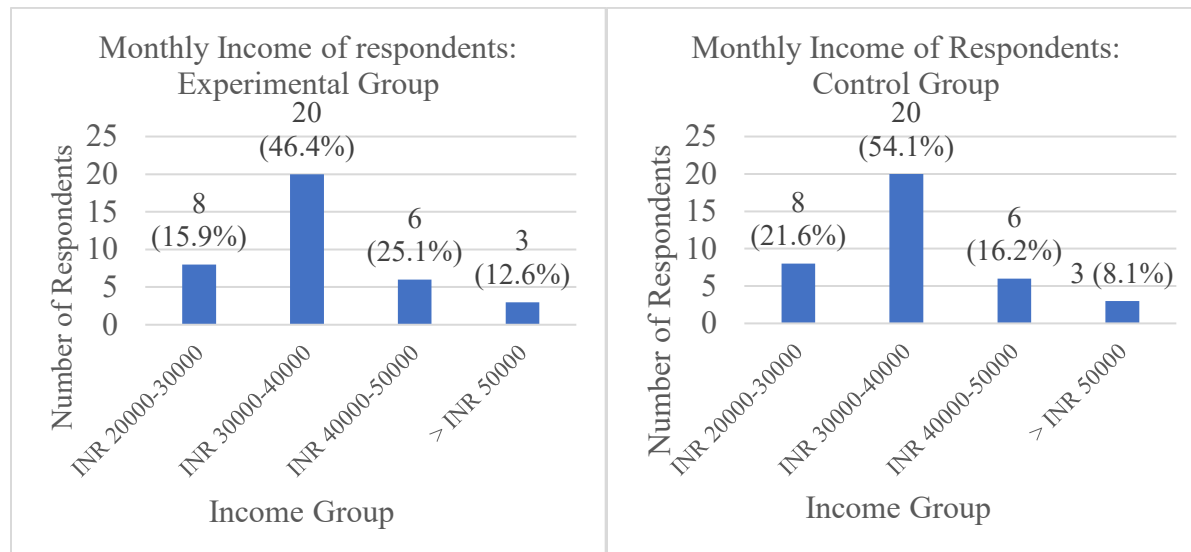


Figure 21: Monthly income of Respondents (a) Experimental Group (b) Control Group

The lowest monthly income reported by the respondents in both experimental (15.9%) and control (21.6%) are in the range of INR 20000-30000. Maximum number (46.4% in Experimental Group and 54.1% in Control Group) of respondents reported their monthly income in the range of INR 30000-40000.

Monthly Income of the Families of the Respondents in Experimental Group

144 beneficiary respondents in experimental group reported that the monthly income of their families was as follows:

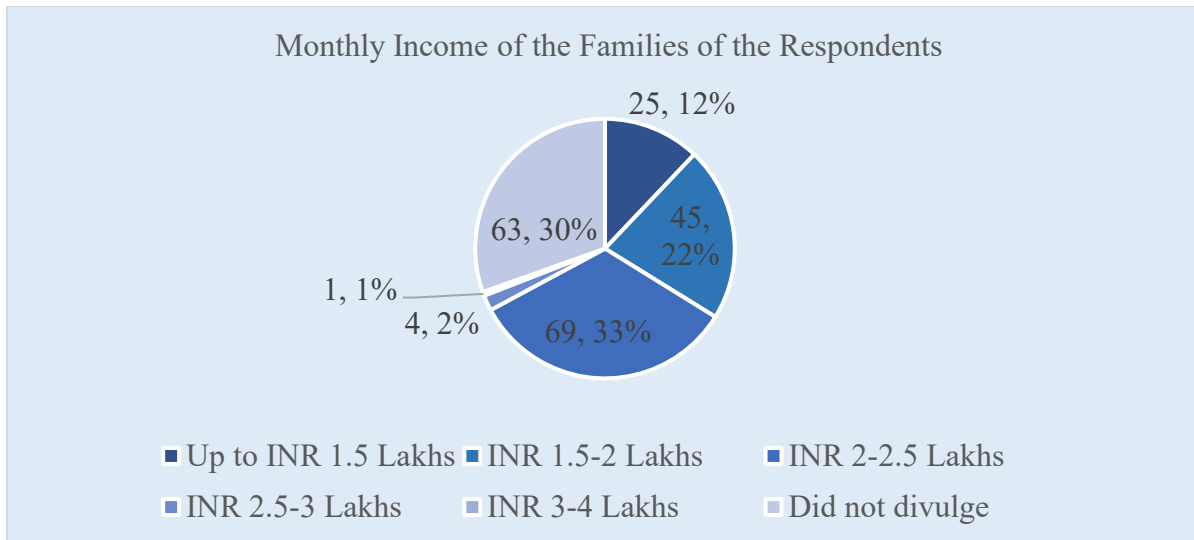


Figure 22: Monthly Income of the Families of the Respondents

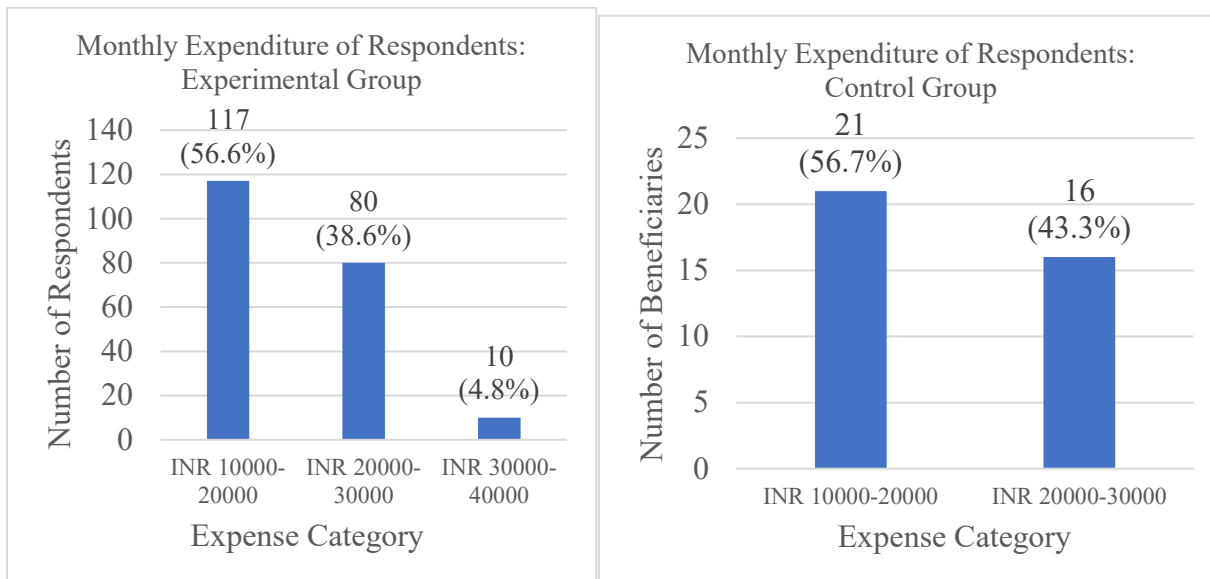


Figure 23: Monthly Expenditure of Respondents (a) Experimental Group (b) Control Group

Majority of respondents both in Experimental (56.6%) and Control (56.7%) group reported expenditure in the range of INR 10000-20000. 38.6% respondents in experimental group and 43.3% respondents in control group reported their expenditure in the range of INR 20000-30000.

Monthly Expenditure of the families Respondents in Experimental Group

84 respondents shared the monthly expenditure of their families as follows:

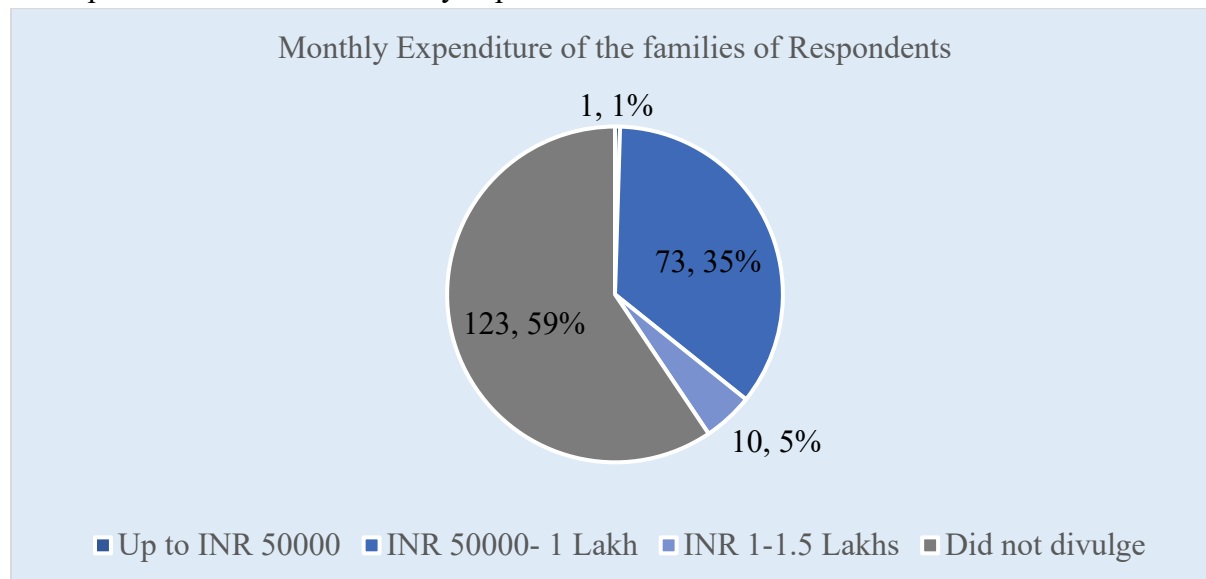


Figure 24: Monthly Expenditure of the Families of the Respondents

Comparison of Monthly Income and Expenditure

Experimental Group

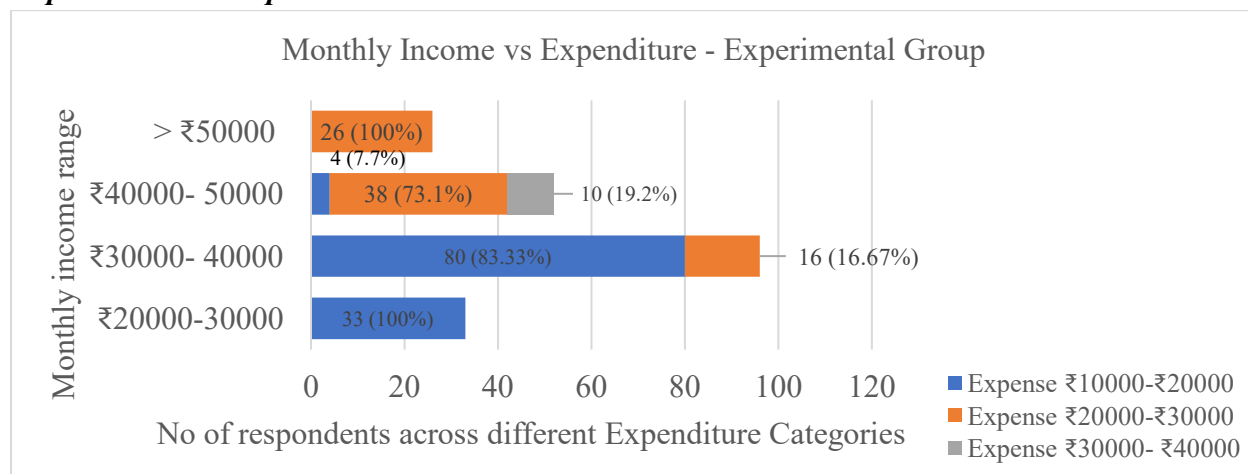


Figure 25: Monthly Income v. Expenditure- Experimental Group

- In the monthly income range of INR 20000-30000, all beneficiaries reported incurring a monthly expenditure in the range of INR 10000-20000.
- In the monthly income range of INR 30000-40000, a majority (83.33%) of the beneficiaries reported incurring a monthly expenditure in the range of INR 10000-20000, the rest (16.67%) reported a monthly expenditure of INR 20000-30000.

- In the monthly income range of INR 40000-50000, a majority (73.1%) of the beneficiaries reported incurring a monthly expenditure in the range of INR 20000-30000, 19.2% reported a monthly expenditure of INR 30000-40000 and 7.7% reported a monthly expenditure of INR 10000-20000.
- In the monthly income range greater than INR 50000, all beneficiaries reported incurring a monthly expenditure in the range of INR 20000-30000.

Control Group

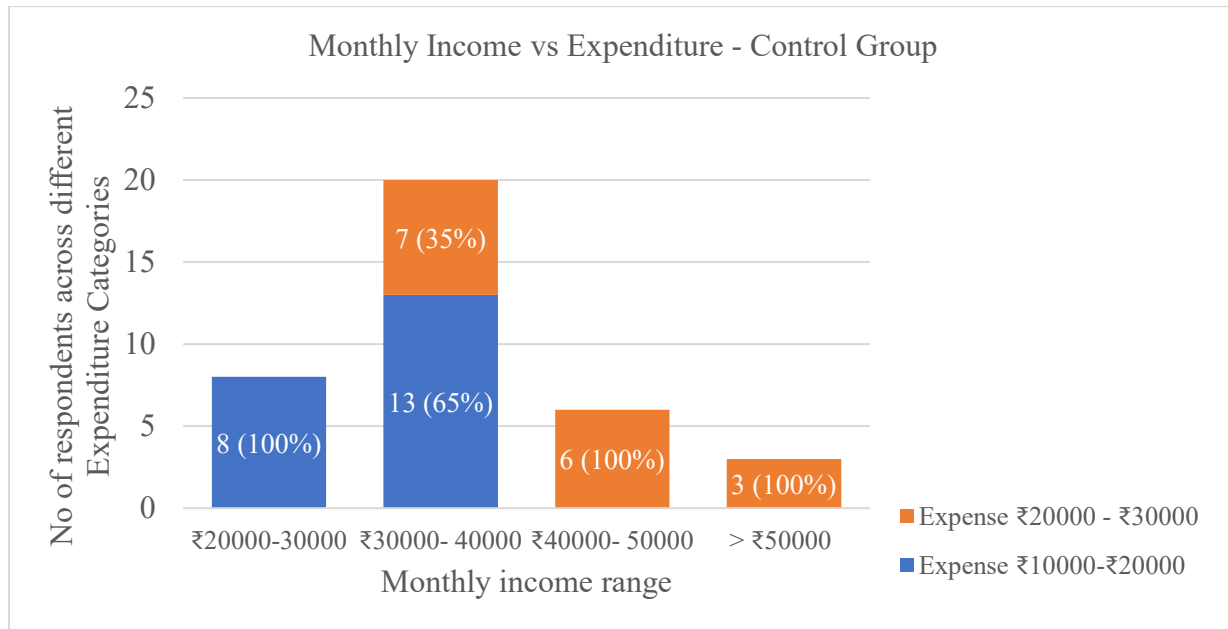


Figure 26: Monthly Income v. Expenditure: Control Group

- In the monthly income range of INR 20000-30000, all beneficiaries reported incurring a monthly expenditure in the range of INR 10000-20000.
- In the monthly income range of INR 30000-40000, a majority (65%) of the beneficiaries reported incurring a monthly expenditure in the range of INR 10000-20000, the rest (35%) reported a monthly expenditure of INR 20000-30000.
- In the monthly income range of INR 40000-50000, all beneficiaries reported incurring a monthly expenditure in the range of INR 20000-30000.
- In the monthly income range greater than INR 50000, all beneficiaries reported incurring a monthly expenditure in the range of INR 20000-30000.

3.1.2 Profile of Respondents: Focused Group Discussion¹⁷

The candidates for participating in focused group discussions were drawn from the broader sample of beneficiary respondents considered for the study. The sectors of enterprises run by the respondents and their geographical distribution who participated in the FGDs are as given below:

Table 9: Profile of Respondents who participated in Focused Group Discussions

Division	Number of FGDs	Number of respondents	Sectors of enterprises run by the respondents
Bengaluru Division	1	4	<ul style="list-style-type: none"> ▪ Medical Services ▪ Hospitality ▪ Audit Services
Belgaum Division	1	4	<ul style="list-style-type: none"> ▪ Medical Services ▪ Manufacturing
Kalaburagi Division	1	4	<ul style="list-style-type: none"> ▪ Medical Services ▪ Manufacturing
Mysuru Division	1	4	<ul style="list-style-type: none"> ▪ Hospitality ▪ Medical Services

3.1.3 Profile of Officials of Government of Karnataka

The profile of the Government of Karnataka officials interviewed for the study are as follows:

- Officials of KSFC
 - 3 State Level Officials
 - 4 Division Level Officials from Kalaburagi, Bengaluru, Mysuru and Dharwad
 - 4 District Level Officials from Uttara Kannada, Bidar, Mysuru, Chamarajanagar
- Officials of KSWDC
 - 2 State Level Official
 - 10 District Level Officials from 10 of the 12 Sample Districts

The designations of the officials consulted are provided in the Annexure 6.

3.2 Awareness about the scheme

This section examines the different channels through which the beneficiary respondents gained awareness about the Interest subvention scheme.

¹⁷ All tables in this section are derived from primary research

3.2.1 Awareness generation

A critical component in successful implementation of any scheme is awareness generation. This helps in securing more beneficiaries for the scheme and thus ensure an effective implementation of the scheme.

Officials of KSFC reported that adequate steps were taken by KSFC towards creating awareness and making the scheme popular. Different platforms and methods were used for the same including newspaper notifications, social media advertising, state level exhibitions, interaction with women industrial associations, outreach through EDPs at women engineering colleges, business meets, NGOs, banks, Mahila Shakti Kendras, industry and economy fairs.

Majority of the beneficiary respondents came to know about the scheme either through meetings or seminars (97.1%) and through department officials (44%). This shows the efforts by KSFC seems effective in spreading awareness about the scheme. Despite this, some of the beneficiaries suggested that the department should put more efforts to generate awareness among women about the scheme.

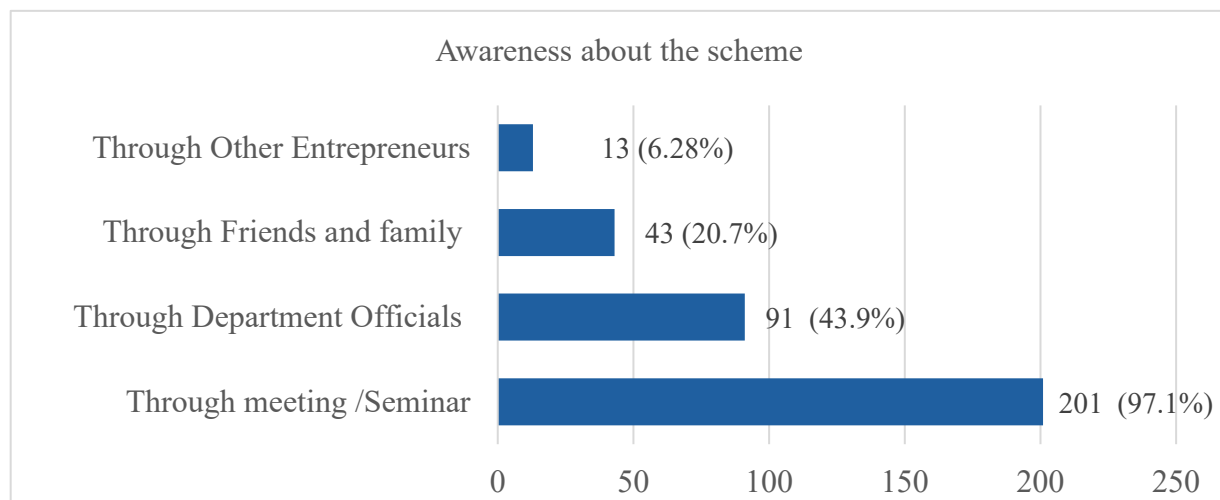


Figure 27: Source of Awareness about the scheme

The KSFC and KSWDC officials suggested enhancing awareness generation through business meets, other women entrepreneurs, SHGs and District Industrial Centers.

3.3 Reasons for availing and accessing the scheme

In this section, we study the various reasons and factors why the entrepreneurs accessed the interest subvention scheme and the motivating factors behind seeking financial assistance for entrepreneurship.

3.3.1 Major reasons for availing and accessing the loan

It was reported that skill development and empowerment of women, reduced interest rate, quantum of loan and ease of application procedure were the major factors for availing and accessing the loan.

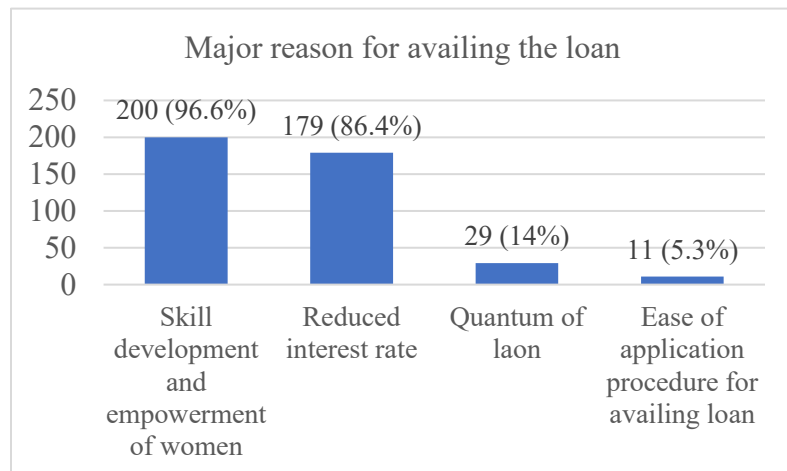


Figure 28: Major reasons for availing the loan

96.6% of beneficiary respondents reported that skill development and empowerment of women as the reason for them to prefer accessing the loan, while 86.4% of beneficiary respondents reported reduced interest rate as the reason for them to access the loan. Few beneficiary respondents reported quantum of loan (14%) and ease of application procedure for availing loan (5.3%) also as the reasons for applying and accessing

the loan. This indicates that the beneficiary respondents were reasonably aware about the characteristics of the scheme even before availing the loan.

3.3.2 Motivating factors for accessing the Interest Subvention Scheme

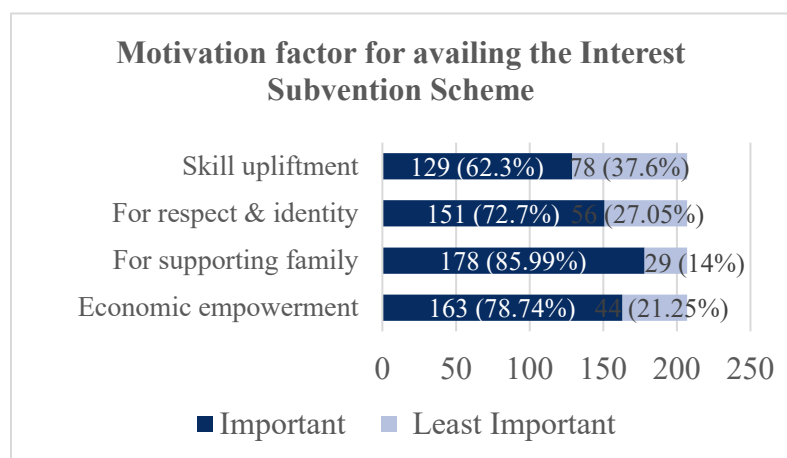


Figure 29: Motivating factors for availing the scheme

85.99% of the beneficiaries reported that supporting their families was the major motivating factor for accessing the scheme. Other motivating factors include economic empowerment (78.74%), gaining respect and identity (72.7%) and skill upliftment (62.3%).

3.3.3 Factors adversely impacting access to the Scheme

The beneficiaries reported that the major factors which influenced their access to credit under the scheme were the collateral requirements and extensive documentation requirements. Reduction of collateral proportion from the existing 1:3 ratio was cited, especially by the SC/ST respondents,

as a key enabler for access to the scheme benefits. The beneficiaries suggested that the government should reconsider the collateral for the loan amount since many of the women do not have ownership of property. Beneficiaries as well as officials from KSFC and KSWDC mentioned that the extensive documentation requirements were hindering access to the scheme, especially for women entrepreneurs. 5.7% Beneficiary respondents reported lack of family support as a bottleneck in the effective access and utilization of the scheme for managing their enterprise.

3.3.4 Benefits of Interest Subvention Scheme in comparison with other schemes for Women Entrepreneurs

As seen in section 2.1.2.7, while there are other schemes for women entrepreneurs in the market, the quantum of loan available is usually lower. It is seen that interest rates are also in general greater than interest rate provided by KSFC under the Interest Subvention Scheme. The loans by Bharatiya Mahila Bank however can go upto INR 20 Crore and are collateral free, though interest rate is higher, varying from 10.15% to 13.65% depending on individual applicants. One of the factors which could result in other loan schemes being favored could be the collateral free loans available under these schemes. This was probably the reason why beneficiaries preferred to access the Interest Subvention Scheme instead of other similar schemes.

3.4 Processes and Procedures

This section deals with the processes and procedural aspects of loan application under the Interest Subvention Scheme and the challenges faced by the applicants regarding the same.

3.4.1 Application Process

A snapshot of the various steps in the application process is given below:



Figure 30: Loan Application Process

The Division level KSFC Officials reported that all eligible applications submitted by women entrepreneurs are supported based on available budgetary allocations. Applications are screened, based on assessment of the unit's feasibility, capability of the entrepreneurs, collateral as well as marketability. After an application qualifies the requisite checks, further assessment is done by the Project Clearance Committee regarding project ownership and schemes that maybe appropriate for the applicant.

According to KSFC officials, there is no impact on schemes specific to women entrepreneurs due to other similar interest subvention schemes. This is because the quantum of interest subvention is

greater under this scheme and beneficiaries who have already availed others subvention schemes of the central or state governments are not eligible for this scheme. The division level KSFC official from Dharwad also reported that consultation and collaborations were undertaken with KSWDC, District Industrial Center, KSSIDC, KIADB, Private Industrial Estates and Sub Registrar Offices.

The composition of Project Clearance Committee is dependent on the size of the loan.

Table 10: Composition of Project Clearance Committee according to the Size of Loan

Size of the Loan	Composition of PCC
Lower than INR 75 lakhs	District Level Officials
INR 75 lakhs to INR 150 lakhs	Division Level Officials
Greater than INR 150 lakhs	State Level Officials

According to the KSFC officials, the Project Clearance Committee assesses the suitability and viability of the project based on which the beneficiaries are selected. The Committee members undertake document verification, conduct interviews with the applicants and assess crucial parameters like project financials, prior experience in the sector, performance of other enterprises (if any) run by the applicants, etc. Site visits are conducted by the field-level officials of KSFC. The documents submitted are scrutinized by the Legal, Financial and Technical divisions of KSFC.

Beneficiary selection process

The parameters for loan approval considered by the Clearance Committees varied from district to district. The officials in Uttara Kannada reported that the most important parameters considered were market survey, product viability, availability of raw materials, caliber of the management, and financials of the project. While the officials Chamarajanagar reported that the prior experience of the loan applicants was a key parameter in selection. Hence, uniformity of evaluation parameters for selection of beneficiaries for the scheme cannot be seen across the state. In Mysuru and Uttara Kannada, a few cases of men applying for the scheme by falsely mentioning names of women were identified and rejected during the project screening processes. The district level officials from KSWDC reported that details of women entrepreneurs were shared with KSFC for the screening process of which some were filtered out due to ineligibility.

3.4.2 Method of loan application

A vast majority of respondents (82.6%) applied for the loan themselves, while the rest applied through KSFC officials. This shows that the services of agents or other third parties were not involved in the application process. According to the KSFC officials, approximately 20-30 applications were received every month across the State under the scheme, while 0-10 applications per month were received at the district-level.

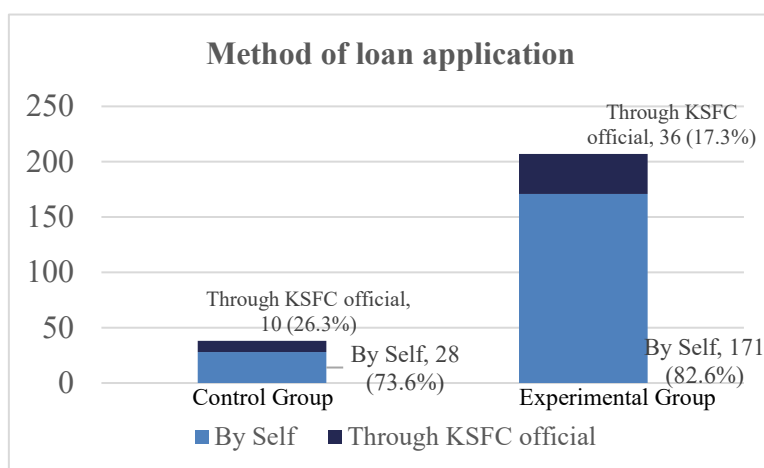


Figure 31: Method of Loan Application

3.4.3 Timelines of the loan processing and disbursal

46% of the beneficiary respondents did not experience any major constraints in the application process, but 42% of the beneficiary respondents reported the slow and tedious nature of the of the loan disbursement process as a constrain. Beneficiary respondents also reported that the multiple visits to the office for availing the loan was a major difficulty. They also shared that the lack of adequate staff led to slow disbursal of the loans.

District level officials of KSFC reported that the time taken for processing loan applications varied from 1 week in Dharwad if all necessary documents are in place, 2 weeks in Chamarajanagar, Bidar and Uttar Kannada districts to 3-4 weeks in Mysuru. The disbursal of the loans once processed took 2-3 weeks in Uttar Kannada and Chamarajanagar Districts and 4 weeks in Bidar and Mysuru.

A KSFC official reported that the loan disbursement process is not a time-bound process. They mentioned that KSFC usually adheres to a turnaround time of 45 days for the overall loan disbursal, from the date of application to the date of disbursement of the loan amount. The official mentioned that in certain cases the turnaround time may exceed the above timelines due to absence of required documentation and/ or collateral issues with regard to the respective beneficiaries. According to Division-level officials of KSFC, the timelines for processing were also dependent on the nature of the project. In projects related to construction or heavy machinery procurement timelines can go up to 2 years, while in projects related to service sector, or those requiring smaller equipment or small-scale projects, the timelines can be up to 6 months. This is also due to the requirement of creation of assets and investment of promoter's capital in the project prior to disbursements. The officials reported that there is no standard event-calendar or time frame schedule for the Women

Entrepreneurs Interest Subvention scheme since the scheme was operational all 365 days in a year. The district level officials from KSWDC mentioned that a standard event-calendar would be beneficial to the entrepreneurs.

3.4.4 Challenges associated the Loan Application Process

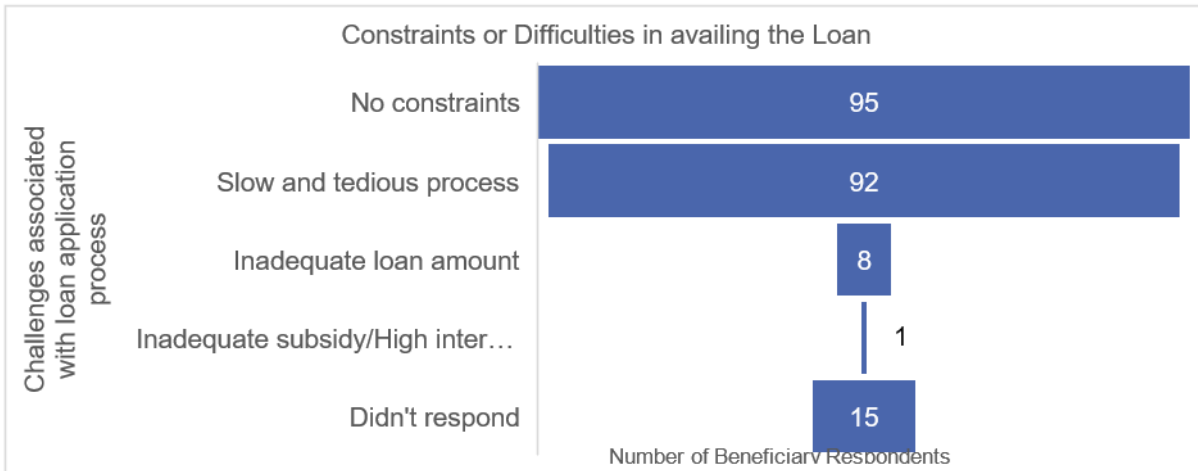


Figure 32: Constraints faced in availing the Loan

Complexity and Degree of Documentation

The complexity and degree of documentation required for the loan application was major difficulty faced by the beneficiaries. The officials had mentioned that one of the major reasons for the delay in processing of application was the absence of necessary documentation. They reported that it was due to the time-consuming, lengthy, and unique loan application procedures that the department is still following the traditional method of receiving application via counter.

The beneficiary respondents suggested simplifying the documentation and loan application process, increasing the speed of loan processing and disbursement, increasing number of staff in the KSFC offices, and digitizing the processes involved in loan application and disbursement. According to the officials, the provision for online applications were not provided as the documents had to go through an extensive screening process with multiple evaluation parameters. It was however, informed by the officials from Chamarajanagar and Mysuru districts as well as Kalaburagi division, that the department is working towards making the process of application submission online from next year.

Collateral Requirement

11% of the beneficiary respondents suggested reducing the collateral proportion, which is required for availing the loan to 1:1 from the current 1:3. The beneficiary respondents reported that the large collateral that the scheme demands is not proportionate to the loan amount. They suggested that the government should reconsider the collateral for the loan amount since many of the women

do not have ownership over properties. They also suggested considering the property of family members also as collateral for the loan. The KSFC officials were of the opinion that the women face difficulties in arranging collateral, hence a corpus fund with collateral guaranteed scheme as operated by social welfare department for SC ST entrepreneurs will encourage more women to become entrepreneurs. The KSFC officials also reported that the lack of collateral or issues associated with the same was a reason for delay in processing loans.

Loan Particulars

8% of the beneficiary respondents suggested increasing the quantum of loan. The inadequacy of loan amount and lack of provision to avail the loan for second time were cited as major concerns by beneficiaries especially in the manufacturing sector requiring higher capital investment.

The KSFC officials from Dharwad, Uttara Kannada and Mysuru suggested enhancing the Loan Amount from INR 2 crores to INR 5 crores, as projects in the sectors of hospitality and tourism financed by the KSFC generally have fund requirements of INR 2-5 crores.

The district level officials of KSFC suggested that the loan size could be made in line with the Interest Subvention scheme for MSME and Manufacturing Allied Service Enterprises 2020-21. The beneficiary respondents suggested that the interest rates could be a further reduced to an effective 3%.

While the KSFC officials were of the opinion that the amount of interest subvention is adequate for women entrepreneur, 14% of the beneficiary respondents suggested to increase the loan tenure. Beneficiary respondents also suggested giving the existing beneficiaries who have displayed good repayment records, opportunity to re-apply under the same scheme again, to give recognition certificates for prompt re-payers of loan. Extremely complicated subsidy calculation was another major challenge discussed.

3.5 Loan Sanctioned

In this section, we analyze the quantum of loan sanctioned and the supply and demand of credit among MSMEs run by the beneficiary respondents.

3.5.1 Supply and Demand for Credit

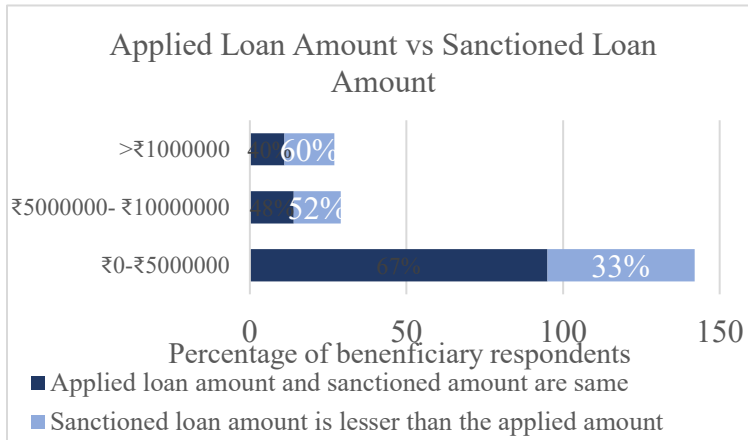


Figure 33: Loan Amount: Applied v. Sanctioned

Of the 207 beneficiaries, only 198 beneficiary respondents (95.6%) revealed the amount that they applied and received as loan under the Interest subvention scheme.

71.7% of the experimental group applied for a loan amount less than or equal to INR 50 lakhs, of which the full loan amount was sanctioned for 67% while 33% of beneficiaries received an amount lesser than that they applied for. Only 14.6% (29) of

the beneficiary respondents applied for loans greater than INR 50 lakhs but less than INR 1 crore- in the experimental group, among which 52% of beneficiary respondents received lesser amount than the applied amount of loan.

Loans greater than INR 1 Crore were applied only by 13.6% of the beneficiaries in which 40% received the amount the applied for. 78 beneficiary respondents received lesser amount than they applied for.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

The deficit in the loan amount can be seen below:

Loan Amount Deficit (INR)	Number of Beneficiaries
0-5000000	65 beneficiary respondents
5000000 – 10000000	5 beneficiary respondents

Table 11: Deficit in Loan Sanctioned

On a close analysis of the shortfall in the sanctioned amount, 52% of the beneficiary respondents who received lesser amount than the applied amount are operating enterprises in manufacturing sector. 23% of the beneficiary respondents are from health sector and 17% are from hospitality sector. This is in line with the sectoral composition of the sample size as 52 % of the beneficiary respondents operates in the manufacturing sector, 18% in health sector and 17 % in hospitality sector.

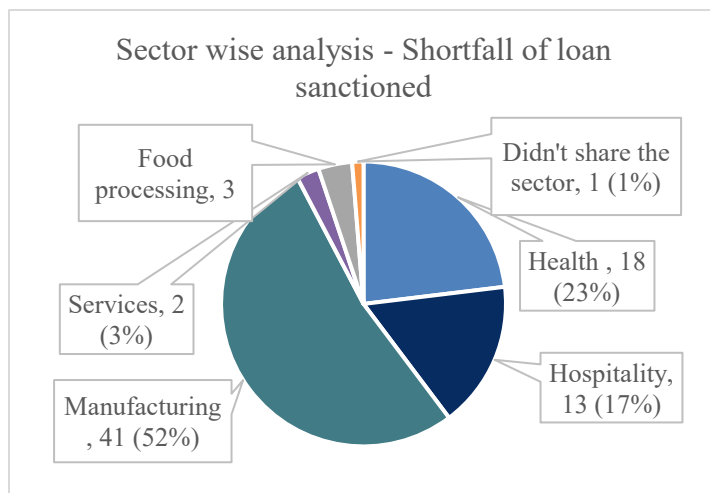


Figure 34: Sector-wise distribution of shortfall in Loan Amount

19 beneficiary respondents out of the 78 beneficiary respondents who received lesser amount than the sanctioned amount shared that the major reason for shortfall in the sanctioned amount is the collateral requirement.

In the case of control group, only 18 among the 37 respondents have provided the amount of loan applied for. 66.67% of the control group applied for loans less than equal to INR 50 lakhs. Among the remaining 33.33% of beneficiary respondents half applied for loans up to INR 1 crore and the other half applied for loans greater than INR 1 crore.

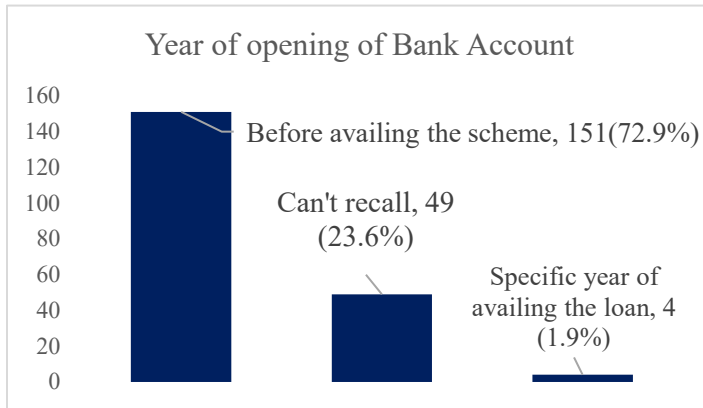
The beneficiary respondents, especially those operating in the manufacturing and health sectors, mentioned that the quantum of loans provided was inadequate for establishing an enterprise or purchasing basic equipment, and that an increased upper limit of INR 3-5 crores would be most beneficial.

However, some of the beneficiaries were concerned about the higher collaterals which would be required to avail loan amounts

3.6 Operationalization of the Enterprises

This section deals with the aspects related to utilizing the scheme, particularly the details of the loan availed and its adequacy, the profile of the enterprises created or enhanced under the scheme, and challenges associated with the operating the enterprises.

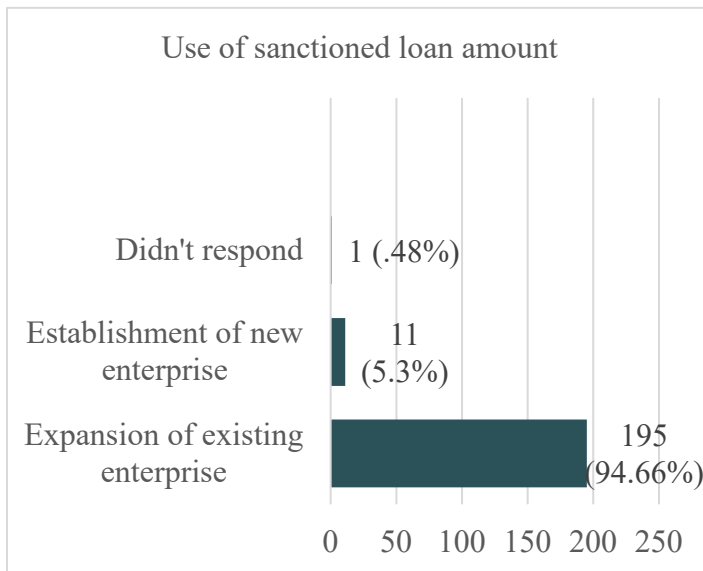
3.6.1 Bank Accounts



All the beneficiary reported having bank accounts. 72.9% beneficiary respondents reported having bank accounts before availing the scheme. 1.9% beneficiary respondents reported opening their bank accounts specifically for availing the loan

Figure 35: Year of opening bank account

3.6.2 Use of Loans Sanctioned



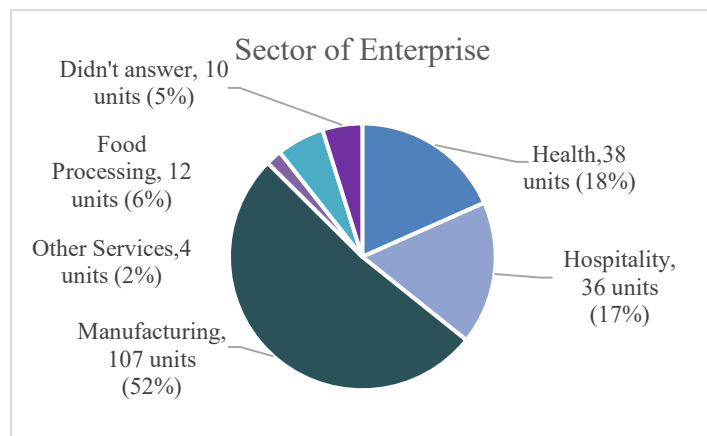
94.66% of the beneficiary respondents used the sanctioned amount for expansion of their previously established enterprise unit. 5.31 % of the beneficiary respondents used the loan amount for establishing a new business unit. This shows that, within the sample of respondents, the assistance of the scheme was availed mostly by existing entrepreneurs for expanding the enterprise.

However, the state-level officials from KSFC mentioned that at the state-level both existing and new entrepreneurs equally availed the scheme.

Figure 36: Use of Loan Sanctioned

3.6.3 Sector of the Enterprises

The State-level KSFC officials reported that the major sectors of enterprises under the scheme comprised of Manufacturing, Health and Hospitality sectors.



95.16% of the beneficiary respondents provided details of the sector of their enterprise. 52% of enterprises was from manufacturing sector. Other major sectors include Health, Hospitality, Food Processing and Other Service sectors.

The KSFC officials mentioned that the reason for higher number of enterprises in the manufacturing, health and hospitality sectors under the scheme

could be due to greater number of 'family-owned' businesses in these sectors, greater ease of operation and greater number of entrepreneurs having previous experience in these sectors.

The district-wise distribution of the sector of loan utilization is provided in the graph given below. It can be seen that enterprises in the manufacturing sector are mainly in the districts of Bengaluru Urban, Mysuru, Dharwad, and Kalaburagi.

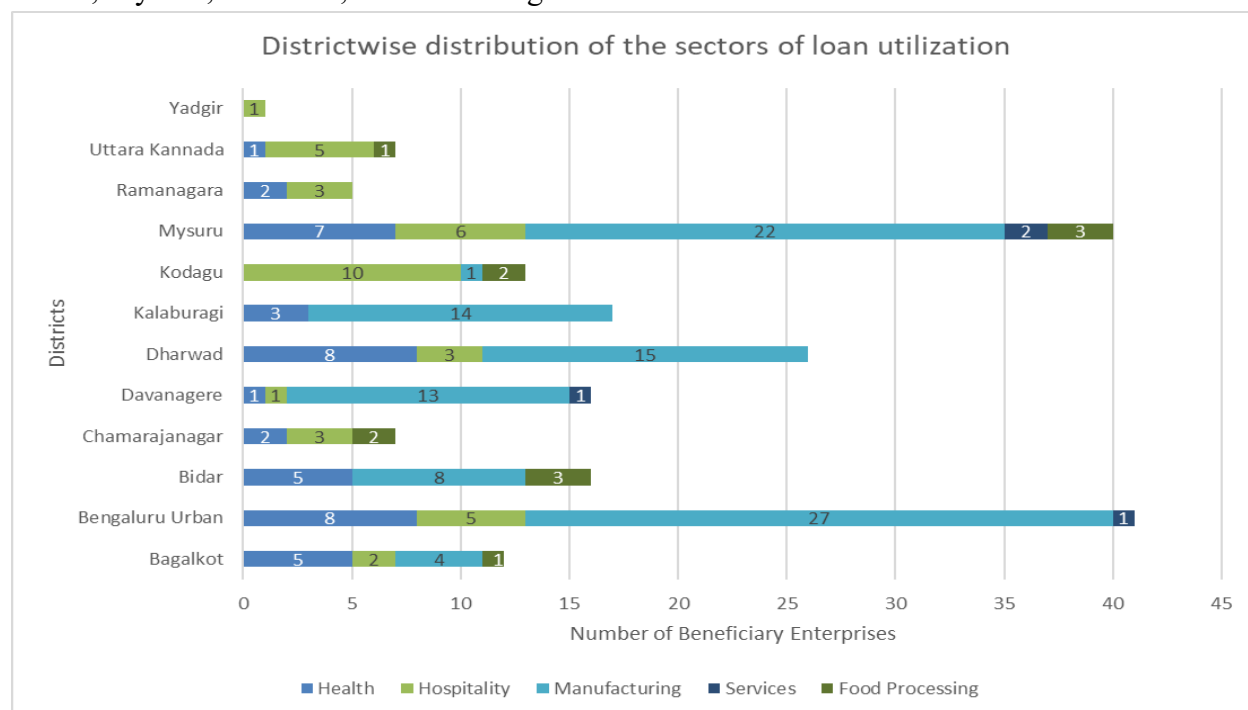
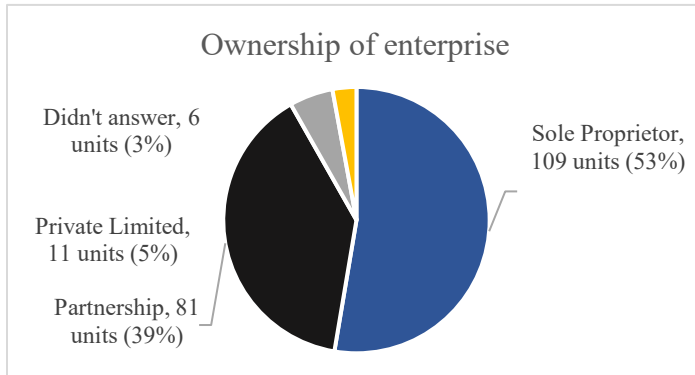


Figure 38: District-wise distribution of sectors of loan utilization

3.6.4 Ownership of Enterprise

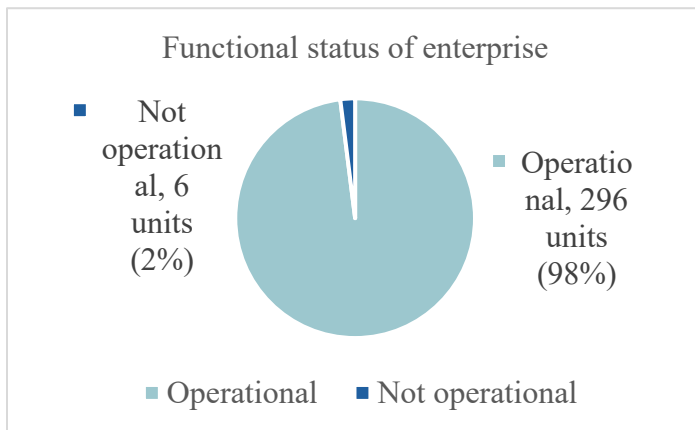


Among the beneficiaries interviewed, 3% did not disclose the ownership status of the enterprise. 53% of the enterprises is under sole proprietorship, 39% enterprise is operated on partnership and 5% entities are private limited company.

Figure 39: Ownership of Enterprise

3.6.5 Functional Status of Enterprises

The functional/non-functional status of enterprise is a key parameter for determining the status of utilization of loan under the scheme.



98% of the enterprises in the sample size (302) are operational. Of the 207 beneficiary respondents who participated in the study, the three enterprises that are not operational now are in health sector, manufacturing sector and food processing sector. The enterprise from health sector and food processing sector stated financial issues as the reason for closing the enterprise. The enterprise that belonged to manufacturing sector reported that the manpower and water

related issue is the reason for closing the enterprise. Among the 95 beneficiary respondents who could not participate, only 3 enterprises are not operational as seen below.

96.8% of beneficiaries who refused to participate in the survey reported their entities to be operational. Only 3.1% beneficiaries reported that their unit were not operational and these were from Bengaluru.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

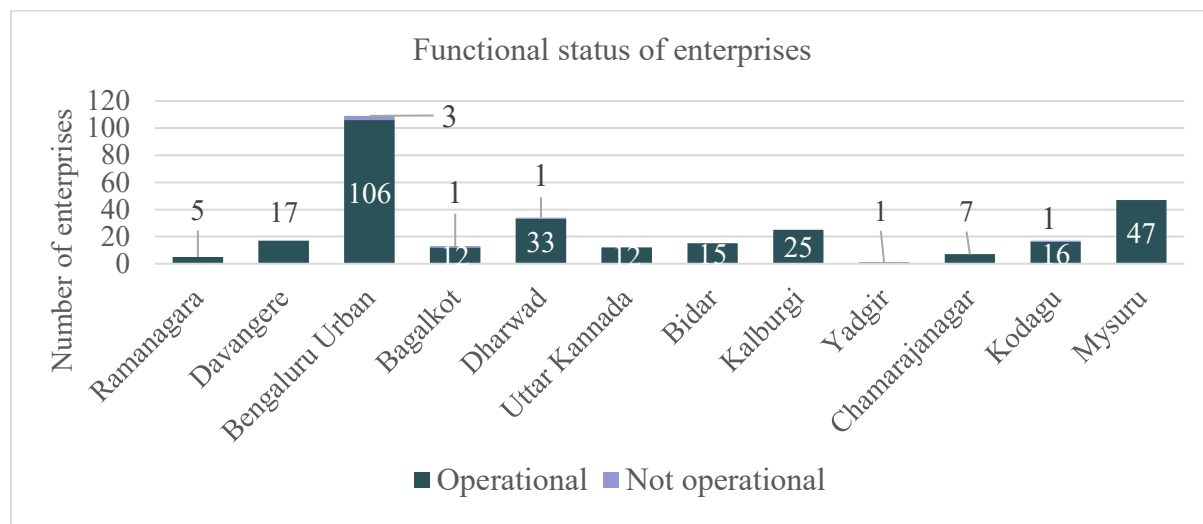


Figure 41: District-wise distribution of functional status of enterprises

3.6.6 Marketing strategies



Figure 42: Marketing strategies employed by respondents

Majority (77.7%) of the beneficiary respondents use indirect channels for marketing especially through other retailers and outlets. 29.9% used direct online market and 30.9% used direct offline market for marketing the products/ services. 38.64% of beneficiary respondents use more than one method for marketing their product/ services.

Only 4.3% of the beneficiary respondents use all three methods (Direct offline sale, Direct online sale & through indirect channels) for marketing.

3.6.7 Market and Trade Association

97% beneficiaries stated that they were not part of any fora for macro-economic policies, state, or central budget. 36.8% of the beneficiary respondent in the health sector reported being part of the Indian Medical Association (IMA). 2 of beneficiary respondents reported that they were part of market association named 'Kashivya' and have benefitted from this association. This indicates that specific initiatives or measures have to be put in place to bring about more effective participation of women entrepreneurs in such associations.

3.6.8 Challenges and bottlenecks associated with operationalizing the enterprises

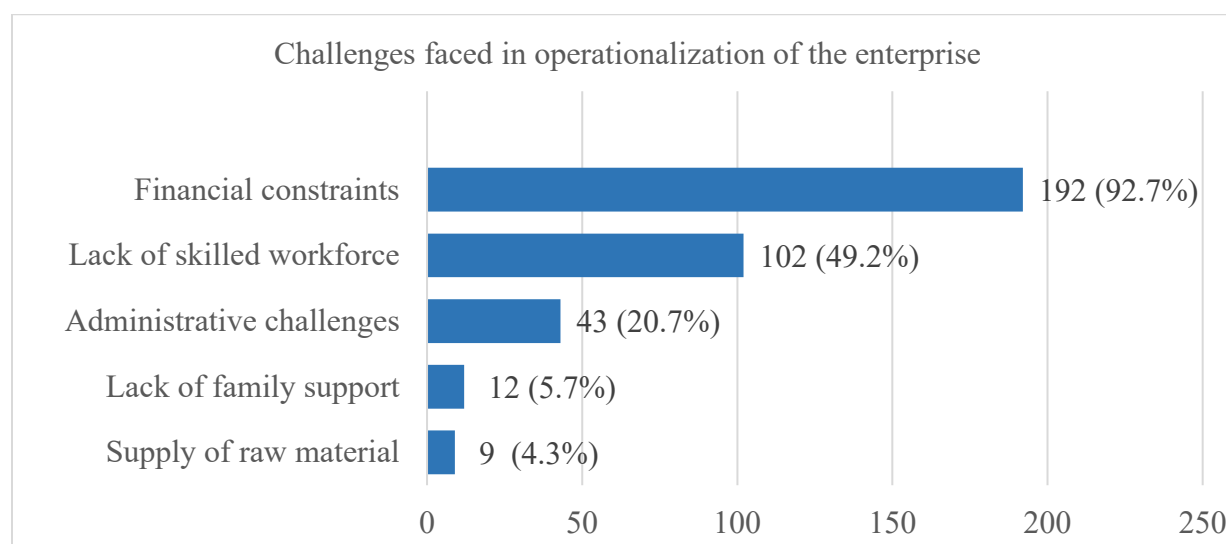


Figure 43: Challenges faced in operationalization of the enterprises

92.7% of the beneficiary respondents reported that the major challenge they faced in managing the unit was financial constraints while 49.2% reported lack of skilled workforce as a major challenge.

Other major challenges include administrative challenges, lack of family support as the challenge, lack of raw material, lack of basic amenities and infrastructure, and lack of updated equipment.

The beneficiaries also mentioned that the government should provide assistance in marketing the beneficiaries' products, coordinate with industrial development authorities to provide basic amenities in all the industrial areas, and increase the scope of loan to cover working capital requirements.

3.6.9 Training and Capacity Building

Entrepreneurship development trainings have not been provided to the beneficiary respondents, as part of the scheme. The beneficiaries reported that they did not face any challenges due to the lack

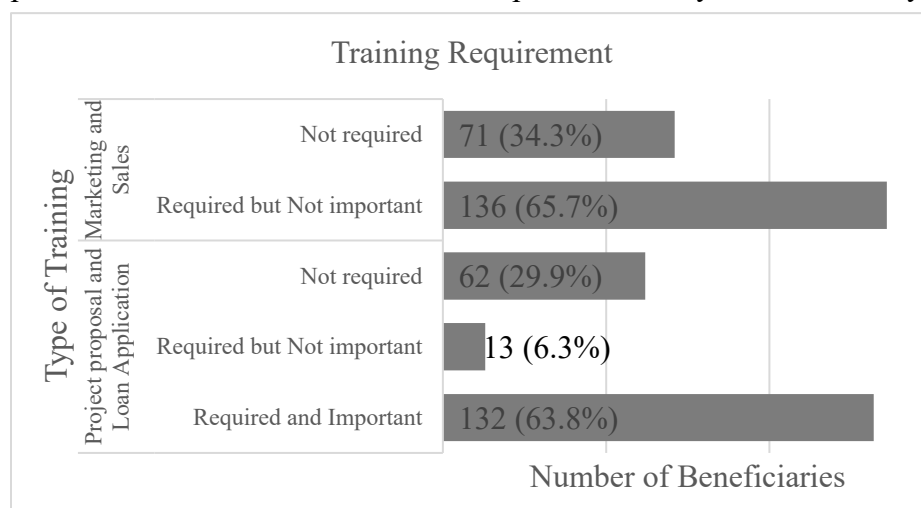


Figure 44: Training requirement according to beneficiaries

of such training.

It was reported that, even if training had been provided, they would have probably opted out of participating in sector-specific training sessions. All the beneficiaries reported that training in aspects such as Business coaching and mentoring, accounting

and financial planning, training and development, filing taxes, networking events, and product design were also not required. Since majority of the beneficiary respondents were running their enterprises prior to the applying for the loan, their need for sector-specific capacity building initiatives was limited as they reported to have the required knowledge and expertise in their respective sectors. KSFC officials also reported that the beneficiaries of the interest subvention scheme for women entrepreneurs were at par with their male counterparts in terms of knowledge about management and operational efficiency.

However, more than 60% of the beneficiaries were of the opinion that they would have benefitted from trainings and orientations on project proposal preparation, loan application procedures, marketing, sales, etc.

3.6.10 Backward and Forward Linkages by KSFC and KSWDC

The beneficiaries mentioned that backward and forwards linkages should be provided by the government in aspects like assistance in marketing the beneficiaries' products, coordination with industrial development authorities to provide basic amenities in all the industrial areas, and increase the scope of loan to cover working capital requirements. However, such linkages are currently not being provided by KSFC and KSWDC.

Other enabling aspects such as entrepreneurship trainings were also not provided as part of the scheme. However, an official of KSWDC mentioned that Entrepreneurship Development Program

and a 3-day training were provided to women entrepreneurs availing loans under other schemes of KSWDC. More than 60% of the beneficiaries reported that trainings and orientations in aspects related to backward and forward linkages such as project proposal preparation, loan application procedures, marketing, sales, etc. would have been beneficial.

3.7 COVID- 19: Effects & Actions

This section examines the impact of COVID 19 on the Interest subvention scheme. The effect of pandemic on functioning of the department, business entity, marketing, business turnover and strategies adopted by the entrepreneurs to deal with the impacts of COVID is discussed in this section.

3.7.1 KSFC's efforts to reduce impact of COVID-19

According to KSFC officials, COVID – 19 imposed challenges on the overall scheme service delivery. However, the KSFC continued its operations even during the lockdown period to ensure that the beneficiaries do not face challenges when applying for the loan. According to Division-level officials of KSFC, all the relief measures and guidelines which were set by RBI to support the beneficiaries who faced challenges due to COVID-19 and those were adhered to by KSFC.

3.7.2 COVID-19 and impact of overall performance of Enterprises

Majority (94%) of beneficiary respondents reported COVID19 negatively impacting their business entity. 6% beneficiary respondents reported that there was no major impact of COVID19 on their business entities; these enterprises were in the health and manufacturing sectors and were located in the Bagalkot, Chamarajanagar, Dharwad, Kalaburagi, Mysuru and Ramanagara districts.

During the FGDs, the scheme beneficiaries operating in the health sector reported that they were positively impacted by the pandemic since it led to a rise in the number of clients and their business grew positively though manpower shortage was a challenge. In the hospitality sector, COVID-19 pandemic affected hotels, resorts and salon business which is now returning to normal. The enterprises in the hospitality sector saw sudden decrease in the footfall of customers during the pandemic. The enterprises in the manufacturing sector showed mixed trends; while some of them faced production and sales challenges, the others witnessed increase in sales and turn-over.

3.7.3 COVID-19 and impact on staff strength of the enterprise

A total of 94% (194) beneficiary respondents reported that their staff strength was negatively impacted due to COVID 19, with substantial amount of staff reduction.

Whereas 6% beneficiary respondent reported that there was no impact on their staff strengths due to COVID 19. Out of the 194 beneficiary respondents, 48.3% beneficiary respondents reported 25-50% reduction in staff strengths in their business entities.

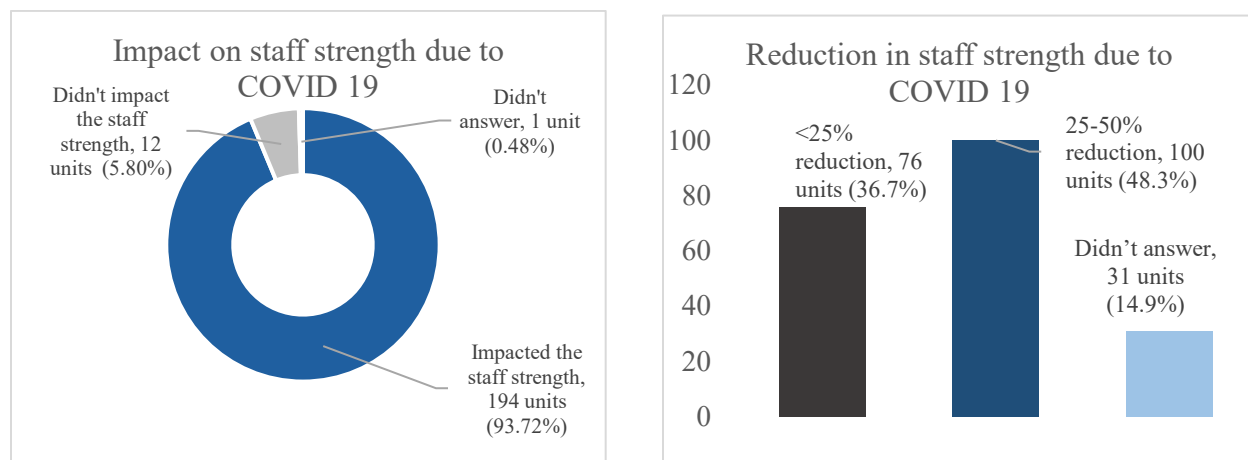


Figure 45: (a) Impact of COVID 19 on staff strength of the enterprises and (b) reduction in staff strength due to COVID 19

3.7.4 COVID-19 and impact on market size

Around 54.5% beneficiary respondents reported that there was a decrease in the market size due to the pandemic. 13% beneficiary respondents reported an increase in the market size due to the pandemic; these are mostly from health sector (51%), manufacturing sector and food processing sector from Bagalkot, Bidar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts.

Around 87% beneficiary respondents reported that the overall turnover of their business entity was reduced due to the pandemic. 6% beneficiary respondents reported that the turnover of their business entity was increased due to the pandemic.

The overall business turnover increased up to 50% for these beneficiary respondents and those enterprises are from health sector and manufacturing sector in Bagalkot, Chamarajanagar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts.

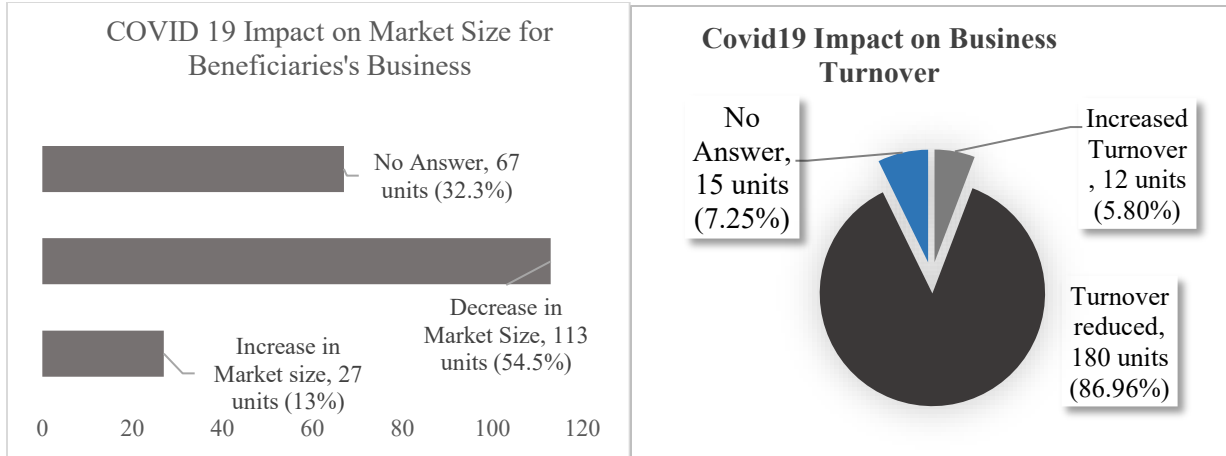


Figure 46: (a) Impact of COVID 19 on Market size and (b) turnover of Beneficiary Enterprises

3.7.5 Strategies adopted to address COVID-related challenges

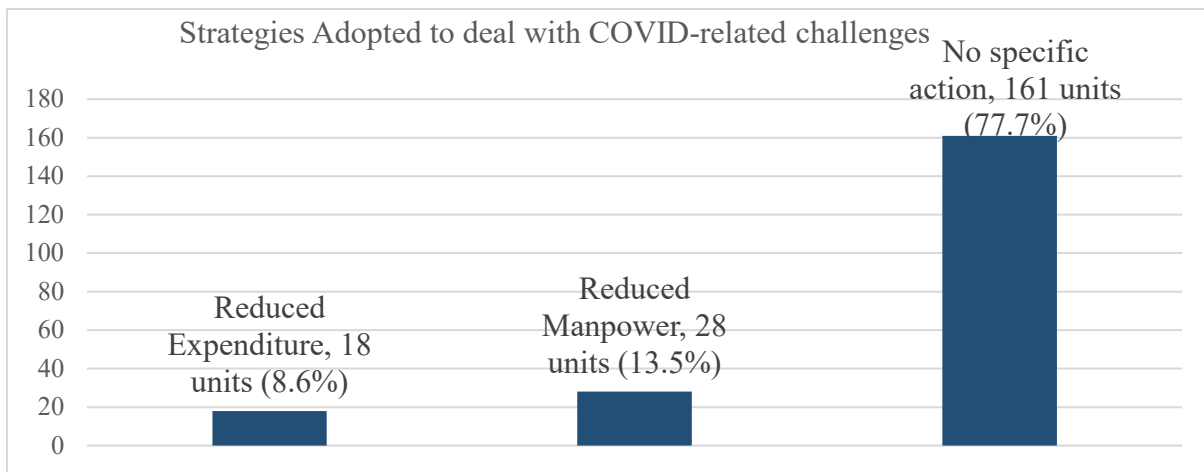


Figure 47: Strategies to deal with COVID related challenges

77.7% beneficiary respondents reported that they did not adopt any specific strategies to deal with the pandemic. 13.5% beneficiary respondents reported to have reduced their staff strengths to cope with COVID19 imposed challenges. Around 8.6% beneficiary respondents reported to have reduced on their expenditures.

3.8 Monitoring of Loan Utilization

In this section, we examine the mechanisms used by the officials of KSFC and KSWDC for monitoring the loan utilization by the beneficiary respondents. The KSFC officials reported that loan disbursement was conditional on attaining project milestones. The enterprises set up under the scheme were monitored by field officials of KSFC through site visits.

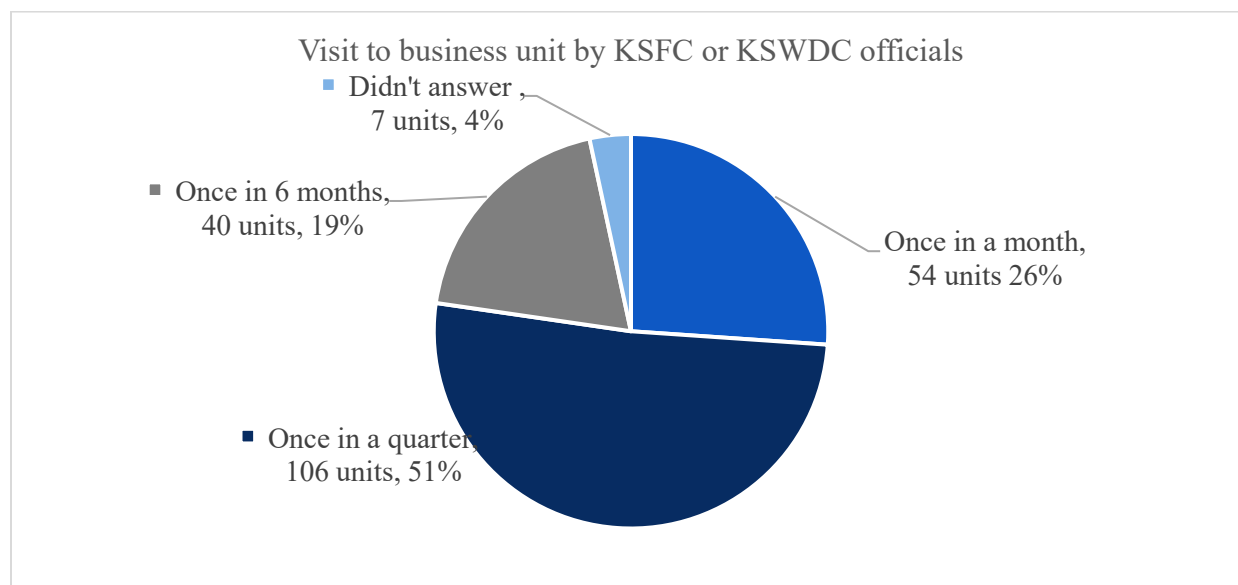


Figure 48: Details of site visit by KSFC and KSWDC officials

200 beneficiary respondents, except 7 reported that KSFC and KSWDC officials visit their enterprise/ business unit. 51% (106) shared that the officials visit the business unit once in three months, 26% (54) reported that the visit happens once in a month and 19% (40) reported that the officials visit the business unit once in six months.

3.9 Loan Repayment and Recovery

This section examines the details about the repayment of the loan availed, follow up on loan repayment, details regarding the installments paid and loan recovery methods as part of interest subvention scheme.

3.9.1 Loan repayment defaults

KSFC follows the procedures/ steps detailed as per the Loan Recovery Manual for recovering the loan amount. The following measures were followed for recovering loan amount from defaulters.

- Sending demand notices to all the customers before due date.
- Seizing and auctioning the units after certain number of reminders as per recovery manual.

- Primary assets taken over through statutory powers, section 29 and Section 31AA of State Financial Corporation Act
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act
- Attest the properties under public money recovery act of Karnataka Public Money Recovery act.

In case of repayment default, the defaulter is required to pay an interest of 12% (vis-à-vis the reduced rate of 4%) and an additional 2% as penalty. The KSFC officials of Mysuru and Kalaburagi districts mentioned that this deters payment defaults and, therefore, the number of defaulters is usually less. The officials from KSWDC reported that they were notified in case of default in loan repayment.

3.9.2 Status of repayment of loan

All 207 beneficiary respondents mentioned that they are repaying the loan instalments as per schedule. Out of these 207 respondents, 102 respondents shared details of the number of instalments paid towards the repayment of the loan. 7.8% (8) of the beneficiaries who shared the number of repayment instalments reported to have closed the loans. They belong to the districts of Bengaluru Urban, Bidar, Chamarajanagar, Dharwad and Mysuru. Their enterprises are in the health, hospitality, manufacturing, and food processing sectors. The number of repayment instalments versus the year of loan sanction as reported by the beneficiaries is as follows:

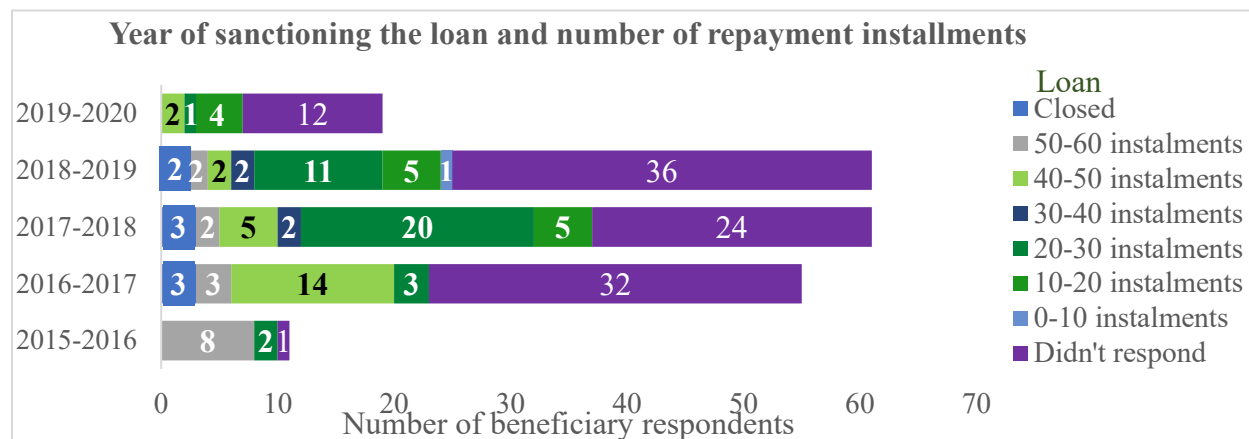
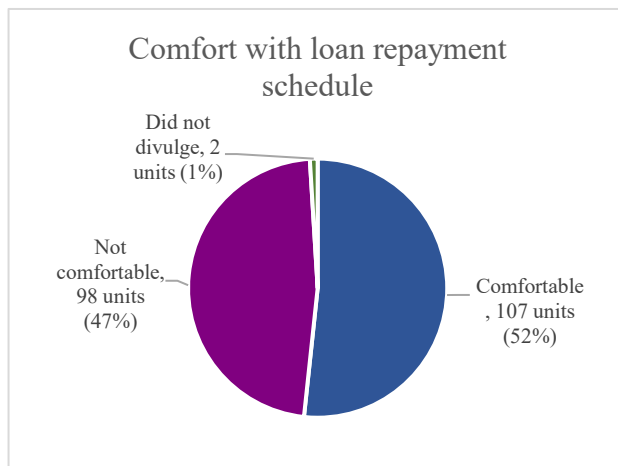


Figure 49: Year of sanctioning loan v. number of repayment instalments

However, according to the data obtained from KSFC, of the total 1207 beneficiaries in the state, 24.44% (295) have closed the loans taken under the scheme. Currently, there are 789 open accounts open under the scheme with a total outstanding of INR 425.60 crores. As interest subsidy under the scheme is available only on prompt repayment each month, defaulters are considered on a monthly basis, and there are no defaulters under the scheme in August 2022.

According to the KSFC officials of Bengaluru, Uttara Kannada, Mysuru, Bidar, Chamarajanagar and Kalaburagi districts, there were no major/significant delays in loan repayment. The few instances of delayed loan repayments could be attributed to financial difficulties of the beneficiaries, particularly in the context of the COVID pandemic. The officials reported that for beneficiaries whose loan repayment schedule got affected by COVID19, KSFC waived off their penalties, and rescheduled the repayments.

3.9.3 Suitability of repayment schedule



52% of the 207 beneficiary respondents mentioned that they were comfortable with the loan repayment schedule of 5 years. 47% beneficiary respondents mentioned that they are not comfortable with the loan repayment schedule. Out of this, 54.08% suggested that a loan repayment timeframe of 7 years would be most suitable. 32.6% suggested that 8 years is the most suitable timeframe for loan repayment. 10% of beneficiary respondents shared 10 years is the most comfortable period for loan repayment. The respondents also suggested that the KSFC and KSWDC

Figure 50: Comfort with loan repayment schedule period for loan repayment. The respondents should not put too much pressure on women for repayment.

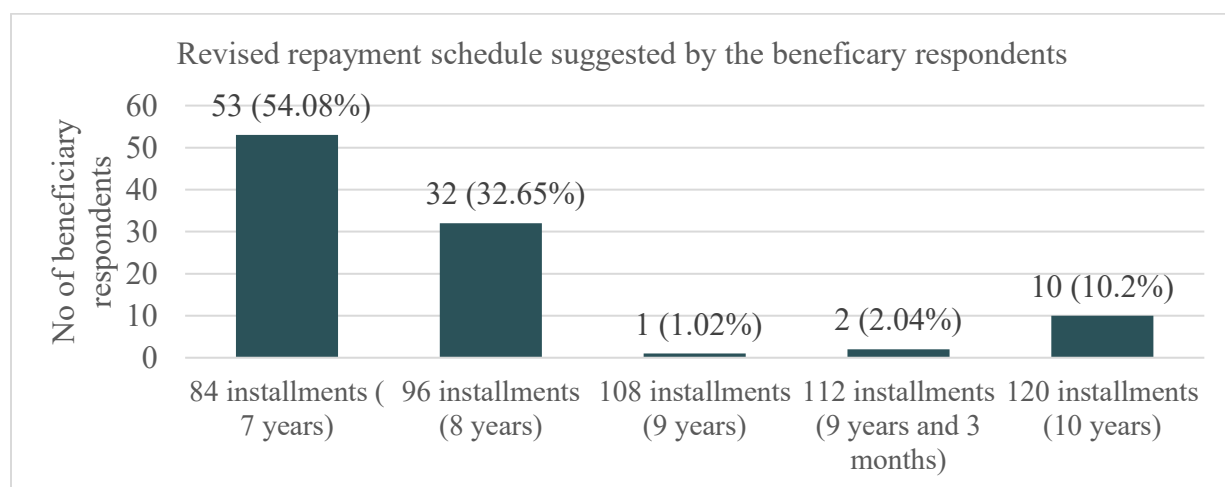


Figure 51: Repayment schedule proposed by beneficiaries not comfortable with the current schedule

KSFC officials of the Bengaluru and Uttara Kannada districts suggested that an increase in repayment Period from 5 years to 7 years, excluding moratorium of 12 -18 months, shall be beneficial for the beneficiaries of the scheme.

3.10 Overall Impact of the Scheme

This section of the report deals with the overall impact the scheme has had on the entrepreneurs particularly the economic and social impacts, key outcomes of the scheme and its impact on beneficiary respondents from the SC/ST category.

3.10.1 Impact on Economic Condition of Respondents: Hypothesis Testing

The impact of the Interest Subvention Scheme on the economic condition of the beneficiary respondents was tested using a Chi-square test for hypothesis testing. The null and alternative hypotheses are as follows:

Null Hypothesis (H₀): The economic condition of the women entrepreneur is not significantly impacted by availing the scheme.

Alternative Hypothesis (H₁): The economic condition of the women entrepreneur is significantly impacted by availing the scheme.

The hypothesis was tested for the experimental group consisting of 207 beneficiary respondents and the control group of 37 respondents. The confidence interval was taken to be 95% and the margin of error was taken as 5% in accordance with the ToR.

For the Chi-square test, the observed values derived from primary data were compared with the expected values calculated as per the formula,

Equation 1: Equation to find expected value of x

$$\frac{\text{Total Frequency of Response } X * \text{Total Number of Respondents in Group } i}{\text{Total Number of Respondents}}$$

Table 12: Observed Values

Economic Condition of Respondents (Observed Values: O)	Improved	Same	Reduced	Grand Total
Experimental Group	98	48	61	207
Control Group	11	6	20	37
Grand Total	109	54	81	244

Table 13: Expected Values

Economic Condition of Respondents (Expected Values: E)	Improved	Same	Reduced	Grand Total
Experimental	92.4713114 8	45.8114754 1	68.7172131 1	207
Control	16.5286885 2	8.18852459	12.2827868 9	37
Grand Total	109	54	81	244

Confidence level as per ToR: 95%

Margin of error as per ToR: 5%. Therefore, $\alpha(\alpha) = 0.05$

If the calculated probability(p) < α (0.05): The null hypothesis is rejected

If $p > \alpha$ (0.05): The null hypothesis is retained

The calculated probability(p) is determined by the formula, $\sum \{(O-E)^2/E\}$ and was calculated as **0.013672926 (<0.05)**

Since p is less than α , the null hypothesis was rejected.

Therefore, it was determined that availing the scheme has a significant impact on the economic condition of the beneficiaries.

3.10.2 Economic Impact

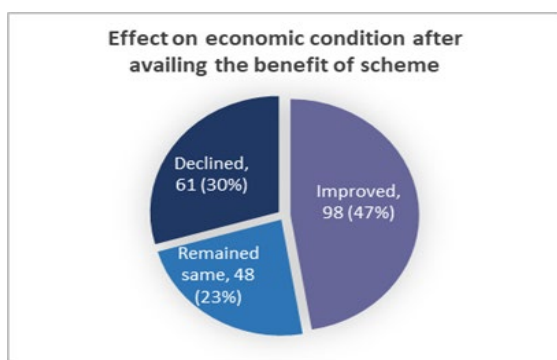
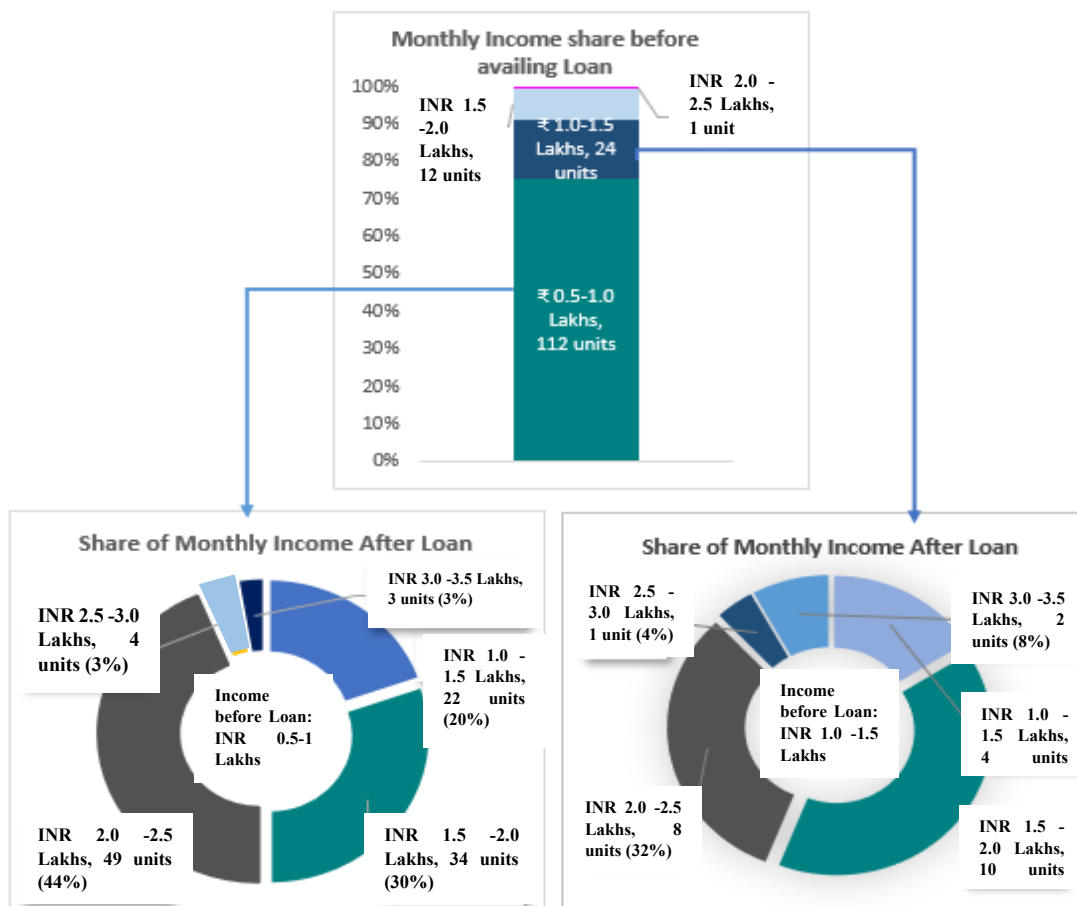


Figure 52: Impact of scheme on economic condition after availing loan

47% of the beneficiary respondents reported that their economic condition improved after availing the loan. Most of (63%) beneficiary respondents reported that the subsidized loan did not help in their economic improvement, either it remained same or declined for those beneficiary respondents. Only 72.4% (150) of the beneficiary respondents provided details of their income before and after availing the scheme. 72.9% of the beneficiary respondents reported an increase in their annual income after availing the loan through the scheme.

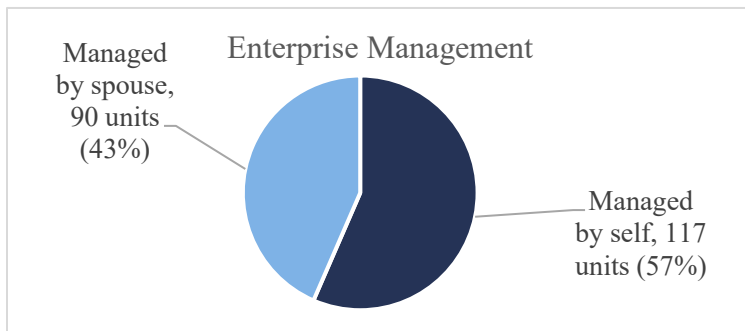


5.7% (12) beneficiaries reported an increase in their annual incomes from 1.5-2 lakhs to 2.5-3 lakhs after availing the loan. The average per capita income for the group of 112 beneficiaries with annual income between INR 0.5-1 lakhs was INR 99,910.71 before availing the loan, which rose to INR 212,464.28, after availing the loan. The average per capita income of beneficiary respondents (24) with annual income between INR 1-1.5 lakhs, rose from INR 130,833.33 before availing the loan to INR 213,958.33. 1 Beneficiary with annual income between 2-2.5 lakhs before availing the loan reported an increased annual income of 4 lakhs post availing the loan.

3.10.3 Establishment and Management of the Enterprise

The cases of fake beneficiaries were reported only by KSFC officials from Bidar and Mysuru. Such cases were less than 1% of the total number of applicants and were identified and eliminated during the beneficiary selection process. The State-level KSFC officials reported that due to extensive background checks and verification of collaterals by means of site visits and verification of documentation, there have been no instances of fake beneficiaries under the scheme.

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57% of the beneficiary respondents reported that they are managing their enterprise by themselves while 43% stated that their spouse manages their enterprise. Even though the scheme is focused on women, almost half of the enterprises are being managed by men.

Figure 54: Management of Enterprise

The district-wise distribution of details of management of beneficiary units is as given below.

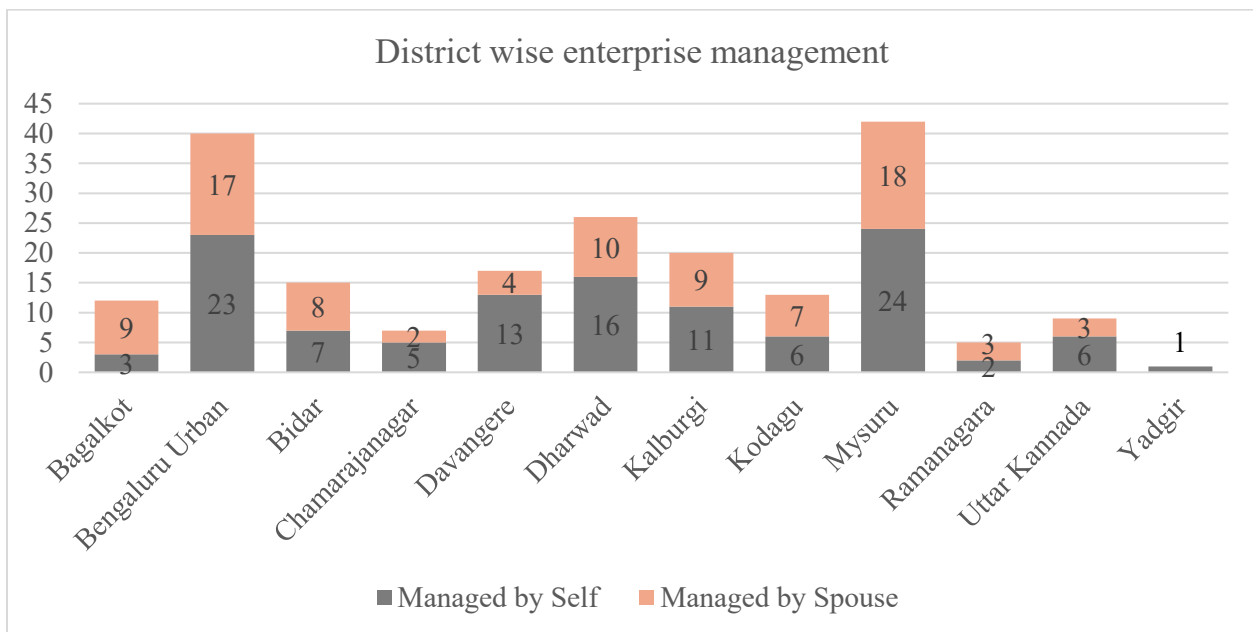


Figure 55: District-wise distribution of management of enterprise

The highest number of enterprises managed by the spouse of the beneficiary respondents are reported to be in Mysuru (18%) and Bengaluru Urban (17%).

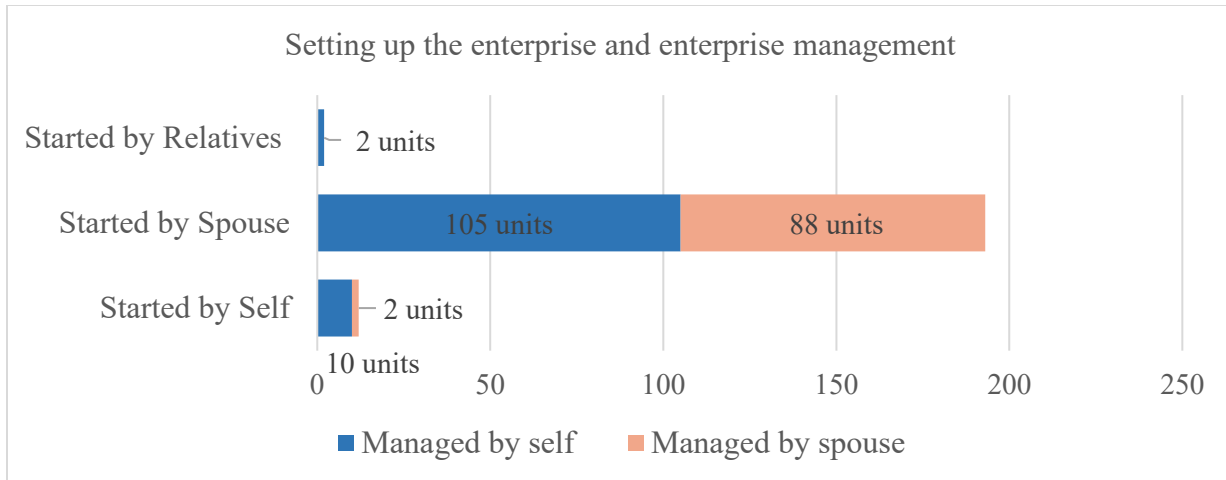


Figure 56: Establishing the enterprise v. Enterprise Management

Of the 207 beneficiary respondents, 193 respondents mentioned that their enterprise was setup by their spouse of which 54.4% (105) of the units were currently being managed by the beneficiary themselves while 45.6% (88) were being managed by their spouse.

Only 12 beneficiary respondents reported that the enterprise was setup by the beneficiary themselves, of which 83.33% (10) of the enterprises were being run by the beneficiary themselves. 2 of the respondents mentioned that the enterprise was established by a relative but was currently being managed by the beneficiary themselves.

3.10.4 Financial Independence of the Entrepreneurs: Impact on domestic expenses and decision making

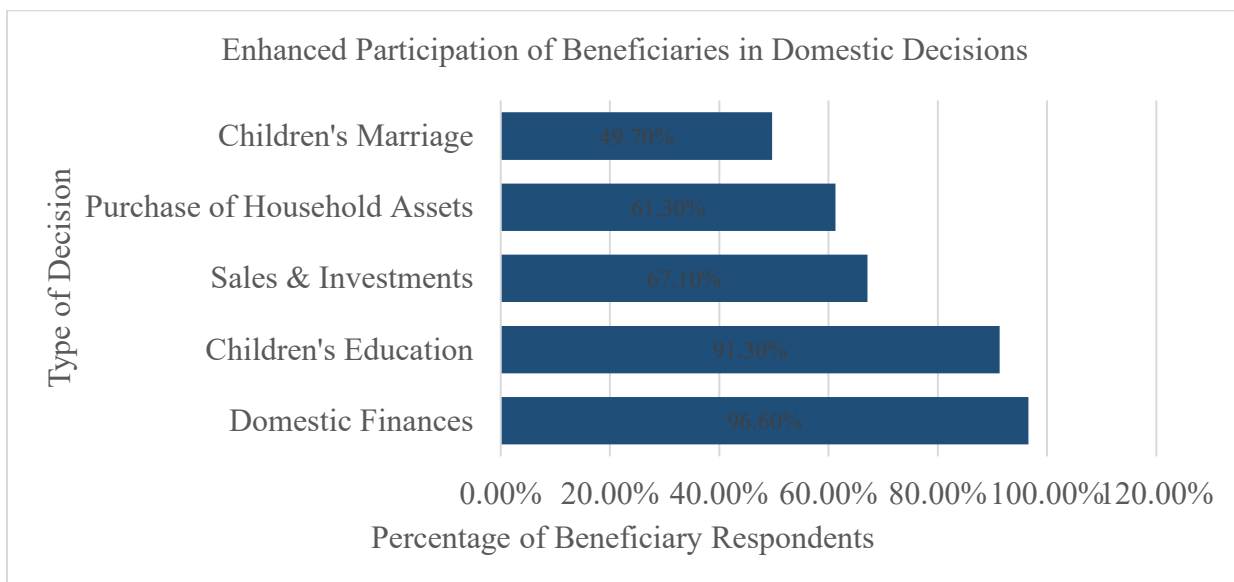


Figure 57: Participation of Beneficiaries in Domestic Decisions

75% of the beneficiary respondents reported that they had improved decision-making power in the case of domestic expenses along with their spouse. All of the beneficiary respondents reported that they had greater control over decisions related to small expenses like food and day to day expenses in their households. They reported that their control over matters of large investment involving their businesses has improved significantly.

96.6% beneficiaries reported that they were always consulted while taking decisions related to kitchen and food requirements in their household. 91.3% beneficiaries reported that they were always consulted in decisions related to their children education. 61.3% beneficiaries reported that they were consulted in purchases regarding any household assets, while 67.1% beneficiaries were consulted for decisions regarding sales and investments in their house. 49.7% beneficiaries reported taking decisions related to their children's marriage.

3.10.5 Impact on Standard of living

It was seen that 86.9% of beneficiary respondents reported improvement in their standard of living after availing the benefit under the interest subvention scheme.

3.10.6 Impact on social acceptance and recognition

70.5% reported that they gained social recognition after availing the subsidized loan. 92.3 % of the beneficiary respondents who reported a gain in social recognition stated that they felt free expressing their opinions freely among family and that their opinion and ideas are valued among relatives as well as in their locality, have a say in working outside the home and in purchase and sale of property and they have freedom of movement without getting permission from family members. Some of beneficiary respondents mentioned that they initially did not have support from their families and husbands for setting up their enterprise, decision making in their family or their business, but they have gained more acceptance and support after starting their enterprise and succeeding.

3.10.7 Key Outcomes of availing the Scheme

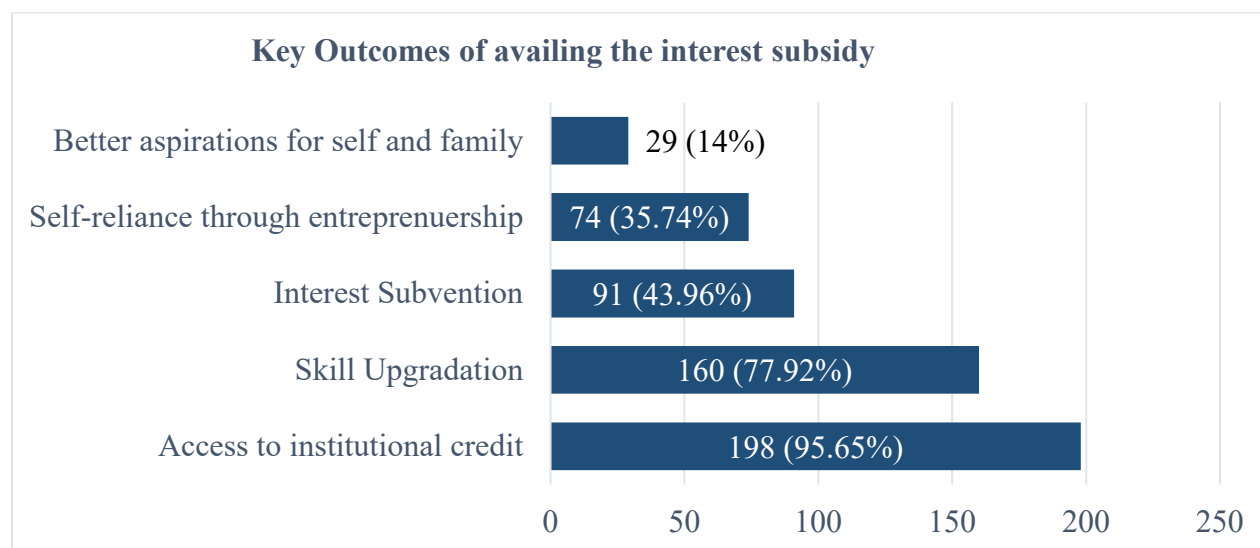


Figure 58: Key Outcomes of availing the interest subsidy

95.6% of the beneficiary respondents reported that the loans aided them by preventing them from borrowing from money lenders at higher interest rates. 77.92 % beneficiary respondents reported to gain the skill to start and run a business in the concerned sector.

For 35.7% beneficiary respondents, gaining of self-confidence and becoming self-reliant due to self-employment was the key outcome of availing the interest subsidy benefit. 14% beneficiary respondents reported better aspirations for themselves and their family and children.

The Division-level officials of KSFC mentioned that the minimal interest rate was a major reason for loans being availed by the beneficiaries. They reported that the scheme has led to the upliftment of the socio-economic status of the beneficiaries thus fulfilling the expected outcomes of the scheme.

3.10.8 Impact on SC/ST Beneficiaries

In the Experimental Group, only 5 (2.4%) of beneficiaries belonged to the SC/ST category. In the Control Group, only 2 (5%) belonged to the SC/ST category. However, it is probable that some of the women who refused (59.4% in Experimental Group and 40% in Control Group) to divulge details of their caste belonged to the SC/ST category.

60% of the SC/ST beneficiaries from the experimental group belonged to the 30-40 years age group and 40% belonged to the 40-50 years age group. 60% of the beneficiary respondents belonging to the SC/ST category in the experimental group held a bachelor's degrees. Of the other 2 beneficiaries, 1 had a post-graduate degree and 1 person studied till SSLC.

All SC/ST beneficiaries in control group belonged to the 40-50 years age group and held bachelor's degrees. 80% of the (4) SC/ST respondents were sanctioned the loan amount which

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they had applied by for. 100% of the SC/ST beneficiaries utilized the loan amount for expansion of their existing business unit. The beneficiary respondents suggested reducing collateral requirement under the scheme and allowing the existing beneficiaries to re-avail the scheme.

All the SC/ST beneficiary respondents reported that the scheme being focused on women entrepreneurs and skill development were the major reasons for availing the loan. All the SC/ST Beneficiaries reported getting the information about the scheme through meetings and seminars. 60% of the SC/ST beneficiaries reported that the department took adequate efforts in creating loan awareness. 80% of the SC/ST beneficiaries reported that they the loan availing process was smooth, they did not face any constraint, and were able to avail the loan within 60 days.

60% of the SC/ST beneficiaries reported the need for training in project proposal and loan application. The beneficiary respondents suggested focusing on skill development. Lack of adequate finance and skilled workforce were reported to be the major challenges faced by the SC/ST beneficiaries.

We have considered only those women who reported to be from SC/ST categories, in the analysis provided below.

The impact of the scheme on the SC/ST women is presented in brief below: -

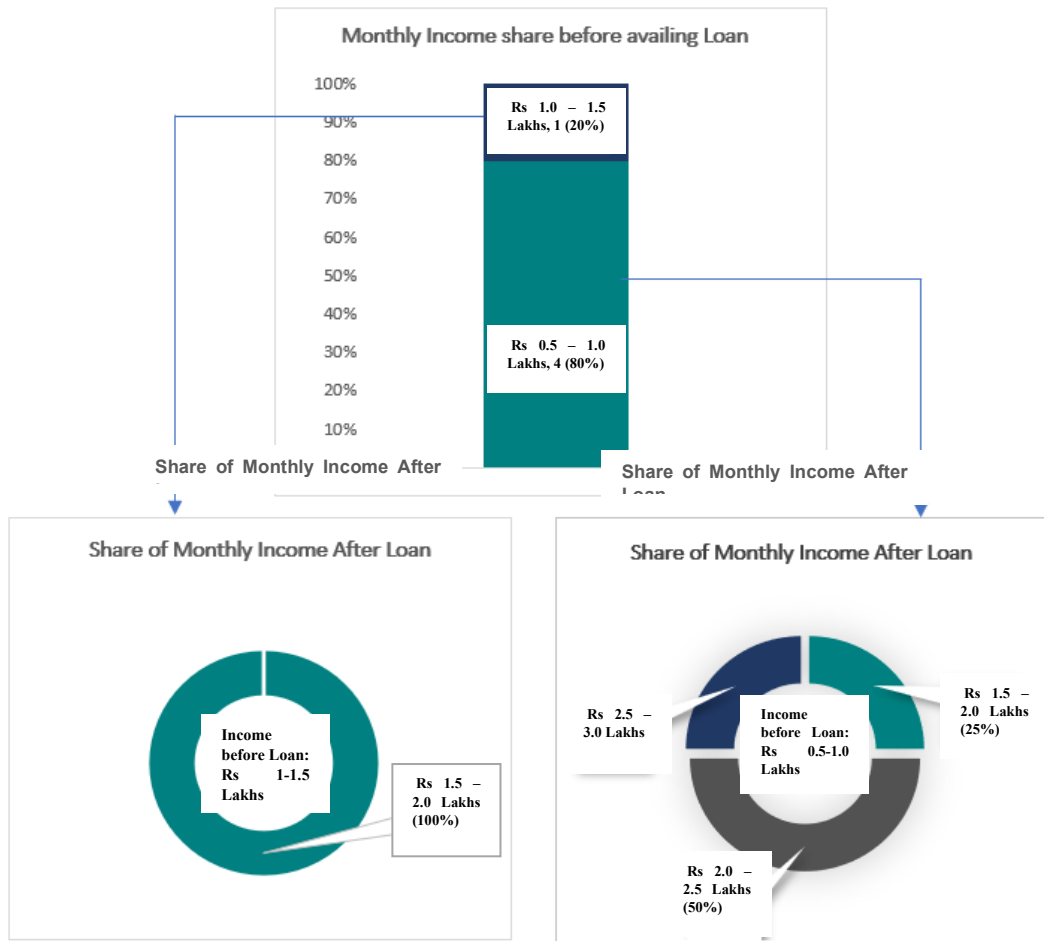


Figure 60: Economic Impact on SC/ST Beneficiaries

Economic Impact: All the SC/ST beneficiaries reported an improved economic condition after availing loan. Out of the 80% (4) SC/ST beneficiary who reported an annual income of INR 0.5 - 1 lakhs before availing loan, 3 beneficiaries reported an increased annual income to INR 2-3 lakhs. The one SC/ST beneficiary with an annual income of INR 1-1.5 lakh before availing the loan reported an increased annual income to INR 1.5- 2 lakhs.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

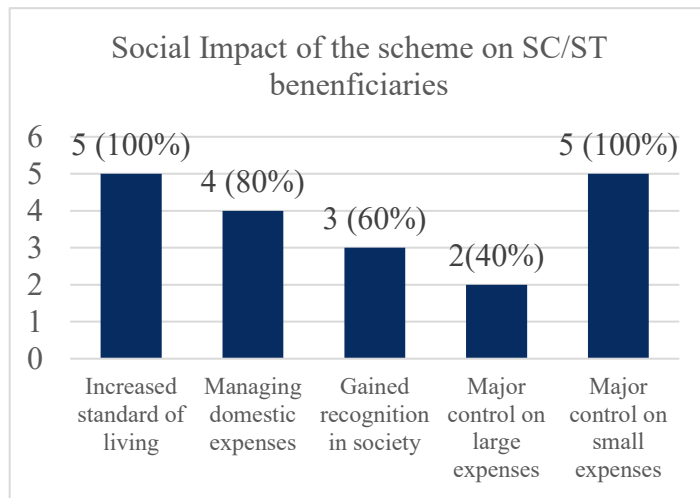


Figure 61: Social Impact on SC/ST Beneficiaries

Social Impact: All the SC/ST beneficiaries reported an improvement in their social status after availing loan either as an increased living standard or in gaining recognition. 60% of the SC/ST beneficiaries themselves managed their enterprises. 80% of SC/ST beneficiaries reported taking care of the domestic finances along with their spouse. All the SC/ST beneficiaries reported having major control over deciding on small expenses. 40% beneficiaries reported having the major control over deciding on large expenses.

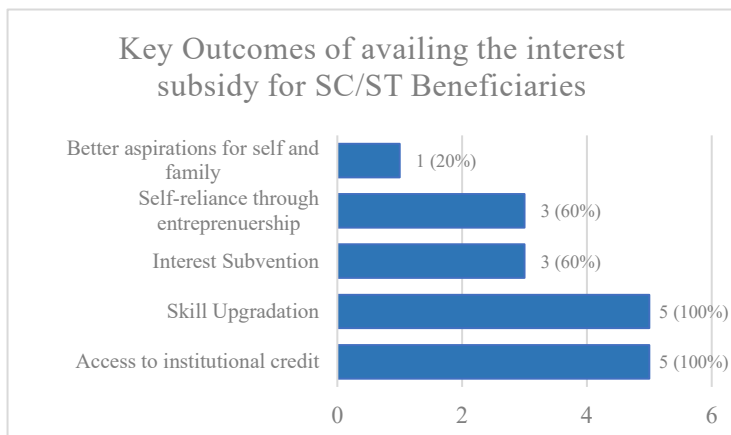


Figure 62: Key Outcomes of availing the interest subsidy for SC/ST Beneficiaries

Key outcomes of availing Loan: All the SC/ST beneficiaries reported that the scheme aided them by helping them gain skills in running the business and safeguarding them from borrowing money at exorbitant rates from private money lenders.

3.11 Case Studies

3.11.1 Case Study 1

Name	Sandhya N. S
Division	Mysuru
District	Mysuru
Enterprise Sector	Media Services

Introduction and Background

Ms. Sandhya NS is a native of Bengaluru and is currently residing in Mysuru. She is one of the beneficiaries of the women entrepreneur's interest subvention scheme implemented by KSFC and KSWDC.

Ms. Sandhya is a postgraduate in Electronics Media. Ms. Sandhya has two daughters, and her husband, who also is a businessman of a manufacturing firm. She used to work as an announcer in All India Radio.

Business Entity

Ms. Sandhya owns a proprietorship firm, named as 'Sandhya Deep Media Planners'. She is the sole proprietor of her firm. The firm was established in 2009, and it provides media services, photoshoot, product and website logo, website designing, pamphlets and brochure designing and creation of YouTube videos. Her entity is registered under Udyog Aadhar.

Inspiration and Introduction to the scheme

Ms. Sandhya right from her days in All India Radio was always interested in various equipment like camera and console in her workplace. This interest led her to harbor an entrepreneurial dream of starting her own venture which shall provide media services.

She came across a state women entrepreneur association called 'Association of Women Entrepreneurs of Karnataka' (AWAKE) where she came to know about a state government scheme through which the women entrepreneurs could apply for a loan and avail it on subsidized rates. The scheme was women entrepreneurs interest subvention scheme, and Ms. Sandhya decided to apply for loan.

Availing the scheme and Utilization

According to Ms. Sandhya, the entire process of application till loan approval as well as disbursement was quite smooth. She was able to submit the entire set of necessary documents within the stipulated time frame. The loan amount too, was disbursed on time. The amount of loan applied was of INR 2 lakhs while the actual loan amount approved was around INR 1.9 lakhs. Thus, started the entrepreneurial journey of Ms. Sandhya. She left her job at All

India Radio, to pursue her ambition of being an entrepreneur and managing her own media and communication firm.

Ms. Sandhya started her enterprise in the media sector. She had a prior knowledge of operating video cameras, which was an essential skill for her enterprise and was going to help her in her business. Ms. Sandhya utilized the loan to procure crucial equipment needed for the growth of her business, which was a video camera and its accessories. As a result, she was able to cut down the costs on renting equipment and utilize the savings towards shooting more films and for marketing purpose. The KSFC officials too paid a visit to Ms. Sandhya to cross-check on the utilization of loan after disbursement.

To upgrade her entrepreneurial skills, she also underwent the EDP training provided by AWAKE. As she already received the required training, she did not enquire about any entrepreneur training provisions from KSFC or KSWDC.

Impact of the scheme benefit

According to Ms. Sandhya, the government subsidy has given her a lot of confidence. She now has a say in her family, and her opinions are given due importance by her husband. However, this was not the situation before getting the loan. There was very less support from her family and husband towards the setting up of her enterprise, growth of business, or her decisions.

Due to the growth in her business, which is 60-70% increase in turnover in last 10 years, her financial condition and self-worth also has enhanced. She has now been able to do some major investments in the family like purchase of a four-wheeler vehicle on her own. The vehicle along with serving personal purpose is also used towards her business enablement. As she must commute from Mysuru to Bengaluru carrying her heavy equipment, the vehicle saves her crucial time and money. Ms. Sandhya does so because Bengaluru provides a better market for her venture than Mysuru.

Perspective on the scheme

Ms. Sandhya says that when a man starts a business, entire family's support is with him. However, the same is not the case with women. Women must struggle a lot to achieve the same. A financial push like this from the government gives her just the optimal conditions to grow her venture and dreams. Ms. Sandhya has gained such confidence, that she was able to turn down a lucrative job offer, and instead is continuing her business venture.

Ms. Sandhya is also inspiring many young women to pursue their entrepreneurial dream. She is trying to give trainings to women who wish to grow in the media and communication field. She has created a WhatsApp group where she engages with other women to give guidance and support on entrepreneurship. Ms. Sandhya also targets to have a workforce constituting majorly women for her business and is working towards it.

Suggestions for the Government

Her suggestion to the government is to provide more such opportunities to the women entrepreneurs and allow them to avail it multiple times, at least twice. Currently, there is a constraint on applying under the scheme for only once, however a subsequent financial capital assistance from the government can be of great help. Ms. Sandhya adds that, even if such financial helps from the government are on normal interest rates, which is without any interest subvention benefit, still it would be highly beneficial for entrepreneurs like her. Also, her suggestion is to provide more trainings on bidding, marketing on social media like face book which can lead to better visibility for her business.

Ms. Sandhya faces obstacles regarding collateral security from the officials in availing the MUDRA loan and requests the government to help her.

3.11.2 Case Study 2

Name	Shyamala G
Division	Bengaluru
District	Ramanagaraa
Enterprise Sector	Manufacturing

Introduction and Background

Ms. Shyamala G is a commerce graduate and is a mother of two children. She is based in Ramanagaraa district and runs a printing press. Being a qualified woman, Ms. Shyamala had always the determination in her to become a successful woman and prove her mettle. Her husband's family ran the printing press, where she saw an opportunity to fulfill her dreams.

Business Entity

The name of her enterprise is 'Shubhodaya Printers'. It is a proprietorship firm, and Ms. Shyamala is the sole proprietor. After her marriage, Ms. Shyamala was introduced to the printing business, as her husband owned one. Gradually she started developing interest in the business area and the method of operating the machineries present in the press.

She started attending trainings and workshops in her nearby vicinity to gain hands-on skills on operations, in-depth knowledge of the sector, and the skill to upgrade the current printing business.

Inspiration and Introduction to the scheme

In one of the seminars of Karnataka printing association, which she was attending in Bengaluru, Ms. Shyamala came to know about a KSFC scheme which provided loans to women. She latter visited the KSFC office to know more details on the scheme where she came to know about the Women Entrepreneurs Interest Subvention Scheme. By this time, she had already become well versed in the printing industry and knew exactly what was required to upgrade her family business. She planned to apply for the loan under the interest subvention scheme to materialize her plans.

Availing the scheme and Utilization

Ms. Shyamala applied for benefit under the scheme in year 2017. She availed a loan of INR 80 Lakhs. Ms. Shyamala says that the reduced interest is a major attraction of the scheme, and none of the banks can offer such a beneficial scheme. She however adds that she found the loan disbursement process very slow, as it had an extensive documentation process and lengthy legal formalities.

Ms. Shyamala utilized the loan amount for the purchase of the machineries which she had learnt could help her in upgrading her unit.

Impact of the scheme benefit

With the purchase of new machinery, and latest technology, Ms. Shyamala is now able to bring an increase in the productivity of her unit. She could now increase staff strength for her unit, and thereby generate employment. She says that along with reducing the burden on staff, she was able to make a profit which was 5-10% higher than before. In addition to the increased turnover, upgraded business unit and improved financial condition, another aspect which she experienced was an increased admiration and respect towards her.

Her family though she says, was always supportive in her endeavors, but now they have realized the value addition she has done to the family business and the overall status of the household.

Perspective on the scheme

Ms. Shyamala is now enabled to take some major decisions for the business and as well as for her family. Her family members value her opinions. She has gained a lot of confidence in the entire process. The way she is able to run the business, run a family,

manage kids, handle the loan repayment schedules on time has earned her recognition from her in-laws, relatives, and neighbors. She is now looked upon as a successful entrepreneur. The scheme has helped her to reach towards her goal.

Suggestions for the Government

Ms. Shyamala suggests the government to continue these kinds of schemes, which encourage women like her. She suggests the government to re-formulate the high collateral ratio, increase the loan tenure and size of the loan. However, more than all of these suggestions she requests the scheme beneficiaries to be allowed by the government to re-apply for the scheme.

3.11.3 Case Study 3

Name	Shalini S
Division	Bengaluru
District	Bengaluru
Enterprise Sector	Manufacturing

Introduction and Background

Ms. Shalini S is an entrepreneur from Bengaluru. She holds a graduate degree and runs a manufacturing sector unit involved in making plastic products. She has two kids and husband in her family.

Business Entity

The name of her enterprise is 'Avee Plastoware'. It is a sole proprietorship firm based in Bengaluru, and Ms. Shalini is the sole proprietor.

Inspiration and Introduction to the scheme

Ms. Shalini was introduced to the scheme by her husband. Her husband too, was a beneficiary of one of the KSFC loan scheme. Ms. Shalini was attracted to the scheme due to the interest subvention nature of the loan. The 4% effective interest rate inspired her to apply and avail the loan, as she knew this very much needed financial push will be extremely advantageous for her business. Also, as the scheme was only meant for a woman, she saw higher chance of success in getting her loan approved.

Availing the scheme and Utilization

Ms. Shalini applied for the loan in 2016. She was able to get the entire value of loan applied which was INR 50 lakhs. She used this money to purchase machineries for her Plastic manufacturing unit.

Impact of the scheme benefit

The subsidized loan has been a great benefit for Ms. Shalini's entrepreneurial entity. She is now more confident in operating her unit, has gained technical know-hows of the

machineries of the sector, as well as the entire process of packaging and selling her plasticware products. Now she is, able to work at an increased pace for her business, able to hire more employees and improve her business output. She has gained confidence in the process and can contribute to any business meetings with equal ease and confidence now. She can now, take her decisions and has control over finances even if it involves making any large purchase. She has bought a vehicle independently, without requiring anyone's permission for her decision in her family.

Perspective on the scheme

Ms. Shalini is greatly impressed by the outcomes of the scheme in her life. She now tries to inspire other women and plans to hire a workforce comprising of women majorly. She is planning to expand her business further in other areas of Bengaluru like Bommasandra.

Suggestions for the Government

Ms. Shalini requests the government to simplify the terms on collateral requirements needed for availing the scheme. She also has a request for the government to incentivize the beneficiaries, who are punctual in their loan repayment habits in this scheme, with some appreciation.

3.11.4 Case Study 4

Name	Saroja H M
Division	Bengaluru
District	Davangere
Enterprise Sector	Hospitality Services

Introduction and Background

Ms. Saroja H M is an entrepreneur from Davangere. She holds a graduation degree in Arts. She hails from Davangere district. She is married to a retired government official and has two children. She runs her business in the hospitality sector, a Convention Centre in Davangere which is rented by clients for various functions and marriages.

Business Entity

The name of her enterprise is 'Savitramma Shekariah Trust'. It is a proprietorship firm, and Ms. Saroja is the sole proprietor. Her Convention Centre is rented to clients from minimal background to hold marriage and other functions at lower prices.

Inspiration and Introduction to the scheme

After her marriage, Ms. Saroja came to know about this building which was already a property owned by her husband's family. The building was unutilized and in dilapidated condition. Ms. Saroja came with a business idea to utilize the building into a meaningful venture. Hence, she decided to turn the building into a convention center and rent it out at affordable rates to people who are willing to have their functions in a formal way but cannot afford other centers due to high prices. For this, she needed a financial assistance.

This is when she was introduced to KSFC by her husband as an organization which provided loan for various entrepreneurs at lower interest rates. Her husband too was an existing beneficiary of one of the several schemes of KSFC. Ms. Saroja visited KSFC branch and came to know about the Interest Subvention Scheme for Women Entrepreneurs which was being facilitated by the corporation.

Availing the scheme and Utilization

Ms. Saroja applied for benefit under the scheme in year 2018. She availed a loan of INR 50 lakhs. She says that the reduced interest was a major attraction of the scheme. Another reason, which she added was her intent of taking care of the social need of the people from surrounding villages, who could not afford the facilities of a convention centers for marriage due to high prices.

Ms. Saroja utilized the loan amount for renovating the building and improving the interiors.

Impact of the scheme benefit

Through her entity, Ms. Saroja has been able to employ 18 women employees from the nearby villages. During the COVID19 pandemic, Ms. Saroja was able to retain all her employees only because of the loan amount. Also, Ms. Saroja is able to keep a very marginal profit for herself in the business, and sustain it, as giving back to the society was her most important aim. All those people from nearby villages who always wished to hold functions in these kind of convention centers, are now able to hire her center due to the nominal pricing.

Perspective on the scheme

Ms. Saroja has been able to gain lot of recognition in the society. She has gained immense confidence to manage the entire staff and take decisions about the center single-handedly. Her family members and relatives appreciate her achievements.

People look towards her as an inspiration, trust her as a helpful person. Ms. Saroja attributes these social achievements to the scheme benefit. She adds, due to the subsidized loan she was able to achieve her dream of helping the society.

Suggestions for the Government

Ms. Saroja suggests the government to continue these kinds of schemes, which encourage women like her. She suggests the government to increase the loan tenure to 7 years, reduce the delay in giving subsidy and an increased loan amount. She also requests the government to allow the successful scheme beneficiaries to re-apply for the scheme and avail the benefits for a second time also.

3.11.5 Case Study 5

Name	Amritha K P
Division	Mysuru
District	Kodagu
Enterprise Sector	Hospitality

Introduction and Background

Ms. Amritha KP is an entrepreneur from Kodagu. She holds a postgraduation degree in commerce and runs a restaurant. She is married, and her husband is an owner of a resort.

Business Entity

The name of her restaurant enterprise is 'Querencia Precient'. It is a partnership firm, and Ms. Amritha owns 70% stake in the entity.

Inspiration and Introduction to the scheme

After her marriage, Ms. Amritha shifted from Kerala to Karnataka. As her husband already owned a resort, she came with an idea of further expansion of the business and add a restaurant to the resort. She came to know about the KSFC scheme through some friends. She later visited the KSFC branch office to get more details about the scheme, where she was introduced to the loan scheme for Women Entrepreneurs Interest Subsidy Scheme.

Availing the scheme and Utilization

Ms. Amritha applied for the loan in 2018. She was able to get the entire value of loan applied which was INR 50 lakhs. Ms. Amritha found the loan procedure quite smooth and devoid of any hassles. Further, she also found the scheme's terms and conditions quite

easy to understand, and without any hidden charges. She used this money in expansion of the resort and build a restaurant.

Impact of the scheme benefit

Ms. Amritha says due to the scheme benefit, not only she has become financially independent but owns a business. She is also able to generate employment through recruiting staff at her restaurant. And all this, she was able to do all by herself without asking for any monetary help from others.

Perspective on the scheme

Ms. Amritha feels more confident as a person and as a businesswoman. She sees recognition and admiration towards her achievement in the eyes of her family and relatives.

The success inspires her to think of starting a new business in the form of a fashion boutique in the future, as Ms. Amritha, also likes to do fashion designing.

Suggestions for the Government

Ms. Amritha suggests for the continuation of the scheme and increase of loan tenure to 7 years. She also suggests the government to reduce the collateral and increase the advertisement campaigns for the scheme to create more awareness among women.

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4 Major Findings

The major findings derived from the study are as follows:

4.1 Awareness about the scheme

It was found that KSFC used multiple platforms and methods for generating awareness about the scheme. This includes newspaper notifications, social media advertising, state level exhibitions, interaction with women industrial associations, outreach through EDPs at women engineering colleges, business meets, industry and economy fairs. A majority of the beneficiary respondents came to know about the scheme either through meetings or seminars (97.1%) and through KSFC officials (44%). The responses received from the beneficiaries indicate that KSFC was successful in generating awareness about Interest subvention scheme.

4.2 Reasons for availing the scheme

According to the Beneficiary respondents, skill development and empowerment of women (96.6%), reduced interest rate (86.4%) and quantum of loan (14%) were identified as the major reasons for availing the loan. They also reported that the major motivating factors for availing the Interest Subvention Scheme include supporting their families (85.99%), economic empowerment (78.74%), gaining respect and identity (72.7%) and skill upliftment (62.3%).

While there are other schemes for women entrepreneurs in the market, the quantum of loan available is usually lower. It is seen that interest rates are also in general greater than interest rate provided by KSFC under the Interest Subvention Scheme. This could be the probable reason for beneficiaries accessing the interest subvention scheme over other schemes.

4.3 Processes and procedures

One of the major concerns reported by beneficiaries was the complexity and delays in the loan application and disbursement process involving high degree of documentation and multiple visits to the KSFC offices. Based on the analysis of the loan application process and the interviews with the KSFC officials it was seen that the lack of standard timelines for service delivery or uniformity in parameters considered for selecting beneficiaries were major lacunae. The collateral requirement under the Interest Subvention Scheme is high. This resulted in lower amounts than requested being sanctioned to beneficiaries and caused delays in loan processing.

4.4 Loan Sanctioned

It was seen that 37.68% of beneficiary respondents received lesser amount than they applied for leading to a mismatch in supply and demand in credit. The sectoral distribution of beneficiaries getting lower sanctioned loan amounts is in line with the sector profile of beneficiary enterprises in the study sample.

4.5 Utilization of the scheme and management of the enterprises

Over 94% of the beneficiaries used the loan amount to expand or modernize their current enterprises. The scheme has thus been mostly utilized by existing entrepreneurs. 92.7% of the beneficiary respondents reported the major challenge faced by them in managing their enterprise were financial constraints. Beneficiaries and KSFC officials suggested increasing the quantum and tenure of the loan. This is because most enterprises require high capital investment especially in health (18% of enterprises) and manufacturing sectors (52%). 98% of the 302 enterprises sampled were currently operational indicating viability of the enterprises supported by the scheme. Around 97% of the beneficiaries stated that they were not part of any fora for macro-economic policies, state, or central budget. Thus, steps need to be taken to make such fora more inclusive and bring about reforms to improve the participation of female entrepreneurs.

4.6 COVID 19: Effects and Actions

The operations of KSFC continued during the lockdown period to ensure that the beneficiaries do not face challenges when applying for the loan. According to Division-level officials of KSFC, all the relief measures and guidelines which were set by RBI to support the beneficiaries who faced challenges due to COVID-19 and those were adhered to by KSFC.

94% of business entities run by beneficiary respondents were negatively impacted by COVID-19 while 6% reported no major impact. The entities with no major negative impact due to COVID were in the health and manufacturing sectors and were in the Bagalkot, Chamarajanagar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts. Out of the 194 beneficiary respondents, 48.3% beneficiary respondents reported 25-50% reduction in staff strengths in their business entities.

13% of enterprises that falls in health sector, manufacturing sector and food processing sector from Bagalkot, Bidar, Dharwad, Kalaburgi, Mysuru and Ramanagara districts reported an increase in the market size due to the pandemic and 54.5% beneficiary respondents reported that there was a decrease in the market size due to the pandemic. The strategies adopted by enterprise to cope with the impact of COVID 19 were reducing the staff strength and reducing the expenditure.

4.7 Monitoring of loan utilization

The site visits were used to monitor loan utilization by KSFC officials. Over 96% of beneficiary respondents, reported that KSFC and KSWDC officials visit their enterprise/ business unit. 51% (106) shared that the officials visit the business unit once in three months.

4.8 Loan repayment and recovery

KSFC follows the procedures/ steps detailed as per the Loan Recovery Manual for recovering the loan amount. According to the data provided by KSFC, 295 (24.4%) beneficiaries of the 1207 loan

recipients have completed the loan repayment and the defaulters under the scheme are identified monthly, and there are no defaulters in August 2022. The officials reported that for beneficiaries whose loan repayment schedule got affected by COVID19, KSFC waived off their penalties, and rescheduled the repayments.

Around 47% beneficiary respondents mentioned that they are not comfortable with the loan repayment schedule. Out of this, 54.08% suggested that a loan repayment timeframe of 7 years would be most suitable. 32.6% suggested that 8 years is the most suitable timeframe for loan repayment. KSFC officials of the Bengaluru and Uttara Kannada districts suggested that an increase in repayment Period from 5 years to 7 years, excluding moratorium of 12 -18 months, shall be beneficial for the beneficiaries of the scheme.

4.9 Overall Impact of the scheme

The availing scheme was reported to have improved the economic condition of 47% of beneficiaries. Around 86% of beneficiary respondents reported improvement in their standard of living while 70.5% of the beneficiaries reported gaining social recognition after availing the subsidized loan. However, though the scheme is focused on women, 43% of the enterprises are being managed by men.

95.6% of the beneficiary respondents reported that the loans aided them by preventing them from borrowing from money lenders at higher interest rates. Other major impacts reported by beneficiary respondents were gaining the skill to start and run a business in the concerned sector, gaining self-confidence and becoming self-reliant due to self-employment. They also reported gaining better aspirations for themselves and their families. KSFC officials reported that the scheme has led to the upliftment of the socio-economic status of the beneficiaries and fulfilled the expected outcomes of the scheme.

Around 60% of the SC/ST beneficiaries reported an improved economic condition after availing loan. All the SC/ST beneficiaries reported an improvement in their social status after availing loan either as an increased living standard or in gaining recognition, they also reported having major control over decisions on small expenses and that the scheme aided them by helping them gain skills in running the business and safeguarding them from borrowing money at exorbitant rates from private money lenders.

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5 Recommendations

Based on the inferences derived from interviews with beneficiaries, and officials from KSFC and KSWDC, and secondary research, we have arrived at the following recommendations:

5.1 The evaluation of loan applications/proposals should be streamlined and uniform

Presently, there are no uniform guidelines for evaluation of proposals/applications submitted by prospective beneficiaries. Market survey, product viability, availability of raw materials, caliber of the management, and project financials are given higher weightage in Uttara Kannada District. On the other hand, prior experience of loan applicants is considered as most important in the proposal evaluation conducted in Chamrajanagara District.

It is suggested that the KSFC issues guidelines to standardize the evaluation parameters which will be considered by KSFC officials. A uniform scoring matrix should be developed with specific weightages for past credentials of the loan applicant, feasibility and viability of the enterprise, market studies/assessments, proposed risk mitigation measures, etc. This will ensure that all critical parameters are comprehensively covered, and also enable uniformity and objectivity in evaluation. Moreover, a Central Processing Center (CPC) could also be established for the final scrutiny and approval of sanctions.

5.2 The loan application, processing and repayment should be simplified and digitized.

Presently, there is no provision for online submission or online scrutiny of loan applications or proposals. Physical submission of documents is required which results in delay in proposal scrutiny and loan disbursement. Digitizing the loan application, processing and repayment can help in reducing the turnaround time for loans and make the processing of loans more streamlined, uniform, and user-friendly without compromising on the rigorous scrutiny required for loan approval.

Moreover, the entire loan application process and scrutiny procedures should be digitized to ensure ease of submission of required documents, faster document verification [*scrutiny of documents by the Legal, Financial and Technical Divisions of KSFC could happen simultaneously instead of one after the other*], online tracking of application updates, and reduce the overall timelines of loan processing, loan sanction and disbursement. Digital enablement would enable the applicant to ensure hassle-free submission of application forms, easily tag the identity proof documents, ensure quick online repayments, etc.

5.3 A unified Management Information System (MIS) for the Interest Subvention Scheme should be established

Currently, there is no unified portal for tracking of the status of scheme applicants, sanctions, disbursements, repayments, closure, etc. This is a significant challenge since it constrains the

pace and effectiveness with which the scheme progress can be tracked at different levels – State, Division, District, and up to beneficiary-level. It also constrains the effectiveness with which KSFC and KSWDC can plan and take decisions on outreach activities, sectors to be focused on, inclusion of minorities and vulnerable groups, addressing credit demand, etc.

Therefore, it is recommended that a MIS be established for the scheme to enable live tracking of number of applications, status of applications, sanctioned amounts, disbursements, repayments, recovery, and others. The MIS shall have customized login and dashboards specific to the officers at different levels such that each officer can track and monitor the status of scheme utilization within his operational jurisdiction. This shall enable evidence-based decision making and planning towards making the scheme more accessible and beneficial. This could be implemented along the lines of the MIS covering the loan-related process for the MUDRA Yojana of Government of India.

5.4 The scheme provisions could be made more attractive to expand the uptake of the scheme.

Currently, the collateral requirement under the scheme is in the ratio of 1:3. This is one of the major challenges faced by the scheme beneficiaries. Easing the high collateral requirement under the scheme shall help to improve credit access of the non-propertied women. KSFC could adopt an approach wherein the collateral requirement is different for establishment of new enterprises vis-à-vis the expansion of existing enterprises; for example – the collateral ratio for establishment of new enterprises could be 1:3 while that for expansion of existing units could be 1:2 [*wherein the consideration for collateral shall also include finished goods/assets, sold goods, creditors, turnover from services, etc. of the existing units*].

For capital intensive sectors - Enhancing the loan tenure and quantum of loan would be beneficial for capital intensive sectors with higher gestation periods.

For service sector - As in service sector, the proportion of fixed assets is generally lower, the collaterals considered in the case of service sectors may be redefined. This may include bankable parameters used for valuing startups such as proof of concept, trade and service receivables, and invoice collaterals.

5.5 A library of bankable projects could be created for consideration under funding.

Currently, prospective beneficiaries approach KSFC with their project proposals which are examined and subsequently considered under compatible schemes. To encourage new entrepreneurs, promote new and sustainable businesses, business ideas could be invited from

prospective entrepreneurs which could then be scrutinized and developed into bankable projects which are novel, feasible, sustainable, and viable. Thus, a library/pool of bankable projects could be created, and these could be supported through appropriate schemes. This will further encourage establishment of start-ups, and also significantly support women who have novel ideas for business but do not have the expertise to develop the ideas into comprehensive proposals and bankable projects.

5.6 Capacity building programs, mentorship sessions and experience-sharing sessions could be facilitated to enhance the knowledge and skills of the scheme beneficiaries.

The KSFC and KSWDC do not provide any training and capacity building sessions to the beneficiaries. While the beneficiaries have reported that there was no significant need for sector-specific training, it would be useful if KSFC or KSWDC could organize sessions on soft skills development, sales and marketing strategies, customer relationship management, financial management, and other relevant topics. If required, competent training providers/vendors could be engaged for this purpose.

While the scheme was intended for both new and existing entrepreneurs, over 95% of the beneficiaries were existing entrepreneurs. In order to support new women entrepreneurs, providing financial support and credit access alone will not be sufficient. Additional support in skilling, ideation and entrepreneurship development needs to be provided. This could be facilitated through establishing institutional linkages with Centre for Entrepreneurship Development of Karnataka (CeDoK), Karnataka State Rural Livelihood Promotion Society (Sanjeevini), Pradhan Mantri Kaushal Vikas Yojana, Chief Minister Kaushalya Kalyana Yojane, Deen Dayal Upadhyay-Grameen Kaushal Yojana (DDUGKY), Karnataka German Technical Training Institute, Government Toolroom and Training Centre, Startup India Online Courses and Women@Work programme by Karnataka Digital Economy Mission. Competent NGOs operating in the field like AWAKE, Ubuntu Consortium, E-MERG, CO-WE and Global Alliance for Mass Entrepreneurship can be engaged for the same.

Networking groups of scheme beneficiaries could be formed to provide a platform for them to share their ideas and experiences. Moreover, efforts could be taken to organize workshops or webinars with the participation of established women entrepreneurs who could share their experiences and learnings. Technical support should be provided to encourage new entrepreneurs, especially in the service sectors. Focused support should be provided to new entrepreneurs from the initial stages of the business such as in creating bankable projects, structuring loans to get maximum financial support and other linkages in convergence with Departments of Tourism, Commerce and Industries, Information Technology and Business Transformation (IT/BT), e-Governance, Labour, and Energy.

5.7 Efforts should be made to ensure greater participation of new entrepreneurs and inclusion of vulnerable groups

Majority of the scheme beneficiaries who participated in the study reported that they utilized the loan amount to expand their existing enterprises, and/or purchase machinery and equipment. It is suggested that adequate provisions should be earmarked for supporting women who require funding support for establishing new enterprises or units. Similarly, the participation of women who belong to socio-economically backward communities, SC/ST groups, BPL families, minorities, etc. and/or are widowed or specially abled is significantly low. Efforts should be made to encourage such vulnerable groups of women to participate in the scheme. If required, fund provisions may be earmarked for them.

Existing women entrepreneurs should be encouraged to access schemes under the central and state governments which provide support to MSMEs in order to expand their business so that more credit is made available to new entrepreneurs under this scheme.

Provision of working capital loans of INR 5-10 lakhs for new women entrepreneurs applying for term loans up to INR 50 lakhs can help them sustain their ventures/businesses in the early stages. Collateral-free loans based on credit guarantee schemes supported by the KSWDC or other suitable government agencies may be explored as a means to support new women entrepreneurs.

5.8 Backward and forward linkages should be provided to service sector enterprises to enhance their sustainability and effectiveness of operations

As the Interest Subvention scheme for Women Entrepreneurs would be extended only to service sector with effect from 20 January, 2022, the following backward and forward linkages could be provided:

- **Awareness Generation:** Over 97% of the beneficiaries gained awareness about the scheme through meetings and seminars, hence, sector specific meetings and seminars for entrepreneurship development should be conducted in health, hospitality and IT/ITES sectors which are the focus areas of service sectors under the scheme. Workshops, meeting and seminars could be conducted in colleges, business incubators, ITIs, schools and Skill development centers coming under CeDoK.
- **Skilled Manpower:** Increased entrepreneurship in service sector needs to be supported by adequate supply of manpower of various skill levels. According to the District wise skill

gap study for the State of Karnataka¹⁸, 2013 the cumulative skill gap for highly skilled, skilled, semi-skilled, and unskilled workers is projected to be 26.6 lakhs by 2022 in Karnataka. Among the service sectors the demand would be greater in Hospitality, IT/ITES and Health Sectors. The mismatch between skill provided in government initiatives and employability further increases the skill gap. The Karnataka Skill Development Policy, 2017-30¹⁹ also acknowledges the skill gap existing in the state as well as the information asymmetry between the demand side and the supply side especially at the regional and district level. Hence, district wise mapping of skill gap, bridging the information asymmetry, and tailoring skilling programmes to industry requirement should be implemented. Schemes such as the National Apprenticeship Promotion Scheme, Unnati and SKILL CONNECT by Kaushalkar could be used to create linkages between educational and skill development institutions and enterprises.

- Marketing and Industry linkages: Support can be provided to women-run enterprises in service sector by earmarking a percentage of procurement from government PSUs in the Government e-Marketplace (GeM) Portal for such enterprises. Industry linkages such as streamlining application process for utilities, and reserving spaces in industry parks, shared workspaces in Tech-park and business incubators for women entrepreneurs shall be provided. NGOs and Associations such as AWAKE, E-MERG, CO-WE and Ubuntu Consortium can aid in cultivating networks and for experience sharing, business marketing, networking etc. Hence, networking opportunities, workshops and conferences should be conducted by KSWDC in association with such NGOs.

¹⁸National Skill Development Corporation (<https://skillsip.nsdcindia.org/sites/default/files/kps-document/karnataka-sg.pdf>)

¹⁹<https://www.kaushalkar.com/wp-content/uploads/2019/04/Karnataka-Skill-development-policy.pdf>

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6 Annexures

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6.2 Terms of Reference

Terms of Reference on 'Evaluation of Interest Subvention for Women Entrepreneurs implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19'

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Terms of Reference on 'Evaluation of Interest Subvention for Women Entrepreneurs implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19'

1. Title of the study

Evaluation of Interest Subvention for Women Entrepreneurs implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

2. Department/Agency implementing the Scheme

Karnataka State Women Development Corporation and Karnataka State Financial Corporation

3. Background and Context

The Interest Subvention Scheme for Women Entrepreneurs was introduced in 2015-16 to translate the vision of the New Karnataka Industrial Policy 2014-19 into reality. The policy envisioned to build prosperous Karnataka through inclusive, sustainable, and balanced industrial development by encouraging women to take up entrepreneurial activities. The Scheme provided term loan to women entrepreneurs at a subsidized interest rate of 4% to establish new MSME units as well as to expand/ modernize/ diversify their MSME units. The scheme provided easy access to Financial, for women from all social categories (SC/ST/OBC/General). This scheme is a one-stop solution that seeks to improve financial service delivery for the aspiring entrepreneurs as well as for women entrepreneurs who already have established units and need a little handholding to scale-up/ diversify their units, thus ensuring participation of women in the formal sector of economy. The scheme was implemented by Karnataka State Women Development Corporation (KSWDC) while financial support was provided by Karnataka State Financial Corporation (KSFC) both of which have common objective of economic empowerment of women especially women from weaker sections of the society from identifying the latent entrepreneurial potential among women to providing access to Financial and developing entrepreneurial skills.

Prior to introduction of the scheme a similar interest subvention scheme was implemented for Scheduled Caste and Scheduled Tribe Entrepreneurs since 2007. The success of the scheme and demand from aspiring women entrepreneurs in the state impelled the government to introduce a similar scheme to include women irrespective of their social status with effect from 2015-16. The earlier scheme provided term loan to SC/ST Entrepreneurs at a subsidized interest rate of 4% to establish new MSME units as well as to expand/ modernize/ diversify their MSME units. This scheme enabled beneficiaries obtain a Term Loan of Rs. 5.00 lakhs to Rs. 50.00 Lakhs from Karnataka State Financial Corporation (KSFC) to start small and medium enterprises at an interest rate of 14%, out of which 4% was paid by the beneficiary and the remaining interest was paid as interest subvention by

Department of Social Welfare. The interest subvention was made available provided, the unit was regular in repayment of term loan. The scheme provided a moratorium period of 12 months for repaying principal amount. The interest subvention was for a period of 7 years from the date of disbursement of loan.

While other terms and conditions remained the same as the interest subvention scheme for SC and ST, the duration of interest subvention for women was reduced to 5 years from the date of disbursement of loan.

Objectives of Interest Subsidy Scheme to Women Entrepreneurs:

1. to provide start-up Financial at subsidized interest rate (4%) to prospective women entrepreneurs to establish new units in small and medium scale sector and service enterprises.
2. to augment the women owned establishments with financial support at subsidized interest rate of 4%

Eligibility criteria for the scheme

1. Women entrepreneurs who avail term loan from KSFC for establishing new units in small and medium scale sectors and service enterprises as well as for expansion/ modernization/ diversification of existing units.
2. This scheme is applicable for loans sanctioned only after 10-12-2015 from KSFC.
3. The unit should be owned by women entrepreneurs. In case of partnership firms and companies, women partners/ directors should hold minimum 50% shares.
4. Loan size: Minimum loan size is 5.00 Lakhs for all activities except for existing units going in for expansion/ modernization/ diversification. In case of medical and Veterinary doctors, the minimum loan size is 2.00 Lakhs. The maximum loan size is 50.00 Lakhs (2015-16 to 2016-17) and 200.00 Lakhs (2017-18 onwards)¹.
5. Rate of Interest: KSFC shall sanction loans with normal applicable rate of interest and the promoters shall pay the interest accordingly. The effective interest rate to be paid by the beneficiary is 4% p.a. The difference between the normal lending rate of KSFC and effective interest rate of 4%, which will be reimbursed by KSWDC on monthly basis. To avail this interest subsidy, the entrepreneurs should make regular repayment of installments.
6. The unit will be eligible for interest subsidy for a period of 5-years from the date of first disbursement of the loan, even if the repayment extends beyond five years.

¹The corresponding GO No. ma ma e 50 ma.a.ni. 2017 dated 23-09-2017 is not found in the file

7. But later in 2018, to cover maximum units the corporation adopted the following guidelines:

- i) for loans of Rs.50.00 Lakhs and below, interest subsidy is for full term loan.
- ii) for loans between Rs.50.00 Lakhs and Rs. 100.00 Lakhs, interest subsidy is limited to loan up-to Rs. 50.00 Lakhs and the balance amount will carry normal rates of interest.
- iii) for loans between Rs. 100.00 Lakhs and 200.00 Lakhs, 50% of the loan amount will carry interest subsidy and balance amount will carry interest at normal rate.

8. Women entrepreneurs are eligible to avail the benefits of interest subsidy scheme only once.

Terms and Conditions

1. The interest subsidy is not applicable to other type of loans such as Working Capital Limit, Privileged Entrepreneurs Loan, Corporate loan, loans to CRE and transport sector.
2. The units which have already availed the interest subsidy under any other scheme of GoK or Gol are not eligible for interest subsidy under this scheme.
3. The terms and conditions of loan sanction such as promoter's contribution, DER, security requirements, viability of the project is ensured by KSFC as per the prevailing loan policy.
4. Selection of women entrepreneurs for the scheme is done by the District Level Lead, Bank Managers, Joint Director of DIC, Deputy Director of Women and Child Welfare Department and Officers of KSWDC as other members.

Progress of the Work

The interest subvention scheme for women entrepreneurs has benefitted 1,389 beneficiaries across all the districts in the state from 2015-16 to 2019-20. KSFC has disbursed a loan amount of 652.18 crore and KSWDC has reimbursed Rs. 80.76 crore towards the interest during the period. Physical and financial progress of the scheme is given in the annexure.

4. Evaluation Need, Scope & Objectives

Need: Women consistently trail men in formal labor force participation, access to credit, savings rates, income levels, entrepreneurship rates, as well as in inheritance and ownership rights. Evidence shows that putting economic resources in women's hands is the best way to accelerate development and sustainably reduce poverty. Sustainable Development Goal 5 intends to achieve gender equality and empower all women and girls.

The scheme provides easy access to capital and to enhance the entrepreneurial capacity and socio-economic status of women. Hence a "Process and Impact Evaluation" is necessary to understand its effectiveness, the extent to which scheme objectives are achieved and to suggest for improvement of the scheme to maximise the outcomes. The evaluation will provide evidence-based findings of scheme's contribution to women empowerment and gender equality, vis-à-vis its stated objectives.

The findings of Impact Evaluation can help to understand the cost effectiveness of the intervention as well as the intervention costs in relation to the estimated monetary value of its effects (cost-benefit analysis) to scale-up the program. Impact Evaluation should also objectively examine whether this economic empowerment of intervention's beneficiaries is attributed to the intervention or would have occurred anyway. The unintended effects of the intervention either positive or negative both on beneficiaries and non-beneficiaries can support learning to the stakeholders about the effect of external factors.

Scope:

This evaluation study shall cover the woman entrepreneurs who benefited from Interest Subsidy Scheme across all 30 districts in the State on sample basis from 2015-16 to 2019-20.

Evaluation Objectives

1. Evaluate the impact of the Interest Subvention Scheme on women entrepreneurs and the enterprises
2. Evaluate the impact of Financial support provided by the scheme to existing small and medium scale enterprises
3. Analyze the cost versus benefit of the scheme as compared to other similar schemes.
4. Assess the factors influencing access to Financial/scheme for women.
5. Analyze the supply and demand of the credit requirement across the small and medium enterprises for women entrepreneurs specific to manufacturing sector and service enterprises.
6. Evaluate the impact of similar interest subvention schemes on the present scheme and scope for rationalization of similar interest subvention schemes.

The following issues as related to process and outcomes need to be factored into the evaluation study:

Process and Output related

1. Evaluate the appropriateness of operational guidelines of the scheme.

2. Assess the awareness among the women about the quantum of loan, rate of interest on it and its utilization.
3. The selection process of beneficiaries & coordination of different Departments.
4. Process of sanction of credit & adequacy of loan received for establishing new units and / or expansion of existing enterprises across different types of enterprises and the proportion of loans New/ modernization.
5. Adequacy, Quality and timeliness of services, Financial as well as non-Financial, received by the beneficiaries.
6. Ratio of demand for credit to actual beneficiaries and the limiting factors (budget, eligibility criteria) and identify the gap.
7. Knowledge about Management and Efficiency of enterprises as compared to similar enterprises run by men & identify training requirements.
8. Examine the loan utilization pattern across the regions. Any deviations, misutilization, fake beneficiaries may be examined and case studies to be presented.
9. Average annual turnover and credit worthiness of beneficiaries.
10. Cost benefit analysis of the enterprises, What are the forward and backward linkages provided by the department/ KSFC.
11. Analyse the patterns of activity concentration and factors contributing to it. Type of enterprises and hired labour- Male & Female in these enterprises.
12. Marketing strategies adopted by the women entrepreneurs and suggest more viable marketing strategies. Identify the operational bottlenecks and suggest corrective measures.
13. Repayment of loans- regularity & and convenience of payment schedule.
14. Efficiency, Sustainability, and economic viability of the enterprises.
15. Problems faced by women entrepreneurs due to patriarchal power structures and institutions.
16. Identification of social, economic, technical, or training factors as well as selection process that has contributed to the high/ low performance of women entrepreneurs. Case studies of select beneficiaries.
17. Compare the outcomes with Similar interest subvention schemes implemented by co-operative Banks, NABARD, and other commercial banks/ Financial institutions.

18. Impact of COVID-19 on the enterprises and the strategies adopted to cope up with the adverse situations in different phases.

Impact

19. Impact on development of entrepreneurship among women. Women’s control over income; relative contribution to family support; access to credit, and control over family resources.

20. Women’s involvement and/or representation in local trade associations; marketing Associations & Representation of women’s interests in macro-economic policies, state, and central budgets & achieving the targets in SDG-5 in terms of Gender Equality.

5. Evaluation Methodology

Type of data	Method of data collection	Method and Tools
Primary data	1. Quantitative data	Sample survey of Beneficiaries, Non-Beneficiaries based on structured questionnaire.
Secondary data	Guidelines, Department published documents, reports, books and Journals etc.	Statistical analysis with the help of identified indicators

Qualitative data

State level officers IDI (5)	District level officers IDI (18)	Case studies (5)	FGDs (4)
5 (Executive Director-2, DGM Controller from KSFC and MD, GM and AGM from KSWDC)	8+ 10 = 18(KSFC – 4 GMs across Bengaluru, Mysuru, Dharwad and Kalaburagi circles and 4 AGMs from four branches across sample districts 10 covering KSWDC & Development Officers/ Inspectors from the sample districts)	(2 each from sample districts across high, moderate and 1 from low number of beneficiaries districts)	4 FGDs @1 per division consisting of all stake holders.

Sampling Methodology

KSFC has furnished loan under interest subvention scheme to **1389** women entrepreneurs from the year 2014-15 to 2019-20. A sample of 302 beneficiaries at 95% confidence level and 5% margin of error is to be drawn from the population for the study.

Stratified random sampling with probability proportion to size is suggested for the study. 3 Districts with low, moderate and high number of beneficiaries from each division are identified in the sample as given below.

Sample Size for Women Entrepreneurs (beneficiaries) (2015-16- 2019-20)

Sl. No.	Name of the Sample District	Total Units	Sample Units
Bangalore Division			
1.	Ramanagara	17	08
2.	Davanagere	55	27
3.	Bangalore Urban	169	83
Total		241	118
Belgaum Division			
1.	Bagalkot	29	14
2.	Dharwad	79	39
3.	Uttara Kannada	20	10
Total		128	63
Kalaburagi Division			
1.	Bidar	33	16
2.	Kalaburagi	51	25
3.	Yadagiri	06	03
Total		90	44
Mysore Division			
1.	Chamarajanagar	19	09
2.	Kodagu	31	15
3.	Mysuru	108	53
Total		158	77
Grand Total		617	302

Women entrepreneurs who have not availed the benefits from interest subvention scheme should be taken as control group. 30 such non-beneficiary women entrepreneurs (10% of the sample) to be taken as control.

Thirty women entrepreneurs who have not availed the benefits from interest subvention scheme should be taken as control group, which account for 10% of the sample beneficiaries. Primary data to be collected from 302 beneficiaries and 30 control sample, adding to 332 sample for the impact evaluation study. The results should be compared across with and without scheme and before and after scheme to capture the impact of the financial assistance on performance of the entrepreneurs and enterprises. Results should be presented division and district-wise by type and size (small, medium, service) of enterprises and social group. Consultants should propose appropriate methodology for catching the impact.

6. Deliverables and time Schedule

Karnataka State Financial Corporation, Karnataka State Women Development Corporation and KEA will provide the necessary information pertaining to the study and also co-operate with the consultant organization in completing the assignment task within the stipulated time period. The concerned district and taluk officials will be instructed by the Karnataka State Women's Development Corporation and Karnataka State Financial Corporation for providing the required information/data. It is expected to complete the present study in 6 months' time line, excluding the time taken for approvals at KEA. The exercise is expected to be completed in an elapsed time of six calendar months from date of agreement.

1. **Inception Report** should be submitted within four weeks from commencement on basic understanding of the problem, key issues identified, directions for subsequent stages, detailed work plan, meetings / FGDs planned including names / designations of personnel and schedules, impediments if any to realise the work plan

Inception report is a road map of how the Evaluation Consultant Organization (ECO) intends to proceed with the evaluation work in terms of ToR. It is a road map and action plan for conducting the study, evolved through the study team effort, based on the basic framework provided by the ToR and bring in the study team insights and contributions. It shall be structured into different chapters and headings and contain

- (1) Evaluation title and background information in brief;
- (2) Review of Literature
- (3) Theory of Change/ output outcome framework - input-activities output-outcome-impact
- (4) Evaluation criteria and framework: purpose, scope, Objectives.
- (5) Evaluation approach (with-without; before-after), stakeholders involved sampling and limitations, **Evaluation ethics** -ECO must obtain a consent of the Stakeholders before data collection (As per UNEG Guidelines)
- (6) **Evaluation Framework**- Evaluation criteria - relevance, effectiveness, efficiency, impact and sustainability and Evaluation **matrix*****: It sets out the conceptual framework to be used in an evaluation, Main evaluation issues, Key evaluation question, Sub-question, Indicator(s), Normative/baseline value, Success threshold, Data sources, Data collection method, Method of data analysis***;

***Note: the evaluation matrix is a six-column table consolidation of the material at Sl. No. 4 to 7. Evaluation criteria at Column 1 added for clarity and follows the REESI format as under. The table is illustrative and not exhaustive.

Evaluation criteria	Key Evaluation Question ^{***}	Specific sub questions ^{**} for each Key Question	Indicators / success standards/ KPI	Data sources	Data collection methods / Analytical tools [#]	Analytical Method / Analysis method
	(1)	(2)	(3)	(4)	(5)	(6)
Relevance:						
Program objectives & Actual requirements	Key Evaluation Question ^{***}					
	Key Evaluation Question ^{***}					
	Key Evaluation Question ^{***}					
Effectiveness						
Inputs & Process of implementation	Key Evaluation Question ^{***}					
	Key Evaluation Question ^{***}					
Efficiency						
Cost benefit analysis	Key Evaluation Question ^{***}					
Fund utilization and capacity building	Key Evaluation Question ^{***}					
Output produced	Key Evaluation Question ^{***}					
Impact						
Outcomes-immediate	Key Evaluation Question ^{***}					
Outcomes-Short term	Key Evaluation Question ^{***}					
Outcomes-Medium term	Key Evaluation Question ^{***}					
Outcomes--Long Term	Key Evaluation Question ^{***}					
Sustainability						

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Sustainability of the project in the long run	Key Evaluation Question***					
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*Specific tool and subsection to be referred to / connected

** Key Evaluation Questions and sub questions to be derived from the objectives of evaluation in ToR and from pilot study insights

*** There will and can be many key evaluation questions for each evaluation issue and many sub questions for each key evaluation question. These need to be framed by the study team in question format.

- (7) Data Analysis Techniques- All statistical and Mathematical techniques to be used in data analysis
- (8) Table templates and chapter outline;
- (9) field observations from pilot survey
- (10) Work Plan;
- (11) Study Team with their contribution details
- (12) List of persons conducting the FGD along with their qualifications and
- (13) Training schedule of field enumerators with the details of trainers.

Appendix

- Questionnaire & Interview Schedules for all stake holders
- Check list for FGD
- List of field Investigators

Evaluation ethics -Evaluation Consultants will be held to the highest ethical standards and are required to sign a code of conduct upon acceptance of the assignment. To be included in MoU,

Timeline for inception report

Briefing of the evaluation team, preliminary PPT presentation to KEA on study methodology proposed by team with data requirements	Details of the secondary data required for the study as perceived to be provided	Within one week of issue of work order
Pilot study completion	Field investigation to prepare and fine tune Inception Report	One week from preliminary meeting with KEA
Submission of detail Pilot study report to KEA	Approval of KEA	4 days from submission of report

Finalization of study tools	Incorporating all changes	1 week
Submission of IR to KEA	Approval of KEA for presentation	2 days after submission
Presentation of IR before KEA	As per time schedule in KEA -	One week
Submission of revised Inception Report	Incorporating the suggestions of KEA	2 days from PPT presentation
Presentation of revised PPT {if necessary}		Within 4 days of submission of revised IR

- II. **Interim Report** on findings from officers and field respondents and FGDs (covering at least 50% of planned meets and FGDs) at the end of 12 weeks, after the inception report, followed by presentation of Interim Report

Interim report should mainly include the progress and initial findings of the evaluation study.

- (1) Evaluation title and background information.
- (2) Log Frame/Theory of Change/Program Theory as observed in the field.
- (3) Redesigned evaluation framework: purpose, scope, stakeholders involved, input-output-outcome-impact.
- (4) Analysis of secondary data and findings.
- (5) Primary data – analysis and Findings based on the 50% of the field work, table templates and chapter outline for the report; and
- (6) Analysis of case studies and Focus Group Discussions.

Draft Final Report covering all items in the ToR including key issues identified, directions for the future (vision, mission, Organisational objectives, organizational form including any that are external to the parent, working / reporting modalities, objectives of all entities, performance criteria ...) within four weeks from submission of Interim Report.

- a) **Presentation on Draft Final Report** within one week of its submission.
- b) **Final Report** within two weeks of receipt of feedback / comments on Draft Final Report and presentation.

Timelines and deliverables

Inception Report	1 month after signing the agreement
Interim Report	3months after the date of approval of Inception report
Draft report	1 month after Interim Report
Final report	1 Month after approval of the Draft report
Total duration	6 Months

7. Qualities Expected from the Evaluation Report

Following are the points, only inclusive and not exhaustive, which need to be mandatorily followed in the preparation of evaluation report:

The evaluation report should generally conform to the United Nations Evaluation Guidelines (UNEG) "Standards for Evaluation in the UN System" and "Ethical Standards of Evaluations".

- a) The results should correspond to the ToR objectives.
- b) With regard to recommendations, the number of recommendations is no measure of the quality of evaluation. Evaluation has to be done with a purpose to be practicable to implement the recommendations. The practicable recommendations should not be lost in the population maze of general recommendations.
- c) The report should be complete and logically organized in a clear but simple language. Evaluation report should conform to standard report writing style and structure. Harvard report writing and referencing standard to be adopted.

8. Structure of the Report:

The Structure of the report should appear in its look in such a way that the evaluation study has been conducted by an Expert Consultant Organization.

The report should be logically organized in a simple and clear language besides adhering to the terms mentioned in the terms of reference.

The report may be organized in the following order.

- a. Title of evaluation and opening page.
- b. Index.
- c. List of Acronyms and Abbreviations.
- d. Executive Summary- A section that describes the program, purpose and scope of evaluation, research design and methodology, key findings, constraints and recommendations.

1 Introduction and Study design

- a. Background- A section that briefly covers the history or genesis of the sector under which the programme/scheme being evaluated covered. It should give recent fact sheets taken from reliable and published sources and review of the progress of the scheme at Taluka/District level.
- b. Log Frame theory/ Theory of change
- c. Objectives and performance of the program - This section includes the stated objectives of the program and the physical and Financial achievements of the selected program in the period of evaluation. It should cover the description of the target group, aim of the program, the programme guidelines and method of selection of beneficiaries and the physical and Financial achievements.

2. Review of literature and Evaluation Methodology

- a. Review of past evaluation reports and their findings- Theoretical background.
- b. Evaluation Methodology - This should include research design, hypotheses for testing, evaluation matrix sample design and size, Methodology for data collection and analysis- questionnaire design and pilot test, data analysis.
- c. Limitations/constraints in the evaluation study.

3. Results and discussion: Results and Discussion- objective/issue based and discussion of results to be also drawn from literature, FGDs and case studies.

4. (Note: Tables and figures are to be used to present results in summary and/or graph format to add clarity to the presentation. In addition to simply presenting the results in a straightforward manner, the report has also to provide the readers with interpretation of the results, implications of the findings, conclusions).

5. Major Findings- to be arranged as per the objectives/issues

6. Recommendations - to be arranged as per the objectives/issues

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9. Administrative Arrangements:

The entire expert team will be introduced to the Nodal Officer and other officers of KSFC and KSWDC who are in the implementation process. The team needs to be facilitated so that they can get good access to the stakeholders. Arrangements may be made to conduct meetings/FDG's with the stake holders to enable the team to collect the data and information.

10. Expert team to carry out the study:

The Core team shall carry the manpower as mentioned below. They should also possess the requisite qualifications and experience as listed below.

Sl. No.	Subject Experts Requirements	Subject Experts Requirements	Educational Qualification
1.	Team Leader	A Ph. D/Post graduate degree in Economics, / Rural Development / Commerce/ Management, / Public Policy/ Women's Studies/Gender Studies/ Sociology/ Social Work Preferably with knowledge of banking and financial institutions.	05 years of experience in field
2.	Deputy Team Leader	Ph.D/Post graduate degree in Economics/ Sociology/ Women's studies/ Commerce/ Management, / Public Policy With operational knowledge of banking	Should also possess a minimum of three (3) years of experience in allied sector projects
3.	member 1	Ph.D/Post graduate degree in Social Sciences/Commerce/ Management, / Public Policy/ Knowledge of Kannada is essential.	Should also possess a minimum of three (3) years of experience in related sector projects
4.	Member 2	Post Graduate in Statistics/Economics/ MCA with knowledge of Statistical analysis	3 years' experience in data analysis

11. Cost and schedule of Budget releases

The Output based budget release will be as specified in the RFP.

12. Procedure for selection of the Consultant:

The selection of evaluation agency should be finalized as per provisions of KTPP Act, and Quality and Cost Based Selection (QCBS).

13. Contact Details

Contact persons in KEA:

Dr. Chaya Degaonkar,
Addl. Chief Evaluation Officer,
Karnataka Evaluation Authority,
Mob:9342331301.


Dr A V Manjunatha, Director (Evaluation),
Karnataka Evaluation Authority,
Mob: 9448402848.

Contact persons in KSFC:

Mrs. Mamatha A.
Senior Manager,
Karnataka State Financial Corporation.
Mob: 8095476441

The Terms of Reference were approved by the Technical Committee of KEA in its 48th Meeting held on 08th September 2020.

ToR Prepared by:


Dr. Chaya Degaonkar
Additional Chief Evaluation Officer
Karnataka Evaluation Authority


Chief Evaluation Officer
Karnataka Evaluation Authority

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14. Annexures

Table 1. District-wise Loan amount and Interest Subsidy Released to Women Entrepreneurs (beneficiaries) from April 2015-March 2020*

Sl. No	Division	District	MSME Units (April 2015 to March 2020)	Loan Amount Released in Lakh Rs.	Interest Subsidy Utilised in Lakh Rs.
1	Kalaburgi	Kalaburgi	51	3262	354
2		Raichur	30	1972	158.26
3		Yadgir	6	538	30.96
4		Bidar	33	2501	152.41
5		Koppala	31	1960	153.99
6		Bellary	35	1805.9	219.49
7	Belagaum	Bagalkot	29	2215	166.89
8		Belagaum	73	4208.8	442.81
9		Vijayapura	20	1352	114.25
10		Dharwad	79	4284	493.1
11		Gadag	24	1706	165.3
12		Haveri	21	978.5	94.82
13		Uttara Kannada	20	1773.5	61.89
14	Bengaluru	Bengaluru Urban	169	12285.75	992.35
15		Bengaluru Rural	77	4729.80	394.55
16		Chikkaballapur	24	1360.65	142.09
17		Chitradurga	48	2412	288.34
18		Davangere	55	2897	416.88
19		Kolar	38	2287.26	182.69
20		Ramanagara	17	1043	64.97
21		Shivamogga	32	1452	161.92
22		Tumakuru	97	4892.45	520.41
23	Mysuru	Chamarajanagar	19	1058.75	89.28
24		Chikkamagaluru	26	1923.5	109.44
25		Dakshina Kannada	69	4469.50	497.5
26		Hassan	47	2628	169.67
27		Kodagu	31	2738	303
28		Mandya	42	2787.75	274.55
29		Mysuru	108	6632.85	592.58
30		Udupi	38	2179.6	175.47
	Total		1389	86334.56	7983.85

Note: Due to fund deficit loan was not sanctioned from February to March 2020

Table 2. Year-wise Physical and Financial progress from April 2015-March 2020**(in Lakh Rs.)*

Sl. No.	Year	Beneficiary details		Total loan amount released from KSFC	Subsidy amount released from KSWDC to KSFC	Interest subsidy given to beneficiaries	Interest subsidy amount remaining with KSFC
		Number of Loans sanctioned	Sanctioned Loan amount				
1.	2015-16	63	2,345.95	538.77	47.33	0.17	47.16
2.	2016-17	357	14,552.20	9,061.31	234.67	298.46	-16.63
3.	2017-18	512	28,460.80	14,964.08	850.00	779.73	53.64
4.	2018-19	292	26,460.31	21,610.00	3,473.50	3175.70	351.44
5.	2019-20	165	14,515.30	19,044.39	3,470.50	3729.79	92.15
	Total	1,389 (units 1175)	86,334.56	65,218.55	8,067.00	7,983.85	92.15

Note: Due to fund deficit loan was dispersed up-to January 2020. Approximately, subsidy amount of Rs. 867.78 Lakh is pending for payment for the period Feb-March 2020.

Detailed account of beneficiaries with contact details and type of enterprise is enclosed as a separate document.

6.3 Study Tools

6.3.1 Questionnaire for State level KSFC Officials

Questionnaire for KSFC Officials

This survey is being conducted on behalf of Karnataka Evaluation Authority (KEA) to evaluate the impact of Interest Subvention scheme for Women Entrepreneurs implemented by Karnataka State Women Development Corporation (KSWDC) from 2015-16 to 2019-20.

The below questionnaire has been designed to capture the primary data and evaluate the interest subvention scheme against the set objectives and under the following categories:

- ❖ General Information
- ❖ Relevance
- ❖ Efficiency
- ❖ Effectiveness
- ❖ Impact
- ❖ Sustainability

General Information

1. Name:
2. Department:
3. Designation:
4. District Name:
5. Taluk Name:

Relevance

6. Is there any series of calendar events / schedule followed by the scheme?
 - a. Yes
 - b. No
7. If Yes, please share the details.
8. If No, do you think there should be a uniform calendar of events for this scheme?
 - a. Yes

- b. No
9. Are the latest guidelines available in the department portal/ website ?
- a. Yes
 - b. No
10. Was there any amendment to the original guidelines in the last five years?
11. If Yes, when was the guidelines last amendment (Specify date) : DD/MM/YYYY ?
12. What are the major amendments in the guidelines?
13. How are the applications from the beneficiary received: Online /Offline?
- a. Online (Please specify the various modes of receiving applications)
 - b. Offline (Please specify the various modes of receiving applications)
14. If applications are received offline, please elaborate on why applications process has not made online?
15. How many applications do you receive in a month?
- a. 0-10
 - b. 10-20
 - c. 20-30
 - d. More than 30
16. What are the timelines / SLAs within which you must process the loan application, if yes, could you please indicate the timeline?
- a. 1 week
 - b. 2 weeks
 - c. 3 weeks
 - d. Others, please specify
17. What are the turnaround times / SLAs for the overall loan processing from the application to the disbursement of funds?
- a. Within a week
 - b. 1 - 2 weeks
 - c. 2 - 3 weeks
 - d. Others, please specify

18. What is the selection procedure of the beneficiary? Please elaborate _____

19. Were you the part of the selection committee of the Beneficiary?

- a. Yes
- b. No

Efficiency

20. How do you verify the authenticity of the application or How do you rule out fake beneficiaries?

- a. Cross-verify with other depts.
- b. Site visit
- c. Document verification
- d. Interview/ cross verify key parameters with the applicant
- e. Others specify _____

21. Have you come across any fake beneficiaries?

- a. Yes
- b. No

22. If Yes, how many fake beneficiary applications do you receive in a month?

- a. <1%
- b. 1-2 %
- c. 2-5 %
- d. Others specify

23. How many departments do you co-ordinate with to process the application? (Please mention the departments.)

24. For which sector most of the loans are sanctioned (Specify the type of MSME unit)

- a. Health (Specify)
- b. Hospitality (Specify)
- c. Manufacturing (Specify)
- d. Services (Specify)
- e. Agriculture (Specify)
- f. Animal Husbandry (Specify)
- g. Food Processing (Specify)

- h. Apparel (Specify)
 - i. Others, please specify _____
- 25.** Why do you think the loan is majorly availed by the above type/ sector/ category of business unit (Please specify the reason)?
- a. Ease of operation
 - b. Family-owned business
 - c. Previous experience
 - d. Others specify _____
- 26.** Once the loan is disbursed how do you keep track whether the loan amount is being utilized for the purpose it was sanctioned for
- a. Frequent site visits
 - b. Seek documents from beneficiary
 - c. Others specify _____
- 27.** Do you think beneficiaries are utilizing the amount of loan for the purpose it is sanctioned?
- a. Yes (_____ %)
 - b. No (_____ %)
- 28.** What steps does the department take to create awareness and increase outreach about the scheme?
- 29.** Do you think department is putting enough efforts in creating awareness about the scheme?
- a. Yes
 - b. No
- 30.** If No, what could be the better way to create awareness among the women entrepreneurs?
- 31.** How often do the Dept officials visit the beneficiary units/ entrepreneurs?
- a. Monthly
 - b. Quarterly
 - c. Half-yearly
 - d. Annually
 - e. Others (please specify) _____

Effectiveness

- 32.** Do the beneficiaries repay the loan with interest on time ?
- a. Yes
 - b. No
- 33.** If No, how much % of beneficiaries are defaulters on loan taken in a year?
- a. <1%
 - b. 1-2%
 - c. 2-5 %
 - d. Other specify
- 34.** What do you think are the main reasons for loan default (Please specify)?
- a. Financial Difficulties due to business not doing well
 - b. COVID-19 imposed Challenges
 - c. Missed the scheduled timelines
 - d. Any other reason, (please specify)_____
- 35.** What are the ways to recover the loan amount from defaulters (Please specify)?
- 36.** Do you think the 10 % interest subsidy provided to Women entrepreneurs is adequate?
- a. Yes
 - b. No
- 37.** Do you provide any Entrepreneurship Development Programme (EDP) training courses for the beneficiaries once the loan is disbursed?
- a. Yes
 - b. No
- 38.** If yes, what is the duration of the course
- a. 1 month
 - b. 2 months
 - c. 3 months
 - d. Others specify_____

Impact

39. Do you think COVID-19 has any impact on the service delivery of the scheme? Please tick the appropriate responses.

- a. Loan application procedure
- b. Disbursal of Loan
- c. Loan repayment schedules
- d. Others, please specify _____

40. If Yes, what are the measures that has been taken by the department to overcome the impact?

41. Do you think the scheme has an impact on women in terms of social and economic empowerment?

- a. Yes
- b. No

Sustainability

42. Overall, do you think the scheme has achieved its objectives

- a. Yes
- b. No

43. If No, what do you think needs to be done to improvise the scheme to maximize impact?

- a. Increase in quantum of loan
- b. Reduction in the interest rate
- c. Simplifying the procedures
- d. Any other changes _____

44. What recommendations & improvements, if any, do you suggest if the scheme were to be continued?

Any other suggestions / recommendations?

Thank you for your precious time on the survey.

Name of the official:

Designation of the official:

Signature of the official with date and time:

6.3.2 Questionnaire for State level KSWDC Officials

Questionnaire for KSWDC Officials

This survey is being conducted on behalf of Karnataka Evaluation Authority (KEA) to evaluate the impact of Interest Subvention Scheme for Women Entrepreneurs implemented by Karnataka State Women Development Corporation (KSWDC) from 2015-16 to 2019-20.

The below questionnaire has been designed to capture the primary data and evaluate the interest subvention scheme against the set objectives and under the following categories:

- ❖ General Information
- ❖ Relevance
- ❖ Efficiency
- ❖ Effectiveness
- ❖ Impact
- ❖ Sustainability

General Information

1. Name:
2. Department:
3. Designation:
4. District Name:
5. Taluk Name:

Relevance

6. Is there a calendar of events followed while implementing the scheme?
 - a. Yes
 - b. No
7. If Yes, please share the details.
8. Are the latest guidelines available in the department portal/ website?
 - a. Yes
 - b. No

9. Were there any amendments to the original guidelines in the last five years?
10. If Yes, when was the guidelines last amendment (Specify date) : DD/MM/YYYY ?
11. What are the major amendments in the guidelines?
12. How do you receive interest subsidy re-imburement details from KSFC?
 - a. Online (Please specify the various modes of receiving applications)
 - b. Offline (Please specify the various modes of receiving applications)
13. If applications are received offline, please elaborate on why the application process has not been made online?
14. How many applications do you receive from KSFC for interest subsidy re-imburement in a month?
 - e. 0-10
 - f. 10-20
 - g. 20-30
 - h. More than 30
15. What are the timelines/ SLAs within which you must process the loan application received from KSFC?
 - a. Within a week
 - b. 1 - 2 weeks
 - c. 2 - 3 weeks
 - d. Others, please specify
16. What are the turnaround times/ SLAs for the overall loan processing from the application to the disbursement of funds?
 - a. Within a week
 - b. 1 - 2 weeks
 - c. 2 - 3 weeks
 - d. Others, please specify
17. What are the linkages with KSFC in the overall scheme administration process? Please list down.

18. With KSFC being the primary liasoning organisation with the beneficiary, how does KSWDC exercise control on the overall scheme administration?

Efficiency

19. How do you verify the authenticity of the application received from KSFC for interest subsidy re-imburement or How do you rule out fake beneficiaries?

- b. Cross-verify with other depts.
- c. Site visit
- d. Document verification
- e. Interview/ cross verify key parameters with the applicant
- f. Others specify_____

20. Have you come across any fake beneficiaries?

- c. Yes
- d. No

21. If Yes, How many fake beneficiary applications do you receive in a month?

- b. <1%
- c. 1-2 %
- d. 2-5 %
- e. Others specify

22. For which sector most of the loans are sanctioned (Specify the type of MSME unit)

- a. Health (Specify)
- b. Hospitality (Specify)
- c. Manufacturing (Specify)
- d. Services (Specify)
- e. Agriculture (Specify)
- f. Animal Husbandry (Specify)
- g. Food Processing (Specify)
- h. Apparel (Specify)
- i. Others, please specify_____

23. Why do you think the loan is majorly availed by the above type/ sector/ category of business unit (Please specify the reason)?

- a. Ease of operation
 - b. Family-owned business
 - c. Previous experience
 - d. Others specify _____
- 24.** Once the loan is disbursed how do you keep track whether the loan amount is being utilized for the purpose it was sanctioned for.
- a. Frequent site visits
 - b. Seek documents from beneficiary
 - c. Others specify _____
- 25.** What steps does the department take to create awareness and increase outreach about the scheme?
- 26.** Do you think department is putting enough efforts in creating awareness about the scheme?
- a. Yes
 - b. No
- 27.** If No, what could be the better way to create awareness among the women entrepreneurs?
- 28.** How often do the Dept officials visit the beneficiary units/ entrepreneurs?
- a. Weekly
 - b. Monthly
 - c. Quarterly
 - d. Annually

Effectiveness

- 29.** Do you provide any Entrepreneurship Development Programme (EDP) training courses for the beneficiaries once the loan is disbursed?
- a. Yes
 - b. No
- 30.** If yes, what is the duration of the course
- a. 1 month
 - b. 3 months
 - c. Others specify
- 31.** What other training/ capacity building programs & support does the Department provide to the beneficiaries?

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32. Do you think the 10% interest subsidy provided to Women entrepreneurs is adequate?

- a. Yes
- b. No

33. What steps does the Department take to address loan defaulters?

Impact

34. Do you think COVID-19 has any impact on the service delivery (overall administration of scheme)?

- a. Yes
- b. No

35. If Yes, what measures have been taken by the department to overcome the impact/ support the beneficiaries of this scheme?

36. Do you think the scheme has an impact on women in terms of social and economic empowerment?

- a. Yes
- b. No

Sustainability

37. Overall, do you think the scheme has achieved its objectives?

- a. Yes
- b. No

38. If No, how can the scheme be improved to maximize impact?

- a. Increase in quantum of loan
- b. Reduction in the interest rate
- c. Simplifying the procedures
- d. Any other changes_____

39. What recommendations & improvements, if any, do you suggest if the scheme were to be continued?

Any other suggestions / recommendations?

Thank you for your precious time on the survey.

Name of the official:

Designation of the official:

Signature of the official with date and time:

6.3.3 Questionnaire for District and Divisional level KSFC Officials

Questionnaire for KSFC Officials

This survey is being conducted on behalf of Karnataka Evaluation Authority (KEA) to evaluate the impact of Interest Subvention scheme for Women Entrepreneurs implemented by Karnataka State Women Development Corporation (KSWDC) from 2015-16 to 2019-20.

The below questionnaire has been designed to capture the primary data and evaluate the interest subvention scheme against the set objectives and under the following categories:

- ❖ General Information
- ❖ Relevance
- ❖ Efficiency
- ❖ Effectiveness
- ❖ Impact
- ❖ Sustainability

General Information

1. Name:
2. Department:
3. Designation:
4. District Name:
5. Taluk Name:

Relevance

6. Is there any series of calendar events / schedule followed by the scheme?
 - a. Yes
 - b. No
7. If Yes, please share the details.
8. If No, do you think there should be a uniform calendar of events for this scheme?
 - a. Yes
 - b. No
9. How are the applications from the beneficiary received: Online /Offline?
 - a. Online (Please specify the various modes of receiving applications)
 - b. Offline (Please specify the various modes of receiving applications)
10. If applications are received offline, please elaborate on why applications process has not made online?
11. How many applications do you receive in a month?
 - i. 0-10
 - j. 10-20
 - k. 20-30
 - l. More than 30
12. What are the timelines / SLAs within which you must process the loan application, if yes, could you please indicate the timeline?
 - a. 1 week
 - b. 2 weeks
 - c. 3 weeks
 - d. Others, please specify
13. What are the turnaround times / SLAs for the overall loan processing from the application to the disbursement of funds?
 - a. Within a week

- b. 1 - 2 weeks
- c. 2 - 3 weeks
- d. Others, please specify

14. What is the selection procedure of the beneficiary? Please elaborate_____

15. Were you the part of the selection committee of the Beneficiary?

- a. Yes
- b. No

Efficiency

16. How do you verify the authenticity of the application or How do you rule out fake beneficiaries?

- a. Cross-verify with other depts.
- b. Site visit
- c. Document verification
- d. Interview/ cross verify key parameters with the applicant
- e. Others specify_____

17. Have you come across any fake beneficiaries?

- e. Yes
- f. No

18. If Yes, how many fake beneficiary applications do you receive in a month?

- a. <1%
- b. 1-2 %
- c. 2-5 %
- d. Others specify

19. How many departments do you co-ordinate with to process the application? (Please mention the departments.)

20. For which sector most of the loans are sanctioned (Specify the type of MSME unit)

- a. Health (Specify)
- b. Hospitality (Specify)
- c. Manufacturing (Specify)
- d. Services (Specify)

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- e. Agriculture (Specify)
 - f. Animal Husbandry (Specify)
 - g. Food Processing (Specify)
 - h. Apparel (Specify)
 - i. Others, please specify _____
- 21.** Why do you think the loan is majorly availed by the above type/ sector/ category of business unit (Please specify the reason)?
- a. Ease of operation
 - b. Family-owned business
 - c. Previous experience
 - d. Others specify _____
- 22.** Once the loan is disbursed how do you keep track whether the loan amount is being utilized for the purpose it was sanctioned for
- a. Frequent site visits
 - b. Seek documents from beneficiary
 - c. Others specify _____
- 23.** Do you think beneficiaries are utilizing the amount of loan for the purpose it is sanctioned?
- a. Yes (_____ %)
 - b. No (_____ %)
- 24.** What steps does the department take to create awareness and increase outreach about the scheme?
- 25.** Do you think department is putting enough efforts in creating awareness about the scheme?
- a. Yes
 - b. No
- 26.** If No, what could be the better way to create awareness among the women entrepreneurs?
- 27.** How often do the Dept officials visit the beneficiary units/ entrepreneurs?
- a. Monthly
 - b. Quarterly
 - c. Half-yearly
 - d. Annually
 - e. Others (please specify) _____

Effectiveness

- 28.** Do the beneficiaries repay the loan with interest on time ?
- Yes
 - No
- 29.** If No, how much % of beneficiaries are defaulters on loan taken in a year?
- <1%
 - 1-2%
 - 2-5 %
 - Other specify _____
- 30.** What do you think are the main reasons for loan default (Please specify)?
- Financial Difficulties due to business not doing well
 - COVID-19 imposed Challenges
 - Missed the scheduled timelines
 - Any other reason, (please specify) _____
- 31.** What are the ways to recover the loan amount from defaulters (Please specify)?
- 32.** Do you think the 10 % interest subsidy provided to Women entrepreneurs is adequate?
- Yes
 - No
- 33.** Do you provide any Entrepreneurship Development Programme (EDP) training courses for the beneficiaries once the loan is disbursed?
- Yes
 - No
- 34.** If yes, what is the duration of the course
- 1 month
 - 2 months
 - 3 months
 - Others specify _____

Impact

- 35.** Do you think COVID-19 has any impact on the service delivery of the scheme? Please tick the appropriate responses.
- Loan application procedure

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- b. Disbursal of Loan
- c. Loan repayment schedules
- d. Others, please specify_____

36. If Yes, what are the measures that has been taken by the department to overcome the impact?

37. Do you think the scheme has an impact on women in terms of social and economic empowerment?

- a. Yes
- b. No

Sustainability

38. Overall, do you think the scheme has achieved its objectives

- a. Yes
- b. No

39. If No, what do you think needs to be done to improvise the scheme to maximize impact?

- a. Increase in quantum of loan
- b. Reduction in the interest rate
- c. Simplifying the procedures
- d. Any other changes_____

40. What recommendations & improvements, if any, do you suggest if the scheme were to be continued?

Any other suggestions / recommendations?

Thank you for your precious time on the survey.

Name of the official:

Designation of the official:

Signature of the official with date and time:

6.3.4 Questionnaire for District level KSWDC Officials

Questionnaire for KSWDC Officials

This survey is being conducted on behalf of Karnataka Evaluation Authority (KEA) to evaluate the impact of Interest Subvention Scheme for Women Entrepreneurs implemented by Karnataka State Women Development Corporation (KSWDC) from 2015-16 to 2019-20.

The below questionnaire has been designed to capture the primary data and evaluate the interest subvention scheme against the set objectives and under the following categories:

- ❖ General Information
- ❖ Relevance
- ❖ Efficiency
- ❖ Effectiveness
- ❖ Impact
- ❖ Sustainability

General Information

1. Name:
2. Department:
3. Designation:
4. District Name:
5. Taluk Name:

Relevance

6. Is there a calendar of events followed while implementing the scheme?
 - a. Yes
 - b. No
7. If Yes, please share the details.
8. If No, do you think there should be a uniform calendar of events for this scheme?
 - a. Yes
 - b. No
9. How do you receive interest subsidy re-imbursalment details from KSFC?

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- a. Online (Please specify the various modes of receiving applications)
- b. Offline (Please specify the various modes of receiving applications)

10. If applications are received offline, please elaborate on why the application process has not been made online?

11. How many applications do you receive from KSFC for interest subsidy re-imburement in a month?

- m. 0-10
- n. 10-20
- o. 20-30
- p. More than 30

12. What are the timelines/ SLAs within which you must process the loan application received from KSFC?

- e. Within a week
- f. 1 - 2 weeks
- g. 2 - 3 weeks
- h. Others, please specify

13. What are the turnaround times/ SLAs for the overall loan processing from the application to the disbursement of funds?

- a. Within a week
- b. 1 - 2 weeks
- c. 2 - 3 weeks
- d. Others, please specify

14. What are the linkages with KSFC in the overall scheme administration process? Please list down.

15. With KSFC being the primary liaisoning organisation with the beneficiary, how does KSWDC exercise control on the overall scheme administration?

Efficiency

16. How do you verify the authenticity of the application received from KSFC for interest subsidy re-imburement or How do you rule out fake beneficiaries?

- g. Cross-verify with other depts.
- h. Site visit
- i. Document verification
- j. Interview/ cross verify key parameters with the applicant
- k. Others specify_____

17. Have you come across any fake beneficiaries?

- g. Yes
- h. No

18. If Yes, How many fake beneficiary applications do you receive in a month?

- f. <1%
- g. 1-2 %
- h. 2-5 %
- i. Others specify

19. For which sector most of the loans are sanctioned (Specify the type of MSME unit)

- a. Health (Specify)
- b. Hospitality (Specify)
- c. Manufacturing (Specify)
- d. Services (Specify)
- e. Agriculture (Specify)
- f. Animal Husbandry (Specify)
- g. Food Processing (Specify)
- h. Apparel (Specify)
- i. Others, please specify_____

20. Why do you think the loan is majorly availed by the above type/ sector/ category of business unit (Please specify the reason)?

- a. Ease of operation
- b. Family-owned business
- c. Previous experience
- d. Others specify_____

21. Once the loan is disbursed how do you keep track whether the loan amount is being utilized for the purpose it was sanctioned for.

- a. Frequent site visits

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- b. Seek documents from beneficiary
 - c. Others specify _____
22. What steps does the department take to create awareness and increase outreach about the scheme?
23. Do you think department is putting enough efforts in creating awareness about the scheme?
- a. Yes
 - b. No
24. If No, what could be the better way to create awareness among the women entrepreneurs?
25. How often do the Dept officials visit the beneficiary units/ entrepreneurs?
- a. Weekly
 - b. Monthly
 - c. Quarterly
 - d. Annually

Effectiveness

26. Do you provide any Entrepreneurship Development Programme (EDP) training courses for the beneficiaries once the loan is disbursed?
- a. Yes
 - b. No
27. If yes, what is the duration of the course
- a. 1 month
 - b. 3 months
 - c. Others specify
28. What other training/ capacity building programs & support does the Department provide to the beneficiaries?
29. Do you think the 10% interest subsidy provided to Women entrepreneurs is adequate?
- a. Yes
 - b. No
30. What steps does the Department take to address loan defaulters?

Impact

31. Do you think COVID-19 has any impact on the service delivery (overall administration of scheme)?
- a. Yes
 - b. No
32. If Yes, what measures have been taken by the department to overcome the impact/ support the beneficiaries of this scheme?
33. Do you think the scheme has an impact on women in terms of social and economic empowerment?
- a. Yes
 - b. No

Sustainability

34. Overall, do you think the scheme has achieved its objectives?
- a. Yes
 - b. No
35. If No, how can the scheme be improved to maximize impact?
- a. Increase in quantum of loan
 - b. Reduction in the interest rate
 - c. Simplifying the procedures
 - d. Any other changes _____
36. What recommendations & improvements, if any, do you suggest if the scheme were to be continued?

Any other suggestions / recommendations?

Thank you for your precious time on the survey.

Evaluation of Interest Subvention for Women Entrepreneurs Implemented by Karnataka State Women Development Corporation from 2015-16 to 2018-19

Name of the official:

Designation of the official:

Signature of the official with date and time:

6.3.5 Questionnaire for Beneficiaries and Non-Beneficiaries

Beneficiaries & Non-Beneficiaries Questionnaire

This survey is being conducted on behalf of Karnataka Evaluation Authority (KEA) to evaluate the impact of Interest Subvention for Women Entrepreneurs implemented by Karnataka State Women Development Corporation (KSWDC) from 2015-16 to 2019-20. The objectives of this impact evaluation survey are to understand the cost effectiveness of the intervention in relation to the estimated monetary value of its effects (cost-benefit analysis) to scale-up the program. Your Valuable feedback would help the department further improving the scheme in various aspects.

The below questionnaire has been designed to capture the primary data and evaluate the interest subvention scheme against the set objectives and under the following categories:

- ❖ Respondent Details
- ❖ Loan Details (Awareness and Service Delivery)
- ❖ Enterprise Information
- ❖ Capacity Building
- ❖ Economic Impact
- ❖ Social Impact
- ❖ COVID Impact
- ❖ Decision Making Indicators

<u>Beneficiary Details</u>	
Name of the Beneficiary	
Age Group	<input type="checkbox"/> 18-20 Years <input type="checkbox"/> 20-30 Years <input type="checkbox"/> 30-40 Years <input type="checkbox"/> 40-50 Years <input type="checkbox"/> Above 50 years
Gender	<input type="checkbox"/> Male

<u>Beneficiary Details</u>	
	<input type="checkbox"/> Male <input type="checkbox"/> Female
Married	<input type="checkbox"/> Yes <input type="checkbox"/> No
Number of Children (if married)	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Others (please specify)
Name of the Taluk	
Name of the District	
Phone Number & Email Id	
Category	<input type="checkbox"/> SC / ST <input type="checkbox"/> General <input type="checkbox"/> Others (please specify) _____
Education Qualification	<input type="checkbox"/> Illiterate <input type="checkbox"/> SSLC <input type="checkbox"/> PUC <input type="checkbox"/> Bachelors <input type="checkbox"/> Post-Graduation <input type="checkbox"/> Ph. D <input type="checkbox"/> Others specify _____
Monthly Income of the Beneficiary	<input type="checkbox"/> Below 10,000 <input type="checkbox"/> 10,000 – 20,000 <input type="checkbox"/> 20,000 – 30,000 <input type="checkbox"/> 30,000 – 40,000 <input type="checkbox"/> 40,000 – 50,000 <input type="checkbox"/> Above 50,000 please specify _____
Monthly Income of the Beneficiaries Family	<input type="checkbox"/> 20,000 – 30,000 <input type="checkbox"/> 30,000 – 40,000 <input type="checkbox"/> 40,000 – 50,000 <input type="checkbox"/> Above 50,000 please specify _____
Monthly Expenditure of the Beneficiary	<input type="checkbox"/> Below 10,000 <input type="checkbox"/> 10,000 – 20,000 <input type="checkbox"/> 20,000 – 30,000 <input type="checkbox"/> 30,000 – 40,000 <input type="checkbox"/> 40,000 – 50,000 <input type="checkbox"/> Above 50,000 please specify _____

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<u>Beneficiary Details</u>	
Monthly Expenditure of the Beneficiaries Family	<input type="checkbox"/> 20,000 – 30,000 <input type="checkbox"/> 30,000 – 40,000 <input type="checkbox"/> 40,000 – 50,000 <input type="checkbox"/> Above 50,000 please specify _____

Please Tick (✓) or answer the below questions

<u>Loan Details</u>	
1	Did you avail the Interest Subvention Scheme for Women Entrepreneurs implemented by Karnataka State Women Development Corporation? <input type="checkbox"/> Yes <input type="checkbox"/> No
2	Loan Application & Utilization Details
a)	How have you applied for this loan / scheme? <input type="checkbox"/> Self <input type="checkbox"/> Through an agent <input type="checkbox"/> Through an official (KSFC / KSWDC) <input type="checkbox"/> Through a friend <input type="checkbox"/> Others, specify _____
b)	If Yes, In Which year you have availed the loan <input type="checkbox"/> 2015 – 16 <input type="checkbox"/> 2016 – 17 <input type="checkbox"/> 2017 – 18 <input type="checkbox"/> 2018 – 19 <input type="checkbox"/> 2019 – 20 <input type="checkbox"/> Others (please specify)
c)	Total loan amount applied to KSFC (in lakh Rs) _____ –
d)	Total loan amount sanctioned from KSFC (in lakh Rs) _____ –
e)	If there is a difference in the amount of loan applied and sanctioned? Please mention the reason why the sanctioned amount is lesser than applied amount. <input type="checkbox"/> Due to Collateral Issue <input type="checkbox"/> Due to less machinery at enterprise. <input type="checkbox"/> Others (please specify) _____ _____

<u>Loan Details</u>		
f)	How have you utilised the sanctioned loan amount?	<input type="checkbox"/> Established a New Unit <input type="checkbox"/> Utilised for expanding current Unit (Please mention how it is utilised in <i>business infrastructure, buy more raw material/ supplies, clear vendor dues</i>) <input type="checkbox"/> Others (please specify)
g)	What are the 2 most important activities / attractions of this scheme that made you to avail the loan?	<input type="checkbox"/> Quantum of the Loan <input type="checkbox"/> Women Focused / Focused Skill Development <input type="checkbox"/> Interest rate <input type="checkbox"/> Ease of availing the loan / Overall application procedure <input type="checkbox"/> Others please specify
3	Installments and Repayment related	
a.	Number of installments opted for (Nos.)	
b.	Number of installments paid (Nos.)	
c.	Amount repaid till date in Rupee's.	
d.	Have you been repaying the loan instalments as per the loan repayment schedule?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e.	If No, how many times you have been defaulted?	
f.	If defaulted, what are the reasons for not repaying the loan instalments	<input type="checkbox"/> Financial Difficulties due to business not doing well <input type="checkbox"/> COVID-19 imposed Challenges <input type="checkbox"/> Missed the scheduled timelines <input type="checkbox"/> Any other reason, (please specify) _____
g.	Are you comfortable with loan repayment schedule? If no, what should be the repayment schedule?	<input type="checkbox"/> Yes <input type="checkbox"/> No _____ -

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<u>Awareness</u>		
4	How did you come to know about the scheme?	<input type="checkbox"/> TV <input type="checkbox"/> Radio <input type="checkbox"/> Newspaper <input type="checkbox"/> Social media <input type="checkbox"/> Friends & Family <input type="checkbox"/> Meeting/ Seminar <input type="checkbox"/> Department officials (KSWDC & KSFC) <input type="checkbox"/> Anganwadi Worker / Supervisor <input type="checkbox"/> Other Entrepreneurs <input type="checkbox"/> Others (please specify) _____
5	Were you aware about the scheme details such as amount of loan, rate of interest, application procedure, interest subsidy etc., before availing the loan (Yes / No)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6	Do you think the department is making enough efforts to create awareness among women entrepreneurs about the scheme? (Yes / No)	<input type="checkbox"/> Yes <input type="checkbox"/> No
a.	If No, what methodology /channels can department adopt as per your opinion?	
7	Why do you think more women entrepreneurs have not availed this scheme?	<input type="checkbox"/> They are not aware of scheme, procedure, and benefits <input type="checkbox"/> They feel this scheme may not be beneficial <input type="checkbox"/> Any other reason, in your view _____

<u>Service Delivery</u>		
8	How many days did it take to receive the loan amount from the date of application?	<input type="checkbox"/> 0 – 30 Days <input type="checkbox"/> 30 – 60 Days <input type="checkbox"/> 60 – 90 Days <input type="checkbox"/> 90 – 120 Days <input type="checkbox"/> > 120 Days
9	Are there any difficulties /constraints in availing the loan?	<input type="checkbox"/> Slow and tedious Process <input type="checkbox"/> Inadequate Loan Amount

<u>Service Delivery</u>		
		<input type="checkbox"/> Inadequate Subsidy / High interest rates <input type="checkbox"/> Other similar competitive schemes <input type="checkbox"/> Any other constraint (Please Specify) <input type="checkbox"/> No Constraints
10	Was your application ever rejected during the application procedure? (Yes / No)	<input type="checkbox"/> Yes <input type="checkbox"/> No
a.	If yes, please specify the reason _____	
11	Overall, how do you rate the quality of service received from KSFC on a scale of 1 (low) to 5 (High)	
a.	Overall, how do you rate the quality of service received from KSWDC on a scale of 1 (low) to 5 (High)	
12	Should the scheme to be continued further? If Yes, do you have any suggestions / recommendations to improve the scheme? Please Specify.	<input type="checkbox"/> Yes <input type="checkbox"/> No _____
a.	If No, please mention the reason.	_____
13	How often have KSFC and or KSWDC officials visited your business unit following the sanctioning of the loan?	<input type="checkbox"/> Once in a month <input type="checkbox"/> Once in a quarter <input type="checkbox"/> Once in half-year <input type="checkbox"/> Once in a year <input type="checkbox"/> Others (please specify) _____
14	Have you taken any other loan or received benefit from other government scheme(s) / other funding sources (other banks, corporates, agencies, etc.) for your business?	<input type="checkbox"/> Yes <input type="checkbox"/> No
a.	If Yes, please mention the scheme / loan details and mention the benefits of the scheme in comparison to this scheme?	

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<u>Enterprise Information</u>		
15	Details of the Enterprise	
a.	Name of the Enterprise	
b.	Date of Establishment (DD/MM/YYYY)	
c.	Full address of the Enterprise	
d.	Sector which enterprise belongs to (Please specify the Industry / Sub Sector)	<input type="checkbox"/> Health (Specify) <input type="checkbox"/> Hospitality (Specify) <input type="checkbox"/> Manufacturing (Specify) <input type="checkbox"/> Services (Specify) <input type="checkbox"/> Agriculture (Specify) <input type="checkbox"/> Animal Husbandry (Specify) <input type="checkbox"/> Food Processing (Specify) <input type="checkbox"/> Apparel (Specify) <input type="checkbox"/> Others, please specify _____
e.	Is your enterprise operational? (Yes/No)	<input type="checkbox"/> Yes, operational <input type="checkbox"/> No, temporarily closed <input type="checkbox"/> No, permanently closed
f.	If no, please mention the reasons	<input type="checkbox"/> Due to COVID-19 imposed adversities <input type="checkbox"/> Due to administrative challenges <input type="checkbox"/> Due to financial challenges <input type="checkbox"/> Due to market driven challenges <input type="checkbox"/> Due to Lack of Interest <input type="checkbox"/> Unsustainable Sales/ turnover/ profit <input type="checkbox"/> others (please specify) _____
g.	Enterprise is setup on	<input type="checkbox"/> Own land <input type="checkbox"/> Rent/lease <input type="checkbox"/> Land provided by the Government <input type="checkbox"/> Others (please specify) _____

<u>Enterprise Information</u>				
16	What was your previous job / business before setting up this enterprise?	<input type="checkbox"/> Own Business / Entrepreneur <input type="checkbox"/> Employee <input type="checkbox"/> Others (please specify)_____		
17	Ownership and Financial Information of the Enterprise			
a.	Current Ownership/ equity situation?	<input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Partnership with few other individuals <input type="checkbox"/> Others (please specify)_____		
b.	If Partnership, % of Shares that you are holding in the entity:	<input type="checkbox"/> 5-10% <input type="checkbox"/> 10-15% <input type="checkbox"/> 15-20% <input type="checkbox"/> 20-30% <input type="checkbox"/> 30-40% <input type="checkbox"/> 40-50% <input type="checkbox"/> Others (please specify)_____		
c.	Who are managing the activities of the enterprise?	<input type="checkbox"/> Self <input type="checkbox"/> Spouse <input type="checkbox"/> Son / Daughter <input type="checkbox"/> Relatives <input type="checkbox"/> Others (Please Specify) _____ _____		
d.	Total cost for establishing the enterprise (in lakh Rs)			
e.	Annual turn-over and profit of the enterprise in last five financial years (Rs)	Year	Turnover	Profit
		2015 – 16		
		2016 – 17		
		2017 – 18		
		2018 – 19		
		2019 – 20		
		2020 – 21		
18	Staff Strength of your enterprise	Year	Turnover	Profit
		2015 - 16		
		2016 - 17		

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<u>Enterprise Information</u>				
		2017 – 18		
		2018 – 19		
		2019 – 20		
		2020 – 21		
	Average income of the employee	<input type="checkbox"/> 10,000 – 20,000 <input type="checkbox"/> 20,000 – 30,000 <input type="checkbox"/> 30,000 – 40,000 <input type="checkbox"/> 40,000 – 50,000 <input type="checkbox"/> Above 50,000		
19	What challenges have you faced during the operationalization of the unit	<input type="checkbox"/> Lack of Family (husband/father) support <input type="checkbox"/> Supply of raw material <input type="checkbox"/> Administrative challenges <input type="checkbox"/> Lack of skilled workforce <input type="checkbox"/> Financial challenges <input type="checkbox"/> Any other challenges, please specify _____		
20	What are the products / Services that your enterprises provide ?			
a.	What is the method for providing services / products? (Please choose the options)	<input type="checkbox"/> Direct Personal Sale / Door to Door Sales <input type="checkbox"/> Direct Online Sale <input type="checkbox"/> Indirect through Channels (please explain like stalls, etc.,) <input type="checkbox"/> Others (please specify)		
b.	What are the marketing channels that you have adopted for your enterprise?	<input type="checkbox"/> Advertisement <input type="checkbox"/> Door to Door campaign <input type="checkbox"/> Online marketing <input type="checkbox"/> Word of Mouth <input type="checkbox"/> Social Media (Fb / Instagram) <input type="checkbox"/> Other media (Please specify)		
21	Who has started this business / enterprise?	<input type="checkbox"/> Self <input type="checkbox"/> Spouse <input type="checkbox"/> Children <input type="checkbox"/> Relatives		

<u>Enterprise Information</u>		
		[] Others, please specify _____

<u>Capacity Building</u>		
22	Have you received any Enterprise Development Programme (EDP) training in marketing, product designing, diversification, and distribution from any other department/ private organizations? (Yes / No)	<input type="checkbox"/> Yes <input type="checkbox"/> No
a.	If Yes, please provide the details of the trainings attended (training institution, duration, topics etc.)?	Training Institution: Duration: Trained Topics:
b.	Was the training useful	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Cannot say
c.	If Yes, to what extent?	<input type="checkbox"/> Considerable <input type="checkbox"/> Some Extent <input type="checkbox"/> Less Extent
d.	Do you feel any other trainings are required? If yes, please mention the details.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Can't Say
23	To what extent you feel that training in the below mentioned areas is required.	Very Important, Important, Not Important/ We can manage ourselves
a.	Business Coaching & Mentoring	
b.	Accountancy & Financial Planning	
c.	Training & Development	
d.	Filing Taxes	
e.	Networking Events	
f.	Project Proposal & Loan Application Help	
g.	Product Design	
h.	Marketing & Sales	

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<u>Economic Impact</u>		
24	What motivated you to avail the loan?	<input type="checkbox"/> Economic Motive <input type="checkbox"/> Social Motive <input type="checkbox"/> Both a and b <input type="checkbox"/> Any other please specify
25	Has your economic condition improved after availing the benefit of the scheme?	<input type="checkbox"/> Yes, it's improved <input type="checkbox"/> No, it's not improved remained same <input type="checkbox"/> It's reduced
26	Which factor do you consider while setting up your own entity / enterprise? (Please rank, 1 for the most important factor, 2 for the next important factor and so on up to the least important.)	<input type="checkbox"/> Economic empowerment <input type="checkbox"/> For supporting Family / Wards <input type="checkbox"/> For respect and identity <input type="checkbox"/> For Skill upliftment / Development <input type="checkbox"/> Any Other Reason (please specify)
27	Annual income before availing the loan?	
28	Annual income after availing the loan?	
29	Who usually takes care of domestic finances / expenses in your family?	<input type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Children <input type="checkbox"/> Both Husband and Wife <input type="checkbox"/> Others
30	Do you take part in domestic decision making (Yes / No)	
31	If Yes, in which areas do you take decisions (in, children's education, marriage, purchase / sale / investments etc.,)? Please tick the relevant options	<input type="checkbox"/> Managing domestic finance (Kitchen, Food, etc.,) <input type="checkbox"/> Children education <input type="checkbox"/> Children marriage <input type="checkbox"/> Purchase of household assets <input type="checkbox"/> Purchase / Sale / Investments etc.,
32	Do you have control/ decision making power over small expenses? (food, clothes, day to day expenses)	<input type="checkbox"/> Yes, I have the major control <input type="checkbox"/> Both my husband & I have equal control <input type="checkbox"/> No, my husband has the major control <input type="checkbox"/> No, my family member has the major control <input type="checkbox"/> Others, please specify

<u>Economic Impact</u>		
33	Do you have control/ decision making power over large expenses? (car, two-wheeler, land, house, new business unit)	<input type="checkbox"/> Yes, I have the major control <input type="checkbox"/> Both my husband & I have equal control <input type="checkbox"/> No, my husband has the major control <input type="checkbox"/> No, my family member has the major control <input type="checkbox"/> Others, please specify
34	Does the beneficiary have bank account in their name? If yes, then since when do, they have it?	<input type="checkbox"/> Yes, _____ (DD/MM/YYYY) <input type="checkbox"/> No
35	Does the beneficiary have any savings in their name?	<input type="checkbox"/> Yes <input type="checkbox"/> No
36	Does the beneficiary own any assets	<input type="checkbox"/> Two – Wheeler <input type="checkbox"/> Four – Wheeler <input type="checkbox"/> Jewelry (Gold / Other Metal) <input type="checkbox"/> Property (Land / House) <input type="checkbox"/> Others, please specify _____
a.	Does this asset has bought on credit	<input type="checkbox"/> Yes <input type="checkbox"/> No;
b.	If Yes, please provide us the details of credit	Loan Amount Interest: No. of Installments opted: No of Installments cleared:

<u>Social Impact</u>		
37	Do you think your social status has improved after availing the benefits under the scheme?	<input type="checkbox"/> Yes <input type="checkbox"/> No
a.	If yes, in what way your social status improved?	<input type="checkbox"/> Increase in standard of living <input type="checkbox"/> Gained recognition in the society <input type="checkbox"/> Others, please specify
38	Have you been part of any local / National / International trade associations? (Yes / No) if Yes please mention the name of association	<input type="checkbox"/> Yes <input type="checkbox"/> No

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Social Impact		
39	Have you been part of any market association? (Yes / No) If Yes please mention the name of association	<input type="checkbox"/> Yes <input type="checkbox"/> No
40	Have you been part of any of forums for macro-economic policies, state, and central budgets? (Yes / No)	<input type="checkbox"/> Yes <input type="checkbox"/> No
41	In your opinion what are the key outcomes of availing the benefits of this scheme? Please select the suitable options	<input type="checkbox"/> Has given me the skill to start/ run a business in the concerned sector <input type="checkbox"/> Has given me the self-confidence to become self-reliant through self-employment <input type="checkbox"/> Has prevented me in borrowing money at higher rate of interest from money lenders <input type="checkbox"/> Has made me/ me & my children financially dependent <input type="checkbox"/> Has given me a positive outlook/ vision for me and my family/ children <input type="checkbox"/> Has given me the skills & confidence to interact with others <input type="checkbox"/> Others (please specify)

COVID - 19 Impact		
42	Whether COVID-19 has impacted the performance of your enterprise?	<input type="checkbox"/> Yes <input type="checkbox"/> No
43	If Yes, what is the impact of COVID – 19?	<input type="checkbox"/> Turnover has increased <input type="checkbox"/> Turnover has reduced <input type="checkbox"/> Reduction in Staff Strength <input type="checkbox"/> Increase in Staff Strength <input type="checkbox"/> Decrease in Market Size <input type="checkbox"/> Increase in Market Size <input type="checkbox"/> Others, please specify
44	Whether the staff strength has impacted due to COVID – 19, if Yes please provide percentage of reduction	<input type="checkbox"/> Yes <input type="checkbox"/> No %reduction in staff strength <input type="checkbox"/>

COVID - 19 Impact		
45	Please explain the steps/ strategy adopted by the enterprise to deal with the COVID – 19 imposed challenges/ restrictions:	
46	How does your business's turnover in 2020-21, compared to normal expectations for this time of year?	<input type="checkbox"/> Turnover has increased by more than 50% <input type="checkbox"/> Turnover has increased between 20% and 50% <input type="checkbox"/> Turnover has increased by up to 20% <input type="checkbox"/> Turnover has not been affected <input type="checkbox"/> Turnover has decreased by up to 20% <input type="checkbox"/> Turnover has decreased between 20% and 50% <input type="checkbox"/> Turnover has decreased by more than 50% <input type="checkbox"/> Not sure

Indicators (Please answer the below questions from beneficiary perspective)		
47. Decision Making Indicators		
i.	Expressing opinions freely in the family	<input type="checkbox"/> Yes <input type="checkbox"/> No
ii.	Make a small purchase (e.g., Kitchen needs, clothes, etc.,) without consulting husband / Family Members	<input type="checkbox"/> Yes <input type="checkbox"/> No
iii.	Have a say to work outside of their home	<input type="checkbox"/> Yes <input type="checkbox"/> No
iv.	Have a say in whether to buy or sell property (Large Investments)	<input type="checkbox"/> Yes <input type="checkbox"/> No
v.	Have a say in whether to send children to school	<input type="checkbox"/> Yes <input type="checkbox"/> No
48. Voice Indicators		
i.	Comfortable in expressing their opinion in the presence of husband / family members	<input type="checkbox"/> Yes <input type="checkbox"/> No
ii.	People in their family values their ideas and opinions	<input type="checkbox"/> Yes <input type="checkbox"/> No
iii.	People in the locality / neighborhood values their ideas and opinions	<input type="checkbox"/> Yes <input type="checkbox"/> No
49. Mobility Indicators		

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Indicators <i>(Please answer the below questions from beneficiary perspective)</i>		
i.	Beneficiary who can move around independently	<input type="checkbox"/> Yes <input type="checkbox"/> No
ii.	Feel comfortable in going to the local market without asking permission	<input type="checkbox"/> Yes <input type="checkbox"/> No
iii.	Feel comfortable in going around in the neighboring areas / places without asking for permission from the husband or other family members	<input type="checkbox"/> Yes <input type="checkbox"/> No

Any Other Suggestions / remarks / recommendations

- ❖ Responded By: Self / Spouse / Children / Relatives / Employee / Others (Please Specify)_____
- ❖ Name of the Respondent _____
- ❖ Signature of the Respondent along with the date _____
- ❖ Place _____
- ❖ Name of the Field Investigator _____
- ❖ Signature of the Field Investigator along with the date _____
- ❖ Place _____

Thank you for your precious time on the survey.

6.4 Details of Government Officials Consulted

Table 14: Details of Government Officials Consulted

Sl. No.	Organization	Name	Designation
1		Mr. Murthy MA	ED-II, Head Office- Bengaluru
2		Mr. Manjunath Hegde	DGM- Controller, Head Office- Bengaluru
3		Ms. Mamatha	Senior Manager, Head Office- Bengaluru
4		Mr. Kishore kumar YA	GM-1, Bengaluru Circle

Sl. No.	Organization	Name	Designation
5	KSFC	Mr. Rajamudi HB	GM-2, Mysuru Circle
6		Mr. Ashok H. Kurani	GM-3, Dharwad Circle
7		Mr. MJ Khan	GM-4, Kalaburagi Circle
8		Mr. Nagaraj G Nayak	Branch Manager, Uttara Kannada
9		Mr. Nagaraj G S	Branch Manager, Bidar
10		Mr. Nagesh A R	AGM, Mysuru
11		Mr. S Raju	AGM, Chamarajanagar
12		KSWDC	Ms. Padmini C
13	Ms. Shantala T. N.		District Development Inspector, Kalaburagi
14	Ms. Manjula I. T.		District Development Inspector, Davanagere
15	Ms. Saubhagya		District Development Inspector, Bengaluru Urban
16	Ms. Dakshaini Patil		District Development Inspector, Bagalkote
17	Ms. Nandini		District Development Inspector, Dharwad
18	Ms. Shivamangala N Prasan		District Development Inspector, Yadgir
19	Ms. Yallamma		District Development Inspector, Bidar
20	Ms. Shivaleela		District Development Inspector, Chamarajanagara
21	Ms. Jayanti		District Development Inspector, Kodagu
22	Ms. V. Gayatri Devi	District Development Inspector, Ramanagara	

6.5 Transcript of Focused Group Discussions (FGDs)

6.5.1 Transcripts from FGD 1 – Belgaum Zone

The following is a summary of the responses gathered from the FGD conducted in Belgaum Zone.

(i) Details of Enterprises of the FGD respondents

In Belgaum Division, 2 respondents were running a hospital and a nursing home respectively while the remaining 2 were operating in the manufacturing sector i.e., manufacturing of granite and bricks respectively.

Table 15: Details of FGD respondents in Belgaum Zone

Name of the participant	Name of the enterprise	Sector of enterprise
Sunita Linganand	Srujan Hospital	Health sector
Goususab.M.Kalaburagi	Millennium Granites	Manufacturing sector
V.Patil	Sai Daivik hi-tech	Manufacturing sector
Dr. Soubhagya P	Prashant Nursing Home	Health sector

(ii) Performance of the Enterprise

In terms of performance of the enterprise, two enterprises which belong to health sector are functioning well. The enterprises in the manufacturing sector faced issues as an impact of pandemic; the brick manufacturing enterprise located in Dharwad had to shut down its operations due to manpower shortage and transportation challenges and established a new unit in Pune. The wire manufacturing enterprise is getting back to normal after the impact of COVID.

(iii) Feedback on loan application process

While discussing the major difficulties and challenges in availing the benefits of the scheme, one participant mentioned that the overall procedure of loan application was good. One participant from manufacturing sector shared that the inadequacy of loan amount and lack of provision to avail the loan for second time are the major difficulties. Multiple visits to the office and the high collateral were an issue for another participant from manufacturing sector. Extremely complicated subsidy calculation was another major challenge mentioned by the entrepreneur from health sector.

(iv) Adequacy of loan amount

In terms of adequacy of the loan amount, three beneficiary respondents agreed that the loan amount disbursed was not adequate for establishing enterprises. One shared that the loan amount depends on the business and the current amount is sufficient if it's a small startup. The participant from health sector shared that the loan amount should be increased to INR 5 crores

(v) Challenges faced while managing the enterprises

Pandemic, manpower issues, lack of updated equipment's and financial issues were discussed as the major challenges faced in managing the enterprise by three beneficiary respondents.

(vi) Capacity Building

None of the beneficiary respondents needed capacity building trainings from the department since they possessed adequate skills and expertise in the enterprise that they are operating.

(viii) Suggestions from the respondents

All the beneficiary respondents agreed that the government should continue with the scheme with few changes in the procedure. They suggested that the government can consider increasing the loan amount, decreasing the interest rate. They also suggested that the government should relook into the collateral for the loan amount. They also suggested to ensure awareness generation by KSFC regarding the loan.

6.5.2 Transcripts from FGD 2 – Kalaburagi Zone

The following is a summary of the responses gathered from the FGD conducted in Kalaburagi Zone.

(vii) Details of Enterprises of the FGD respondents

In Kalaburagi division, two beneficiary respondents were associated with medical services i.e, hospitals and two beneficiary respondents were running enterprise that manufacture bricks and wires.

Table 16: Details of FGD respondents in Kalaburagi Zone

Name of the participant	Name of the enterprise	Sector of enterprise
Dr.Swetha:	Shanthi physiotherapy clinic	Health sector
Azra Tahseen	Zara industries	Manufacturing sector
Somu	Omflyash bricks	Manufacturing sector
Dr.Swati P Ganga	Swati clinic	Health Sector

(viii) Performance of the Enterprise

The enterprises operating in health sector said that they're functioning well. Both the enterprises bought new advanced equipment for expanding the business. Shanthi physiotherapy clinic even revamped their interiors for accommodating more patients. COVID-19 affected the enterprises in manufacturing sector, especially in terms of shortage of manpower and raw materials.

(ix) Feedback on loan application process

Multiple visits to the office and the high collateral were an issue for another participant from manufacturing sector. Inadequacy of the staff at the office created difficulty for the participant who was operating the physiotherapy clinic. The overall process was slow for one participant from health sector.

(x) Adequacy of loan amount

In terms of adequacy of the loan amount, one beneficiary respondents agreed that the loan amount disbursed is adequate for entrepreneurs. Others shared that the amount disbursed is not adequate for establishing enterprises. The participant from manufacturing sector shared that the loan amount should be increased to INR 5 crores

There were challenges in procuring few equipment and this is sorted out now

Pay vendors on time and getting payments from clients and managing is difficult, we require working capital

The industry pricing is frequently exposed to changes and sometimes manpower issues

Nothing at the moment

Non-availability of adequate or skilled manpower, lack of updated equipment's and fund shortages were discussed as the major challenges faced in managing the enterprise. No major challenges were observed in the management of the health clinic

(xi) Challenges faced while managing the enterprises

Non-availability of adequate or skilled manpower, lack of updated equipment's and fund shortages were discussed as the major challenges faced in managing the enterprise. No major challenges were observed in the management of the health clinic.

(xii) Capacity Building

None of the beneficiary respondents needed capacity building trainings from the department since they possessed adequate skills and expertise in the enterprise that they are operating.

(ix) Suggestions from the respondents

The respondents suggested that it's better to consider the property of family members also as collateral for the loan. An increase in size and tenure of the loan was also suggested. Simplification of the KSFC's loan application and loan processing processes and increasing number of staff in the KSFC offices was also suggested by the group.

6.5.3 Transcripts from FGD 3 – Bengaluru Zone

The following is a summary of the responses gathered from the FGD conducted in Bengaluru Zone.

(i) Details of Enterprises of the FGD respondents

Two beneficiaries are associated with enterprises related to Health sector i.e., Dermatology Clinic and Diagnostic Laboratory Service, one beneficiary respondent operates a hotel (Hospitality Sector), and one is from audit service sector.

Table 17: Details of FGD respondents in Bengaluru Zone

Name of the participant	Name of the enterprise	Sector of enterprise
Meena.s	Sri Guru Basaveshwara Enterprises	Hospitality sector
Dr Karisma T Kagodu	Kraft Aesthetics Private Limited	Health sector
Dr Maduri	SMV enterprises	Health sector
Smt.Jyothi.G	Jyothi and associates	Audit service sector

(ii) Performance of the Enterprise

In terms of performance of the enterprise, three enterprises which belong to health sector and audit services sector are expanding their client base and are functioning well. They have also purchased new equipment for enhancing the enterprise. COVID-19 pandemic created a negative impact on the hotel, and it is slowly returning to normal. The lockdown and travel restrictions affected the enterprise in hospitality sector, it was difficult for the health sector to ensure that the COVID protocols are followed, and health sector even faced inadequate staff strength.

(iii) Feedback on loan application process

While discussing the major difficulties and challenges in availing the benefits of the scheme, three beneficiary respondents agreed that the multiple visits to the office for availing the loan was the

major difficulty. The complexity regarding the documents required for availing the loan was also identified as a major difficulty. The large collateral that the scheme enrolment demands is not proportionate to the loan amount. Lack of adequate staff, slow disbursement of the loans was also discussed as major challenges. In short, except one beneficiary respondent, everyone agreed on the fact that availing the benefits of the scheme is a time-consuming process.

(iv) Adequacy of loan amount

In terms of adequacy of the loan amount, all the beneficiary respondents agreed that the loan amount disbursed was not adequate for establishing enterprises and the minimum loan amount should be between INR 3 crores to INR 5 crores.

(v) Challenges faced while managing the enterprises

Pandemic, manpower issues and financial issues were discussed as the major challenges faced in managing the enterprise by two beneficiary respondents. Audit service firm didn't face any challenges while managing the enterprise.

(vi) Capacity Building

None of the beneficiary respondents needed capacity building trainings from the department since they possessed adequate skills and expertise in the enterprise that they are operating.

(vii) Suggestions from the respondents

All the beneficiary respondents agreed that the government should continue with the scheme with few changes in the procedure. They suggested that the process should be made hassle-free and less tedious. They also suggested that the government should relook into the collateral for the loan amount since many of the women don't have ownership over properties. An increase in tenure of the loan was also suggested during the group discussion.

6.5.4 Transcripts from FGD 4 – Mysuru Zone

The following is a summary of the responses gathered from the FGD conducted in Mysuru Zone.

(i) Details of Enterprises of the FGD respondents

In Mysuru, three respondents were associated with enterprise related to hospitality sector – two resorts and a beauty salon. One beneficiary respondent is running a hospital

Table 18: Details of FGD respondents in Mysuru Zone

Name of the participant	Name of the enterprise	Sector of enterprise
Dr.Lakshmidevi.K.V	Ramakrishna hospital	Health Sector
Maheshwari A. Raju	Maharaja resorts	Hospitality Sector
N D Preethi	Bloom fashion	Hospitality Sector
Niveditha N R	Infinity	Hospitality Sector

(ii) Performance of the Enterprise

In terms of performance of the enterprise, three enterprises which belong to health sector is functioning well since they are established with good doctors at the hospital. Like other enterprises in hospitality sector, COVID-19 pandemic affected the resorts and salon business which is now returning to normal.

(iii) Feedback on loan application process

While discussing the major difficulties and challenges in availing the benefits of the scheme, one beneficiary respondents agreed that the multiple visits to the office for availing the loan was the major difficulty. Other difficulties shared include the complexity regarding the documents required for availing the loan, large collateral that the scheme enrolment demands ,lack of adequate staff and slow disbursement of the loans

(iv) Adequacy of loan amount

In terms of adequacy of the loan amount, the all the beneficiary respondents agreed that the loan amount disbursed was not adequate for establishing enterprises and the minimum loan amount should be between INR 3 crores. The group also agreed that the loan amount depends upon the business.

(v) Challenges faced while managing the enterprises

Non-availability of adequate or skilled manpower, fund shortage, lack of basic amenities and infrastructure, training of the staffs, maintaining consistency in the services, especially in hospitality sector were discussed as the major challenges faced in managing the enterprise

(vi) Capacity Building

None of the beneficiary respondents needed capacity building trainings from the department since they possessed adequate skills and expertise in the enterprise that they are operating.

(vii) Suggestions from the respondents

All participants agreed that the scheme should be continued. But certain suggestions shared include ensuring ease of loan availing process, less collateral for loan, lesser documentation and increase in tenure of the loan.

**EVALUATION OF INTEREST SUBVENTION FOR
WOMEN ENTREPRENEURS IMPLEMENTED BY
KARNATAKA STATE WOMEN DEVELOPMENT
CORPORATION FROM 2015-16 TO 2018-19**

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