Different Funds for Enterprises

Kudumbashree has various schemes to encourage women to launch individual and group enterprises. We give general orientation and entrepreneurship development training to entrepreneurs to start enterprises. We provide marketing opportunities once the enterprises start operations. Also we provide financial support by providing various various funds to enterprises. In this article, let me elaborate on the different funds that we provide to our enterprises.

1. Start up fund
Start up fund is given to those units which has got difficulty in taking bank loan. It's also given to units which need to be established in a time bound manner. Individual units can avail upto an amount of Rs.10,000 and groups can avail upto an amount of Rs. 50,000 as start up fund.
2. Revolving Fund (RF)
RF is provided as a one time working capital assistance. The units which has completed 6 months of functioning can avail Revolving fund. An individual unit can get a maximum of Rs.10,000 and group enterprises can get a maximum of Rs.40,000 as RF. A unit can avail RF only once.

3. Second Dose Assistance (SDA) to enterprises
SDA is provided to entrepreneurs who want to expand their business or want to diversify their production. The assistance will be provided to units which has completed 3 years of functioning. An individual unit will get up to Rs. 50,000 as SDA and group enterprise can avail a maximum of Rs.5,00,000 as SDA.

4. Technology Fund (TF)
Kudumbashree provides financial assistance of Technology Fund to units for the purchase of machinery and other equipments (adoption of new technology) for the enterprise who has completed 6 months of functioning. An individual enterprise will get up to Rs.50,000, and a group enterprise will get a maximum of Rs.5,00,000 as TF.

5. Technology Upgradation Fund (TUF)
Units which has already availed technology fund or has completed 3 years of functioning and want to upgrade the existing technology can avail this fund. Individual units can avail a maximum of Rs.50,000 and group enterprises can avail a maximum of Rs.5,00,000 (proportionate to the number of members in the group).

6. Innovation Fund (IF)
Kudumbashree Mission provides Innovation fund to units which are implementing novel or innovative ideas. A maximum of Rs.35,000 per individual unit or Rs.3,50,000 per group is the maximum eligible amount as innovation fund.

7. Crisis Management Fund (CMF)
CMF is an interest free loan provided by mission to help ME units to tackle unexpected financial crisis/to do purchases for bulk work orders. An individual unit can get up to Rs. 2,00,000 whereas a group can avail CMF of upto Rs.3,50,000.

8. Coastal ME Fund
This is a capital subsidy scheme under Kudumbashree exclusively for coastal community for starting an enterprise. Individual can avails an amount of up to Rs.1,00,000 and group can avails an amount of up to Rs.5,00,000 as coastal fund.

9. Sick Micro Enterprise (ME) Revival Fund
This scheme is devised in a post flood scenario to support MEs which suffers loss due to natural calamities, loan recovery issues etc. Individual ME can get an amount of up to Rs.50,000 and group MEs can get an amount of up to Rs.2,50,000 as Sick ME Revival Fund.

Though we have provision for these funds, our main scheme for micro enterprises is the interest subsidy that we provide for the enterprise loan. Interest subsidy is provided by Kudumbashree to individual enterprises for a loan amount upto Rs.2.5 lakhs and up to Rs. 10 lakhs for group enterprises.

The interest subsidy amount is given on a quarterly basis based on the prompt repayment of the loan. Subsidy on bank interest above 7% will be given on a quarterly basis analysing the bank statement. The additional 3 % amount will be paid at the time of closure of loan analyzing the prompt repayment of loan. So, in effect our entrepreneurs will get bank loan at 7% and if they repay promptly, they will get loan at 4%.

Our desire is to bring more people to self employment and we always provide support and handholding to our entrepreneurs.