



सत्यमेव जयते

RAJEEV CHANDRASEKHAR  
MEMBER OF PARLIAMENT  
RAJYA SABHA

May 22, 2020

Dear Nirmala Ji,

During this period of Corona Virus shock, I have been sending you my inputs and suggestions and those also from citizens and Business who reach out to me and/or I engage with.

I have already sent you a letter with suggestions from MSMEs on 2 May 2020. This letter is a follow-up to that and deals in particular with Women Entrepreneurs and challenges that they are facing in dealing with this Economic shock.

I have received many emails and messages from women entrepreneurs who are shouldering a major brunt of the lockdown. Women own 20 percent of micro enterprises, 5 percent small enterprises, and less than 3 percent medium enterprises in India. Economic slowdowns and pandemic-induced shutdowns has hit them the hardest too.

Based on these facts and requests I arranged for a Video Conference session on 14<sup>th</sup> May, where over 150 women entrepreneurs joined in and engaged with me on the issue of Rebooting Economy – where I explained the significant measures that you and the Government have taken to support Businesses in the recently announced 20 Lac crore Package.

I explained that while it was clear that the economy has taken a significant hit with major disruptions, The Government package makes it clear that there should not be any damage to the real economy and to entrepreneurs. The financial packages as announced by the GOI will help in the soft landing of the economy and grow the economy under the model of 'Aatma Nirbhar Bharat. And that Supply chain diversification from China to India, will open up opportunities for Indian Enterprises.



This will scale India to be globally competitive and self-reliant. This is not about protectionism; but about creating an economy along with augmenting technology and capabilities to be globally competitive and serving both India and world's needs for products and services.

The objective on my part was to communicate measures as initiated by the GOI and to hear their views, concerns and suggestions.

All of them recognized the seriousness of the Pandemic and shared concerns with regards to survival of micro and medium industries; whether they will be able to sustain the shock. The underlying thread was their feeling of an overall ecosystem to support women entrepreneurs.

Through this letter I will attempt to list out the results of the engagement.

1. There is a need for a separate and holistic policy for women entrepreneurs and need a separate financial package to bail out their businesses.

During and post the COVID-19 Lockdown, women entrepreneurs will need Working capital to mitigate with production, rent, salary. This will also help in procurements. High-level financial policies be implemented at ground level to avail maximum benefits.

2. ESI, PF- time can be extended for employers and in such challenging times they can reimburse businesses for days lost.
3. Many entrepreneurs have taken SFC LOANS; the time to pay interest can be extended and repayment can be deferred along with considering concession on bills.
4. Wages are generally increased from April 1- this needs to be deferred as there is no business.
5. Encourage State Governments to look into the issues of women entrepreneurs.





6. Request to increase the moratorium period to 6 to 9 months; which is at present for 3 months and not penalize upon the interest rate. There was a statement that SBI has no concession in rate of interest for loans for expansion and modernization of existing enterprise.
7. GST to be removed for Micro and Small Business as it's an additional burden and a lot of Women Entrepreneur's and Start Ups cannot sell products online. Also, GST should pl be made payable on receipt of payment and not merely on dispatch as it currently stands today. The present system adds to the working capital challenges of entrepreneurs.
8. There was a request that Rural women Entrepreneurs need more specific focus and encouragement with Government programs. To Aid Rural Women with Livelihood Income and also support Indian Handloom and Make in India initiatives driven by women and augment R&D capabilities in State. Suggestions for a Category for rural women entrepreneurs in women entrepreneurship policy and give them due recognition.
9. Waste Management Services (Essential Services) who need to pay workers through lockdown period need quicker sanction of loans. Government policies not implemented at the grassroot by banks though it was collateral free is on paper; banks do not honour it. Besides there are red-tape & bureaucratic hurdles making the process difficult.
10. Equity Funding Support- extreme difficulty in getting equity funding by women businesses. Access to equity is a massive bottleneck for most women businesses.
  - a) Require Nationalized Banks and Fund of Funds (FoF) in which Government of India (GoI) has contributed capital, such as NIIIF and SIDBI, to invest in SEBI registered women businesses focused AIFs (Gender Lens Investors) as Limited Partners, preferably at concessional terms. This will help these AIFs to crowd-in additional equity capital which is critical for women businesses to survive and grow.



- b) Relax criteria for women-led start-ups to register with DPIIT so they are eligible for applying to special government relief for startups.

MSMEs and women entrepreneurs who have engaged with me are all determined to work hard and bounce back, but they request support at both the State Government level and our Financial sector during these challenging times.

I request you to look into the suggestions and consider them and others that will help our growing Women Entrepreneurs weather this shock and grow and play an important role in our PMs vision of 'AatmaNirbharBharat.'

Sincerely,

RAJEEV CHANDRASEKHAR

**Smt. Nirmala Sitharaman**  
Hon'ble Minister of Finance  
Government of India  
New Delhi

Copy to:

1. Shri Narendra Modi, Hon'ble Prime Minister of India
2. Shri Nitin Gadkari, Hon'ble Minister of Micro, Small & Medium Enterprises, Government of India
3. Smt. Smriti Z. Irani, Hon'ble Minister of Women and Child Development, Government of India