

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1561**  
**TO BE ANSWERED ON 15.12.2022**

**WOMEN'S ACCESS TO FORMAL CREDIT IN MSMEs**

1561.           SHRI ANUBHAV MOHANTY:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the steps taken by the Government to increase women's access to formal credit in MSMEs;
- (b) the measures taken by the Government to increase awareness among women entrepreneurs about finance options, their economical rights and financial literacy; and
- (c) whether the Government has any proposal to increase women's participation in MSMEs and if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI BHANU PRATAP SINGH VERMA)

(a): Ministry of MSME has been taking a number of steps towards facilitating women's access to formal credit, which inter alia includes special benefits for women under the major schemes of the Ministry like Prime Minister's Employment Generation Programme (PMEGP) and Credit Guarantee Scheme for Micro & Small Enterprises (CGS). Under PMEGP, women are entitled to higher rate of subsidy and lower personal contribution and 35 to 40% of the total margin money subsidy is disbursed to women. Under CGS, women are given additional 10% of guarantee coverage and additional 10% concession in guarantee fee.

As reported by Reserve Bank of India (RBI), to help overcome the hurdles faced by women in accessing bank credit and credit plus services, the Government of India had drawn up an action plan for implementation by Public Sector Banks (PSBs). The PSBs have been advised to earmark 5 percent of their Adjusted Net Bank Credit for lending to women.

(b) & (c): Ministry of MSME through its field offices organize a number of awareness campaigns on benefits of Government Schemes / programmes / financial awareness etc. in coordination with MSME / Industry Departments of States/UTs concerned, Banks and other MSME stakeholders through physical workshops, social media, print media & electronic media for creating wide publicity for increasing participation from all stake holders, including women. Moreover, to increase women's participation, the Ministry of MSME vide notification no. S.O. 5670(E) dated 9<sup>th</sup> November, 2018, had made it mandatory for all Central Government Ministries / Departments / CPSUs to procure at least 25% of their annual procurement from MSEs, including 3% from MSEs owned by women entrepreneurs. Awareness measures taken by RBI include conducting of camps by Financial Literacy Centres (FLCs) and Rural branches of banks and Centre for Financial Literacy (CFL) project.