

GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA
UNSTARRED QUESTION NO. 2866
ANSWERED ON 07.08.2023

WOMEN ENTREPRENEURSHIP

2866. SHRIMATI VANGA GEETHA VISWANATH

Will the Minister of Skill Development and Entrepreneurship be pleased to state:

- (a) whether a number of Micro, Small and Medium Enterprises (SMEs) are still reliant on informal financing today;
- (b) if so, the steps taken to provide more financial assistance to these MSMEs;
- (c) whether most of the women entrepreneurs lack the required assets to obtain loans or financial assistance for their businesses; and
- (d) if so, whether the Government has any plans to direct financial institutions to come up with alternate ways of credit check to solve the issue of lack of collateral?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF SKILL DEVELOPMENT AND
ENTREPRENEURSHIP

(SHRI RAJEEV CHANDRASEKHAR)

(a) to (d) : The Government has taken various measures, including ongoing schemes to ensure sufficient financial accessibility and seamless credit to Micro, Small and Medium Enterprises (MSMEs). Some of these include:

- Prime Minister's Employment Generation Programme (PMEGP) which is a major credit-linked subsidy programme aimed at generating self-employment;
- Credit Guarantee Scheme (CGS) to strengthen credit delivery system and to facilitate the flow of credit to the Micro and Small Enterprise (MSEs) sector without the hassles of collateral and third party guarantee up to a maximum of Rs. 5 crore;
- Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund;
- Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit of MSME for availing the benefits under Priority Sector Lending; inclusion of Retail and Wholesale traders as MSMEs for the purpose of availing Priority Sector Lending benefits, w.e.f. 02.07.2021;
- and Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.

A number of women entrepreneurs owned MSMEs have been registered on Udyam Portal of the Ministry. Out of the total Udyam registration, 19% MSMEs are owned by women. Further, the details of women entrepreneurs under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and SRI funds are given below:

(i) **Credit Guarantee Scheme:** The Ministry of MSME, Government of India is implementing Credit Guarantee Scheme for Micro and Small Enterprises through CGTMSE, for providing collateral free loan up to a limit of Rs. 500 lakh (w.e.f. 01.04.2023) to MSEs with a guarantee coverage up to 85% for loans to women, as against the normal rate of 75%. Since inception, as on 30.06.2023, total **72.59 lakh** guarantees involving an amount **Rs. 4.50 lakh crore have been approved**. Out of this, 15.10 lakh guarantees of Rs.65,209 crore have been extended to women owned MSEs.

(ii) **Self Reliant India (SRI) Fund:** The Government of India has announced Fund of Funds also known as Self Reliant India (SRI) Fund to infuse Rs. 50,000 crore as equity funding in Micro, Small and Medium Enterprise. Under this scheme total size of fund of Rs. 50,000 Crore has a provision of Rs.10,000 Crore from Government of India and Rs.40,000 Crore through Private Equity / Venture Capital Funds. This initiative is aimed at providing growth capital to the eligible units of MSME sector. As on 30.06.2023, and since inception, a total of 45 Daughter Funds have been empanelled with NVCFL (Mother Fund) and by way of investing more than Rs. 4,885 Crore, 342 MSMEs have been assisted, out of which 60 are owned by women.

The details of some other Schemes/programmes being implemented by the Government are as under:

1. **Pradhan Mantri Mudra Yojana (PMMY)** of Department of Financial Services, Ministry of Finance, was launched on 08.04.2015 to extend collateral free loans up to Rs.10 lakh to individuals to enable them to set up or expand their business activities. The Scheme facilitates loans in three categories namely Shishu (up to Rs. 50,000/-), Kishore (above Rs. 50,000/- and up to Rs. 5 lakh) and Tarun (above Rs. 5 lakh and up to Rs. 10 lakh) for income generating activities in manufacturing, trading, service sectors and also for the activities allied to agriculture. The loans under PMMY are provided by Member Lending Institutions (MLIs), i.e. Banks, Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs) and other financial intermediaries. To extend collateral free coverage, a Credit Guarantee Fund for Micro Units (CGFMU) from National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly owned company of Govt. of India, has been set up.

As on 30.06.2023 and since inception, over 42.20 crore loans amounting to Rs. 24.34 lakh crore have been disbursed. Out of this, more than 29.00 crore loans amounting to Rs.10.96 lakh crore have been disbursed to Women Entrepreneurs.

2. **Stand-Up India Scheme (SUPI)** of Department of Financial Services, Ministry of Finance, was launched on 05.04.2016 and has been extended up to the year 2025. The objective of the Scheme is to facilitate loans from Scheduled Commercial Banks (SCBs) of value between Rs.10 lakh and Rs.1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and one-women borrower per bank branch for setting up green field enterprise in manufacturing, services or trading sector, and also for the activities allied to agriculture. Stand-Up India Scheme also provides financial assistance in absence of any collateral security by way of Credit Guarantee Fund Scheme for Stand-Up India (CGFSI) from National Credit Guarantee Trustee Company Ltd (NCGTC), a wholly owned company of Govt. of India. SUPI has facilitated credit of over Rs. 43,000 Crore in setting up over 1.90 lakh Greenfield micro and small enterprises to SC/ST and women entrepreneurs across the country. Out of this more than 1.60 lakh loans amounting to Rs. 36,000 crores have been sanctioned to women entrepreneurs as on 30.06.2023 since inception.
