

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 613**  
**TO BE ANSWERED ON 25.07.2024**

**LOW CREDIT TO WOMEN LED MSMEs**

613. DR. BHOLA SINGH:

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

- (a) whether the Government is aware that women-led enterprises constitute only seven per cent of the outstanding credit to Micro, Small and Medium Enterprises (MSMEs) and if so, the details thereof;
- (b) the reasons for such low credit supply to women-led MSMEs compared to their proportion in the sector;
- (c) whether there are specific initiatives/schemes to improve access to credit for women entrepreneurs, if so, the details thereof and if not, the reasons therefor; and
- (d) the steps taken/being taken to increase the labour force participation among women and address the barriers to financial inclusion for women-led MSMEs?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI JITAN RAM MANJHI)

(a): As per study conducted by the Financial Inclusion and Development Department (FIDD), Reserve Bank of India (RBI), the share of the women MSMEs in outstanding MSME credit of Scheduled Commercial Banks (excluding foreign banks and Regional Rural Banks) was 7.09% as on March 31, 2023.

(b) to (c): As per the report “Decoding government support to women entrepreneurs in India” on NITI Aayog website published in October 2022, women-owned MSMEs face challenges in accessing credit due to reasons including lack of collateral and tangible assets, limited avenues to prove creditworthiness, and perception bias against lending to female entrepreneurs or women-led enterprises.

Government has taken a number of initiatives to address these issues and improve access to credit for women owned enterprises. Some of these are as follows :

- i. To support women entrepreneurs under Credit Guarantee Scheme for Micro and Small Enterprises, additional benefits, of 10% concession in annual guarantee fees and 10% additional guarantee coverage of up to 85% as against the 75% for other entrepreneurs, is provided.

- ii. Ministry of MSME implements Prime Minister Employment Generation Programme (PMEGP), which is a major credit-linked subsidy program aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and rural/urban unemployed youth. Of the total PMEGP beneficiaries, 39% are women who are provided higher subsidy (35%) vis-a-vis non-special category (upto 25%).
- iii. Pradhan Mantri Mudra Yojana (PMMY) was launched on 08.04.2015 by Department of Financial Services to extend collateral free credit up to Rs.10 lakh by Member Lending Institutions. Any individual, including a women can avail loan under the Scheme for income generating activities in the manufacturing, trading, service sectors including activities allied to agriculture across three loan categories, viz. Shishu (loans up to Rs. 50,000/-), Kishor (loans above Rs. 50,000/- and up to Rs. 5 lakh) and Tarun (loans above Rs. 5 lakh and up to Rs. 10 lakh).
- iv. Stand-Up India (SUI) Scheme launched on 05.04.2016 by Department for Promotion of Industry and Internal Trade (DPIIT) has the objective 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 greenfield enterprise in manufacturing, services or trading sector including activities allied to agriculture.
- v. Ministry of MSME launched 'PM Vishwakarma' Scheme on 17.09.2023, to provide a number of benefits to the traditional artisans and craftspeople including women, engaged in 18 trades. The enrollment of women artisans has been 75.46% of the total enrollment under the Scheme.
- vi. Ministry of MSME launched an initiative namely "Yashasvini", on 27.06.2024, which aims to campaign for women entrepreneurs and empower women by building their capacity, with a focus in Tier-II/III towns.

(d): Government has taken various steps to increase the labour force participation among women. The Code on Social Security, 2020 and the Code on Wages, 2019 have provisions regarding maternity benefits to women workers and non-discrimination on grounds of gender respectively. To enhance the employability of female workers, Government is providing training to female workers through a network of Women Industrial Training Institute, National Vocational Training Institute and Regional Vocational Training Institutes.

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