

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2814
TO BE ANSWERED ON: 18.08.2025

CREDIT TO WOMEN-LED MSMEs

2814. SHRI TIRUCHI SIVA:

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

- (a) whether Government is aware of the fact that women-led Micro, Small and Medium Enterprises (MSME), which form 26.2 per cent of the sector, rely on informal credit more frequently, compared to men-led MSMEs, due to a persistent credit gap;
- (b) whether Government is also aware of the fact that this credit gap is even more prevalent among the rural women-led MSMEs; and
- (c) details of loans rejected under the Pradhan Mantri Mudra Yojana (PMMY) scheme to women entrepreneurs state-wise, and reasons therefor?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) & (b): For providing credit support to MSME sector and to improve credit flow and liquidity of MSMEs, a series of measures have been undertaken, which inter-alia include schemes such as Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs), PM Vishwakarma Yojana, Mudra Loan etc.

In addition, the Government has taken a number of initiatives to encourage and promote the participation of women in MSMEs in the country, such as:

- i. To benefit women entrepreneurs, the Public Procurement Policy was amended in 2018 mandating Central Ministries/Departments/Undertaking to procure at least 3% of their annual procurement from women entrepreneurs.
- ii. Under CGS, following two provisions have been introduced for women entrepreneurs:
 - (i) Guarantee coverage of up to 90%, as against the 75% for others; and
 - (ii) 10% concession in Annual Guarantee Fees.
- iii. Under PMEGP women are provided higher subsidy (35%) vis-a-vis non-special category (upto 25%).
- iv. Participation of women entrepreneurs in trade fairs under Procurement and Marketing Support Scheme is subsidized 100% vis-a-vis 80% for other entrepreneurs.
- v. PM Vishwakarma, launched on 17.09.2023 to provide end-to-end support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of loans upto Rs. 3 lakh at concessional interest rate of 5 %.

- vi. The Ministry of MSME launched an initiative namely “Yashasvini”, on 27.06.2024, which aims to campaign, with a focus in Tier-II/III towns, for women entrepreneurs and empower women by building their capacity.
- vii. A new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs for term loans up to Rs.2 crore during the next 5 years has been announced in Budget 2025.

(c): As informed by Department of Financial Services (DFS), as on June 2025, a total of 36.04 crore loans have been extended to Women Entrepreneurs under Pradhan Mantri Mudra Yojana (PMMY) across the country, since inception of the Scheme. So far as information regarding number of rejected loan applications is concerned DFS has informed that it is not being maintained centrally. The major reasons for rejection of loan applications are:

- Non-viability of the project;
- Inconsistencies found in pre-sanction stage e.g. Non-compliance of KYC norms, borrower not found at the mentioned address etc.;
- Unsatisfactory credit history of the borrower e.g., poor CIBIL score, NPA account etc.;
- Non-availability of necessary registration/ approvals, wherever required, related to the project etc.
