

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4662**  
**TO BE ANSWERED ON: 21.08.2025**

**CREDIT GAP FACED BY MICRO ENTERPRISES**

4662. SHRI SRIBHARAT MATHUKUMILLI:

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

- (a) whether the Government has taken note of the SIDBI report indicating that, despite significant formalization, around 35% of micro enterprises remain informal and face a credit gap of approximately Rupees 30 lakh crore, with women-led MSMEs experiencing an even higher gap of 35%;
- (b) whether the Ministry has analyzed specific regional or sectoral patterns of this formal-informal divide and the persistent shortfall in credit access, especially for micro-enterprises and women entrepreneurs;
- (c) the targeted measures being taken such as collateral-free lending, fintech interventions, or credit guarantee enhancements to close these gaps and bring more micro and women-led units into the formal, credit-accessible economy; and
- (d) whether the Ministry plans to monitor progress through periodic data collection and linkage with schemes like Udyam registration, CGTMSE and digital lending platforms?

**ANSWER**

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

(a) to (c): The Expert Committee on Micro, Small and Medium Enterprises, constituted by Reserve Bank of India in 2019 estimated the credit gap in MSME sector to be in the range of Rs. 20 to Rs. 25 lakh crore.

- Government launched Udyam Assist Platform (UAP) on 11.01.2023 to bring Informal Micro Enterprises (IMEs) into the formal ambit. As of August 12, 2025, 2.75 Crore IMEs have been formalised. These enterprises are eligible for availing the benefit under Priority Sector Lending and marketing assistance. More than 62% of the enterprises registered on UAP are owned by women.
- Most of the Schemes of the Government of India like Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs), Procurement and Marketing Support Scheme (PMSS), PM Vishwakarma Yojana, Pradhan Mantri Mudra Yojana provide support to Micro Enterprises, including those owned by women. Under CGS, 84.94 lakh guarantees worth Rs.5,43,716 crore were issued to Micro Enterprises as on 31.07.2025, which accounts for 70% of number of guarantees issued and 52% of the guarantee amount.

- i. Under CGS, following two provisions have been introduced for women entrepreneurs:
  - Guarantee coverage of up to 90%, as against the 75% for others; and
  - 10% concession in Annual Guarantee Fees.
- ii. Further, in order to facilitate unsecured affordable credit flow to IMEs for their composite requirement, special provision under CGS has been launched. Credit facility up to Rs 20 lakh is guaranteed with extent of coverage of 85%.
- 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. To encourage entrepreneurship among women, Ministry of MSME implements ‘Skill Upgradation and Mahila Coir Yojana’ under Coir Vikas Yojana, which is an exclusive training programme aimed at skill development of women artisans engaged in the Coir sector.
- vi. The 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. Up to 30.07.2025, a total of 29.98 lakh artisans and craftspeople have been successfully registered across the country, including 10.8 lakh successfully registered women beneficiaries.
- vii. 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.

In Budget 2025, 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.

(d): The Udyam Registration Portal has API integration with a number of Portals which also include linkage with CGTMSE and TReDS Platforms. Further, Udyam Registration Portal has been integrated with portals of National Career Services, e-Shram of Ministry of Labour & Employment and Skill India Digital Portal.

PM Vishwakarma Scheme components include Credit Support and Incentive for Digital Transactions. All services, including lending support are delivered through a single integrated Portal.

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