

# FROM BORROWERS TO BUILDERS

*Women and India's evolving credit market*



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“ Economic development advances when participation in markets becomes broader, deeper, and more efficient. Over the past decade, the convergence of digital public infrastructure and formal credit systems has fundamentally altered how economic participation is recorded, assessed, and financed.

The evidence presented in this report, “From Borrowers to Builders: Women And India’s Evolving Credit Market”, signals how women are increasingly shaping and benefitting from these shifts

The report highlights that women today account for 26% of total system credit, with portfolio balances expanding nearly five-fold since 2017. Credit penetration among women has risen steadily to 36%. More significant than scale, however, is the direction. Women borrowers are progressively moving beyond entry-level credit towards retail and business-purpose lending. Graduation from microfinance into diversified credit products signals strengthening financial capability and deeper economic integration. In business lending, women entrepreneurs have emerged as a strong growth cohort, with portfolio balances increasing 7.5x since 2017.

This momentum opens a larger opportunity to leverage digital systems to strengthen financial visibility for women-led enterprises.

A significant proportion of women-led enterprises in India operates at the nano and micro scale. While individually modest, their collective economic footprint is substantial. Historically, limited visibility constrained their access to formal finance. The expansion of digital transactions is beginning to narrow this gap. The convergence of digital systems and credit markets is reshaping incentives across the ecosystem. For lenders, richer and more reliable data reduces uncertainty and improves risk calibration. For entrepreneurs, greater financial visibility expands access to appropriate and timely financing. For the broader economy, it enhances productivity within the MSME sector and strengthens the foundations of formal enterprise growth.

At NITI Aayog, we recognize that access to finance is a structural enabler of women’s economic participation. Through platforms such as the Women Entrepreneurship Platform and the Financing Women Collaborative, we are working to strengthen ecosystem coordination. And as India advances toward a more digitally integrated and enterprise-driven economy, this report serves not only as a reflection of measurable progress, but as a strategic guide for the next phase. The focus will be on enabling progression, ensuring that digital participation translates into sustained enterprise capability and deeper integration into formal credit markets.



**NIDHI CHHIBBER** “

CEO, NITI AAYOG

India's financial inclusion journey has evolved from expanding access to strengthening usage. As digital public infrastructure deepens and financial systems become more data-driven, the contours of inclusion are changing, from access alone to measurable economic visibility.

Digitization is emerging as a critical enabler. Faster underwriting cycles, expanding digital payments, and the creation of verifiable financial trails are lowering historical barriers to formal credit for women. Yet the qualitative insights in this report introduce an important dimension: the digital journey of women entrepreneurs is neither uniform nor linear. While adoption of digital payments is widespread, the depth, independence, and continuity of digital engagement vary considerably. Trust networks, collective endorsement, time constraints, and decision-making autonomy shape how digital tools are adopted and sustained in practice. Digital access, therefore, is a necessary condition for progression to advanced usage but not a sufficient one.

For policy, this distinction matters. Strengthening women's economic participation requires attention not only to credit supply, but to the conditions that enable consistent and independent digital engagement. When digital systems are responsive to lived realities, they can accelerate graduation across credit segments and support enterprise resilience.

Through the Women Entrepreneurship Platform, NITI Aayog has sought to build precisely such ecosystem alignment, bringing together financial institutions, CSOs, government and market actors to ensure that women entrepreneurs are able to move from initial access to sustained growth. The next phase of inclusion will be defined not by how many women enter the system, but by how steadily they progress within it. Enabling that progression will be central to deepening India's entrepreneurial base and sustaining long-term economic growth.

This report is significant because it captures both the scale and the structure of women's credit participation, identifying both measurable gains and structural gaps. It provides a comprehensive understanding of how women are moving through the formal financial systems, and guides where policy and market responses must adapt.

## ANNA ROY

Programme Director, NITI Aayog and Mission Director,  
Women Entrepreneurship Platform



“ Women borrowers are playing an increasingly significant role in shaping India’s evolving credit landscape. Their participation strengthens household and enterprise stability and contributes to national economic growth. Access to formal credit supports livelihoods, strengthens communities, and enables more inclusive and sustainable development.

At TransUnion CIBIL, we have a frontrow view of this transformation. Our consumer credit data reflects a clear structural shift. More women are availing formal credit and they are also borrowing to fulfil a diverse range of needs.

The number of women availing formal credit in India has grown at a compounded annual growth rate (CAGR) of 9% between 2017 and 2025, underscoring their increasing engagement with the financial system. Outstanding credit for women borrowers has grown 4.8 times since 2017, compared with 2.9 times for total credit, indicating a significantly faster expansion.

In recent years, the growth of digital infrastructure has facilitated easier onboarding, faster loan processing, and improved access to information. This tech-enabled transformation, has led to a sustained rise in the number of women borrowers, particularly those seeking businesspurpose loans. Our research shows that the number of women with an active businesspurpose loan has grown at a 31% CAGR over the past three years.

We have also seen that sameday approvals for women in consumption loans have climbed from 34% in 2022 to 45% in 2025, reflecting the growing efficiency of digital-first origination.

The report, From Borrowers to Builders: Women And India’s Evolving Credit Market, traces the journeys of women borrowers across segments—from microfinance to retail credit to entrepreneurial borrowing. A collaboration between NITI Aayog’s Women Entrepreneurship Platform (WEP), MicroSave Consulting (MSC), and TransUnion CIBIL, this report combines policy insights, ecosystem expertise, and data-driven analysis with an aim to strengthening credit awareness and enhance financial capability among women.

At TransUnion CIBIL, we believe financial inclusion must evolve from firsttime access to longterm empowerment. Through initiatives such as Project Seher – a credit education programme, we remain committed to strengthening credit literacy, improving awareness of credit scores and reports, and enabling women to build and sustain healthy credit journeys.

We hope the insights presented support policymakers and lenders in creating a more inclusive, confident, and creditaware generation of women across India.



**BHAVESH JAIN**

MD & CEO, TransUnion CIBIL



India's economic transformation is increasingly shaped by the ambitions and resilience of its women entrepreneurs. Across rural and urban markets alike, women are building enterprises that sustain households, strengthen local economies, and contribute to the country's broader growth story. Ensuring that these entrepreneurs are able to access and effectively use formal financial systems is therefore central to building a more inclusive and productive economy.

At MicroSave Consulting (MSC), our work across Asia and Africa has consistently focused on bridging the gap between system design and lived experiences. Through our engagements with governments, regulators, financial institutions, and development partners, we have seen that the journey from financial access to meaningful economic participation is rarely linear. Structural constraints, information asymmetries, and behavioral factors often shape how individuals interact with financial services and whether those services ultimately translate into opportunity.

This report reflects our commitment to grounding policy and market discussions in practical insights. By combining large-scale credit data with field-based perspectives, it seeks to better understand how women borrowers navigate the formal credit ecosystem and how those pathways can be strengthened. The analysis highlights both the progress that has been made and the areas where deeper ecosystem coordination, product innovation, and targeted support can further enable women-led enterprises to thrive.

As India's financial system becomes increasingly digital and data-driven, the opportunity ahead is not merely to extend credit more widely, but to design systems that enable sustained economic mobility. Strengthening women's participation in formal finance can support broader development priorities, including building resilient local economies, sustainable livelihoods and enabling communities to adapt to emerging challenges. It will not only support enterprise growth but also strengthen the foundations for climate-resilient and inclusive economic development in the years ahead.

Doing so will require continued collaboration between policymakers, financial institutions, and ecosystem actors to ensure that financial markets evolve in ways that support the ambitions of millions of women entrepreneurs.

## AKHAND JYOTI TIWARI

Senior Partner - MicroSave Consulting (MSC)





India's growth trajectory is increasingly shaped by the expanding economic participation of women, enabled by rapid digitization across identity, payments, underwriting, and loan servicing. Over the past decade, these structural shifts have materially lowered entry barriers to formal credit, allowing women to transition from informal borrowing to scalable, structured financial pathways.

As of 2025, women borrowers hold a credit portfolio of INR 76 lakh crore, accounting for 26% of total system credit, a **4.8x increase since 2017**. Credit penetration among women has risen to 36% taking the total credit active women borrowers in the lending ecosystem to 16 crore. This report provides insights into the credit trends and behaviours of these 16 crore women borrowers.

The increase reflects a broad-based expansion rather than growth concentrated in a narrow segment. While industry growth has moderated in recent cycles, new-to-credit women borrowers remain a structurally important opportunity to deepen inclusion and drive long-term portfolio expansion.

Women's credit journeys, however, are not uniform. This report examines three distinct borrower segments:

- Microfinance borrowers, for whom small-ticket, collateral-free loans often represent the first formal credit experience.
- Retail-purpose borrowers, accessing consumption-led credit such as gold, consumer durable, vehicle, and housing loans.
- Women entrepreneurs, increasingly leveraging business-purpose credit to expand their enterprises.

In retail credit, women's first loans remain predominantly consumption-led, with digital sourcing playing a critical role in reducing friction and improving access. Notably, **45% of approvals in key consumption categories now occur on the same day** highlighting the impact of digitization in accelerating credit flow.

In business lending, women entrepreneurs have emerged as a strong growth cohort, **with portfolio balances increasing 7.5x since 2017**. A gradual shift towards revolving credit products such as cash credit and overdraft signals increasing financial sophistication and enterprise maturity.

This report further maps how this segment of women, particularly nano-entrepreneurs, use digital tools across their business and financial activities. The analysis takes a qualitative, demand-side view, grounded in field insights from rural women nano entrepreneurs.

Beyond the portfolio trends reflected in credit data, behavioral insights of rural women nano-entrepreneurs (RWNEs) reveals shows that digital adoption is widespread among RWNEs but the depth and independent usage vary across users. Their digital journey is not linear. Understanding this journey is important, as sustained digital engagement improves financial visibility and can support women's progression within the formal credit ecosystem.

The central conclusion is clear: **digitally enabled credit is no longer merely expanding access it is enabling advancement. The next phase of opportunity lies in strengthening financial visibility, accelerating graduation from entry-level credit to higher-value products, and supporting sustained enterprise growth. Unlocking this pathway will not only deepen financial inclusion but also meaningfully advance women's contribution to India's long-term economic growth.**



# A LOAN AT A TIME

## HOW WOMEN ARE QUIETLY TRANSFORMING INDIA

AN OVERVIEW OF WOMEN'S ROLE IN THE INDIAN CREDIT ECONOMY



## HOW INDIA'S DIGITAL RAILS ARE UNLOCKING CREDIT FOR WOMEN ENTREPRENEURS

India's digital public infrastructure (DPI)—Aadhaar e-KYC, UPI, and paperless document rails—has eased onboarding and verification for first-time borrowers, helping women-led micro-businesses access formal credit faster and with fewer in-person hurdles. Over time RBI KYC amendments enable Aadhaar-based e-KYC, V-CIP (video KYC), DigiLocker documents, and Business Correspondent support, making customer due diligence simpler, especially in rural and semi-urban areas

The more transformative shift, however, is the widespread adoption of UPI and digital payments.

UPI transaction value has surged from INR 920 million in FY 2017-18 to INR 83.75 trillion in FY 2022-23, reflecting a CAGR of 147%. In the first four months of FY 2024-25 alone, transaction value reached INR 80.79 trillion across 55.66 billion transactions\*. This scale of adoption is creating a powerful digital footprint for millions of small businesses.

For women entrepreneurs, digital payment adoption translates into:

- Verifiable cash-flow histories
- Increased financial visibility
- Reduced information asymmetry for lenders

This shift enables flow-based underwriting, faster loan approvals, and more accurate risk assessment—particularly for first-time borrowers who previously operated outside the formal financial system.

As digital transactions become embedded in everyday business activity, women entrepreneurs are moving from informal participation to measurable economic visibility. This visibility strengthens lender confidence, improves access to better credit terms, and supports enterprise formalization. However, access gaps remain. Many women-led micro and small enterprises continue to face awareness barriers, limited scheme uptake, and residual credit frictions. Sustained progress will require deeper digital onboarding, targeted outreach, and continued evolution toward data-driven underwriting models.

Overall, India's digital rails—combined with gender intelligent credit initiatives—are expanding financial visibility and de-risking small-ticket lending, enabling more women entrepreneurs to formalize, borrow, and scale.

\*Source: Enabling Digital Payments For Women In India Report - WWB and NPCI



## A CORE PILLAR OF CREDIT ECOSYSTEM EXPANSION

To better understand women borrowers credit ecosystem, we have defined three major segments of borrowers who are at different stages of credit journey

### ► **Microfinance**

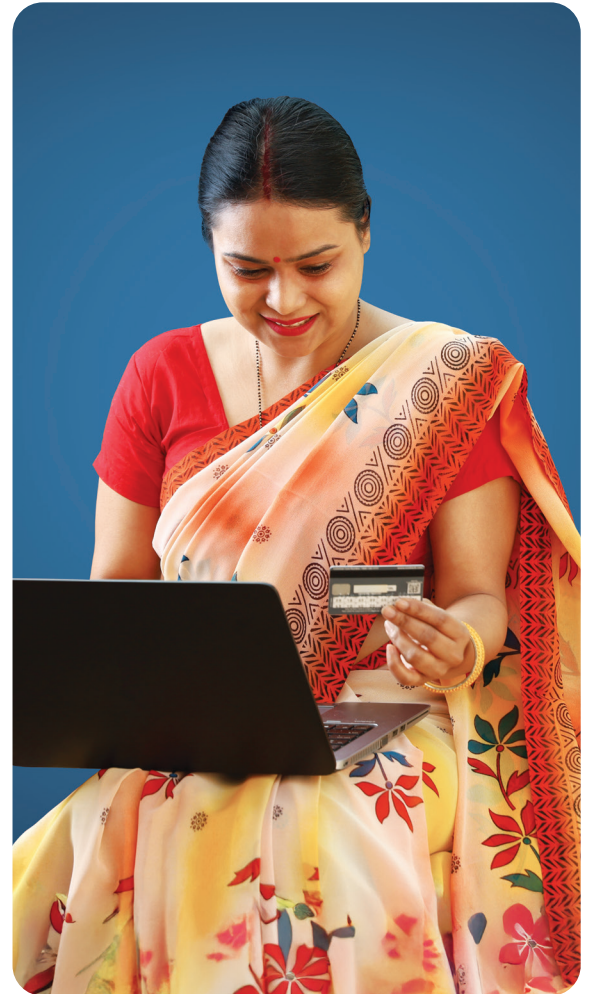
These are collateral-free loans given at lower ticket size (typically below INR 50,000) to support women borrowers from low-income households based on their credit needs. These loans are given to women who are part of, joint liability group (JLG) or self-help groups (SHG). For the purpose of this report, we will be covering only joint liability groups (JLG) which is a group of people (at least 3-5 members) who seek credit based on mutual guarantee, SHGs are not included in the analysis for this report.

### ► **Retail Purpose Loans**

These are retail focused individual-focused loans provided to meet personal or household needs. They typically cover consumption loans oriented to meet lifestyle needs and expenses such as home purchase/improvement, education, medical bills, travel, or purchasing consumer goods and also larger personal expenses such when we see loans taken for vehicles or house purchase towards expenses. These loans can be unsecured (personal loans, credit cards) or secured (housing loans, gold loans), come with fixed repayments, and help borrowers manage their short-term and long-term financial requirements.




### ► **Business Purpose Loans**

Business purpose loans are credit facilities provided to individuals, micro-entrepreneurs, or small businesses to support income-generating activities. They are used for working capital, inventory purchase, equipment, expansion, or other operational needs. These loans may be secured or unsecured, come with structured repayment schedules, and help borrowers grow or stabilize their enterprises. These include business loans, commercial vehicle loans, construction equipment loans, and loan against property.



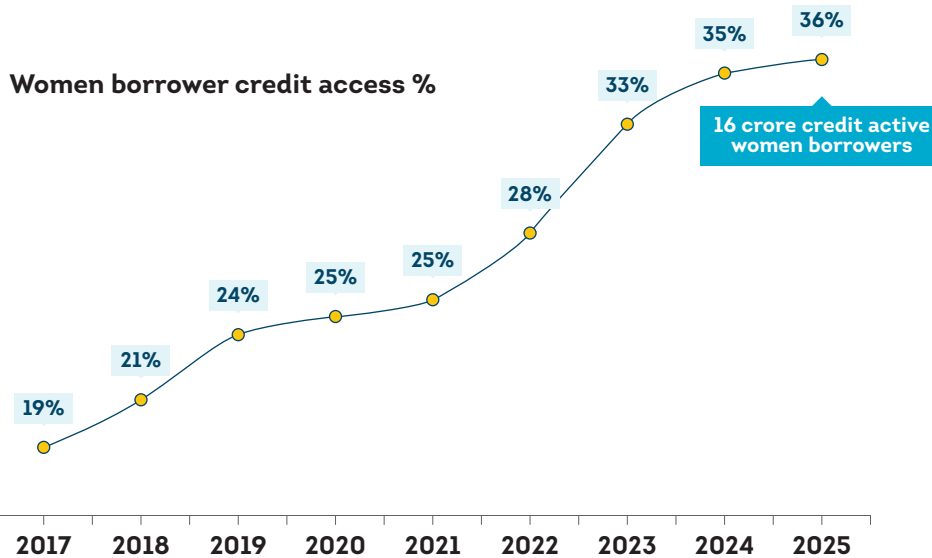
# 4.8X GROWTH IN CREDIT OUTSTANDING FOR WOMEN BORROWERS SINCE 2017 VS 2.9X FOR OVERALL

India's Women Borrowers Credit market value has grown 4.8x since 2017 with a compounded annual growth rate (CAGR) of 20% indicating steady growth each year. While retail purpose loans still dominate as a category, the highest growth was noted in business purpose loans whose share of overall women borrowers lending increased from 16% to 25% a **~9 percentage points increase between 2017 to 2025**. Microfinance, which is currently on its path to recovery after a decline caused by borrower over-leveraging, has grown the slowest—at 2.9x—compared to the relatively higher growth seen in other lending segments

Women Borrower Portfolio Outstanding Value (in Lakh Crore) as of year end		 Share of Microfinance by Value*	 Share of Retail Purpose Loans by Value	 Share of Business Purpose Loans by Value
2017	16 Lakh Cr	7%	77%	16%
		▼	▼	▼
2022	41 Lakh Cr	7%	75%	19%
		▼	▼	▼
2025	76 Lakh Cr	4%	71%	25%
Growth in value since 2017		2.9X	4.5X	7.5X

\*Microfinance balances reported as of Nov-25

## 2X INCREASE IN CREDIT ACTIVE WOMEN BORROWERS FROM 2017 TO 2025



Credit penetration is the percentage of credit active population to the total adult women (18 to 64) population

The number of women borrowers availing credit in India has increased at a compounded annual growth rate (CAGR) of 9% between 2017 to 2025. Credit access for women increased from 19% in 2017 to 36% in 2025, growth of 17 percentage points growing at par with overall credit access which grew 18 percentage points in the same period. This growth reflects a significant shift in financial behaviour with more women increasingly leveraging credit to meet personal and professional goals. Growth in women's access to formal credit coincides with stronger, more resilient credit outcomes at the system level—suggesting women borrowers are contributors to, not beneficiaries of, credit expansion.

**Key Takeaway:** With ~45 crore credit-eligible women, the growth potential is significant. Strengthening financial literacy, product awareness, and digital credit infrastructure with gender intelligent products for women borrowers, can further accelerate credit penetration among women.

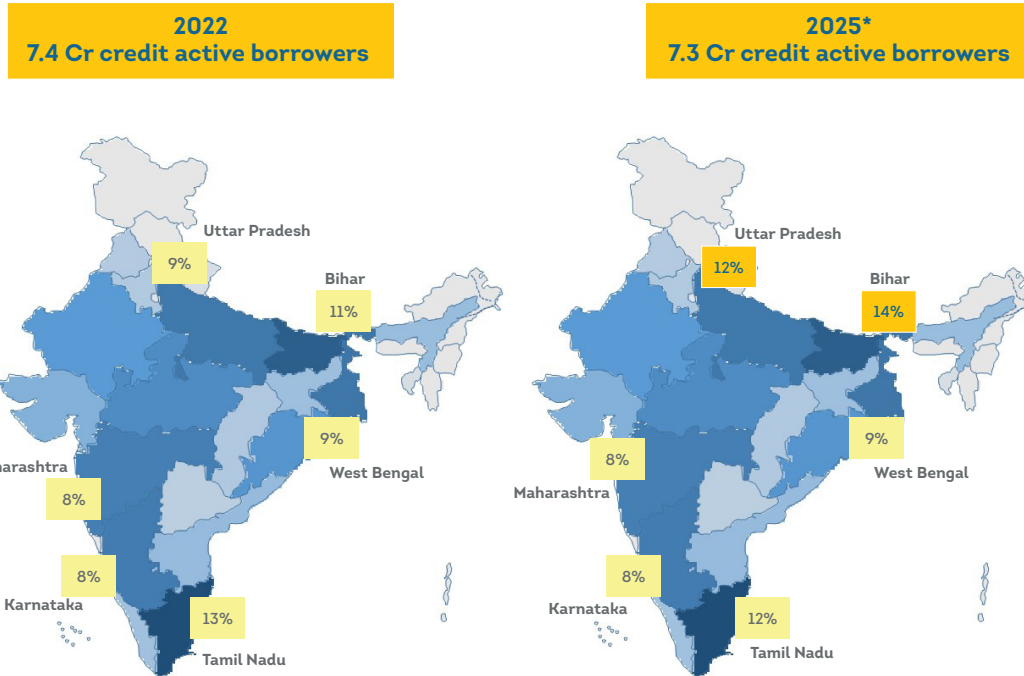
# INSIDE THE MICROFINANCE MOVEMENT

WHERE SMALL LOANS SPARK  
BIG CHANGE

DIGITIZATION CREATING DEEPENING  
FINANCIAL INCLUSION



## NORTH AND NORTH-EAST REGIONS WITH SHARE SHIFT IN CREDIT ACTIVE WOMEN BORROWERS LEAD RECENT MICROFINANCE LENDING



Share of Credit Active Borrowers by State



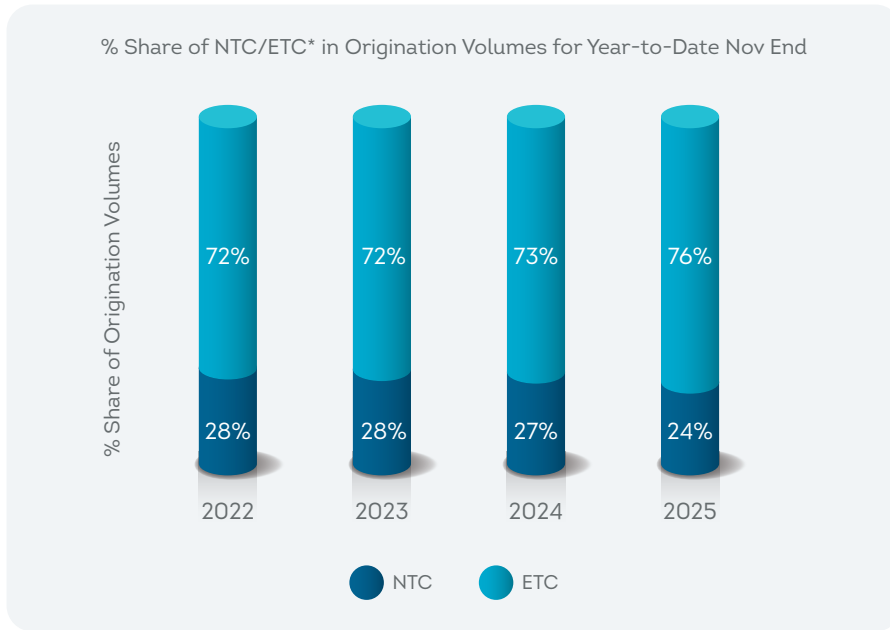
\*2025 credit active consumers is as of Nov-25

\*The India map shown is for representation purposes only.

The microfinance sector in India is coming out of a challenging 18 months due to contraction in credit supply impacted by borrower overindebtedness resulting in rising NPAs

This has led to a decrease in credit active borrowers as lenders become more cautious. The share of credit active borrowers has shifted from southern states like Tamil Nadu to Northern States like Uttar Pradesh and Bihar in 2025.

## WHILE NTC BORROWERS HAVE REDUCED IN RECENT PAST, THIS STILL PROVIDES A STRONG OPPORTUNITY TO CONTINUE EXPANSION OF FINANCIAL INCLUSION MANDATE

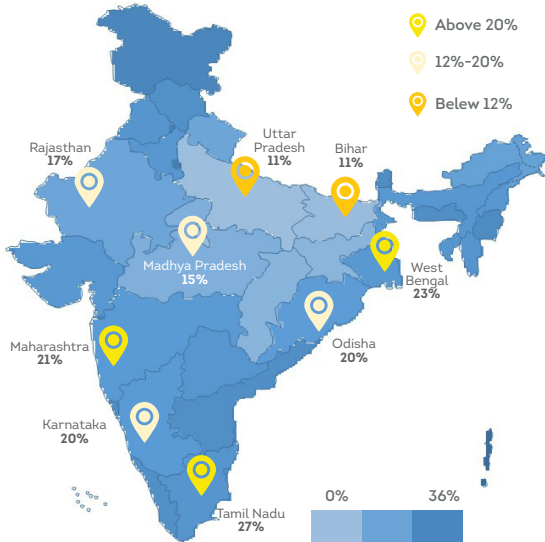


\*NTC stands for New-to-Credit borrowers, those who have availed their first ever microfinance loan  
ETC stands for Existing-to-Credit borrowers, those who had a microfinance loan prior to the current origination

One of the key levers to expand the microfinance borrower base is to strengthen onboarding of new-to-credit (NTC) women. However, the share of NTC women borrowers in total originations has been declining since 2023, partly due to tighter guardrails and increased lender focus on existing borrowers. While lending to repeat borrowers helps maintain portfolio quality, it does not expand the reach of microfinance.

**Key Takeaway:** Bringing more NTC women into formal credit is central to deepening financial inclusion. By boosting financial literacy and expanding hybrid field-and-digital outreach, lenders can accelerate the entry of millions of first-time women borrowers.

## EXPANDING FROM MICROFINANCE LOANS TO WIDER RETAIL CREDIT PRODUCTS



Graduated microfinance borrowers as % of active microfinance borrowers

\*The India map shown is for representation purposes only.

Microfinance borrowers progress into higher-value credit segments as they build repayment histories and learn credit discipline, demonstrating upward mobility and expanding access to diversified financial products.

- Graduation Scale - 19% of active MFI borrowers (2025) now hold an individual retail or commercial loan, indicating expanding access to diversified credit products.
- Top Graduating States - Tamil Nadu (27%) and West Bengal (23%) lead in customer graduation, reflecting stronger credit ecosystems.
- Preferred Non-Microfinance Products - Graduated borrowers primarily take business loans, gold loans, personal loans, and consumer durable loans.

### Share of graduated microfinance borrowers by their non-microfinance product holding as of 2025



Business Loan  
**14%**



Personal Loan  
**13%**



Gold Loan  
**11%**



Consumer Loan  
**9%**



Two-wheeler Loan  
**6%**

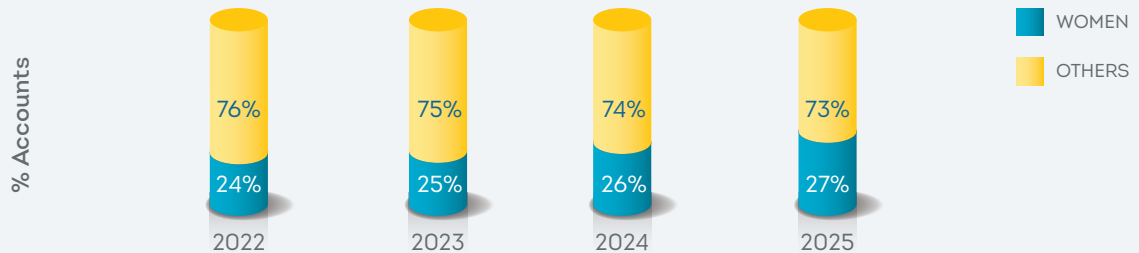
# FORCES FUELING A CREDIT REVOLUTION ACROSS INDIA

WOMEN BORROWERS TAKING RETAIL  
PURPOSE LOANS TO MEET BOTH LIFESTYLE  
AND PERSONAL NEEDS

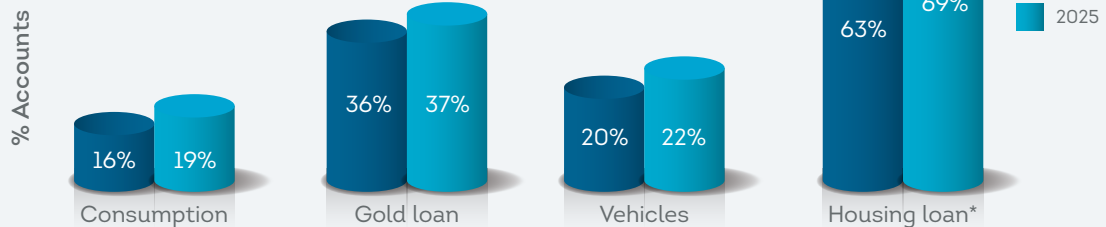


## WOMEN BORROWERS SHARE IN ALL KEY RETAIL PRODUCTS CONTINUE TO EXPAND WITH HIGHER SHARE IN SECURED PRODUCTS LIKE GOLD LOANS AND HOUSING LOANS

Share of Originations by Gender Year-to-Date Dec End



Women Share in Product Originations Year-to-Date Dec End



Consumption includes Credit Cards, Personal Loans and Consumer Durable Loans  
 Vehicles includes Auto Loans, Used Car Loans and Two Wheeler Loans

Others in the Gender category includes all gender identities reported to the bureau besides women

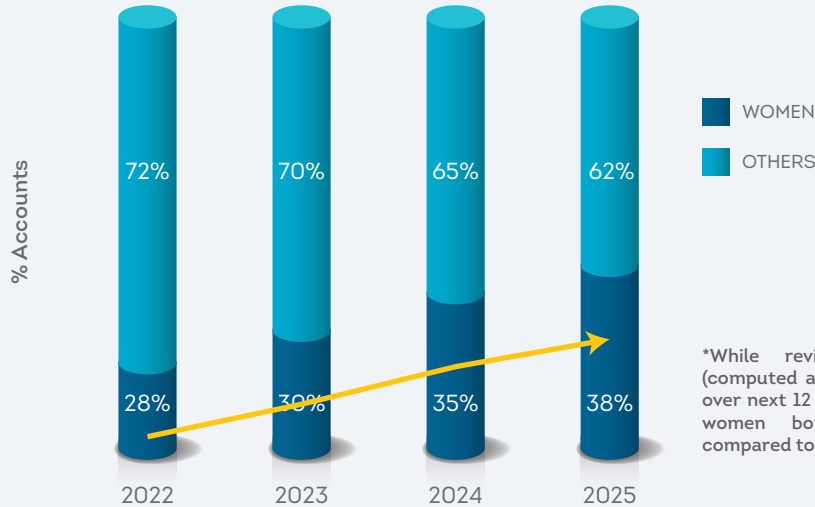
\*Includes reporting as co-applicant

Women borrowers' share of overall retail loan originations has increased steadily, rising by 3 percentage points since 2022 to reach 27% in the latest period. This consistent gain indicates a structural expansion of women's participation in retail credit rather than a cyclical uptick.

The shift is most visible in consumption and housing loans. In consumption credit, women's share of originations increased from 16% in 2022 to 19% in 2025, highlighting growing access to entry-level products that address household and lifestyle needs. Housing\* finance shows an even stronger trend, with women's share rising from 63% to 69% over the same period—signaling deeper involvement in long-term asset ownership and financial decision-making.

## RESPONSIBLE CREDIT BEHAVIOUR\* OF WOMEN BORROWERS LED TO INCREASE SHARE IN NTC ORIGINATIONS

Share of New-to-Credit Originations by Gender Year-to-Date Dec End



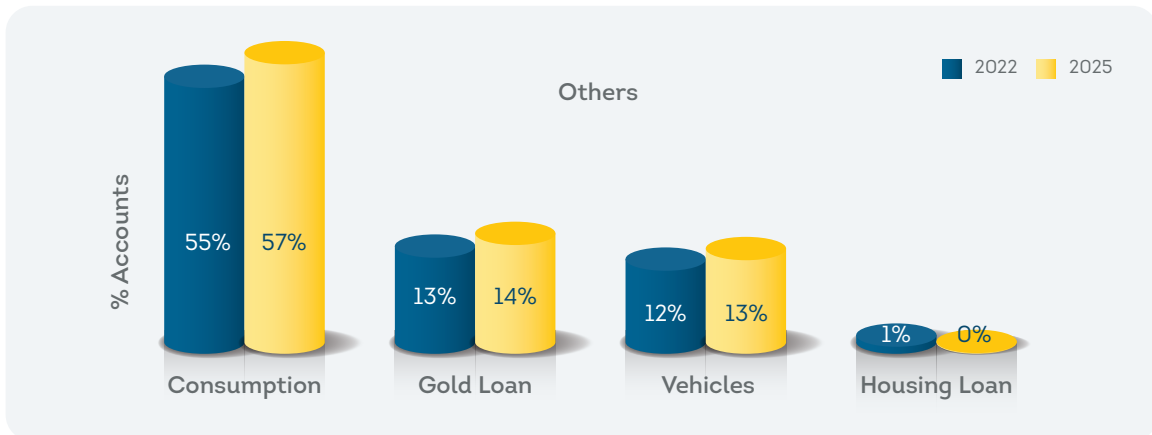
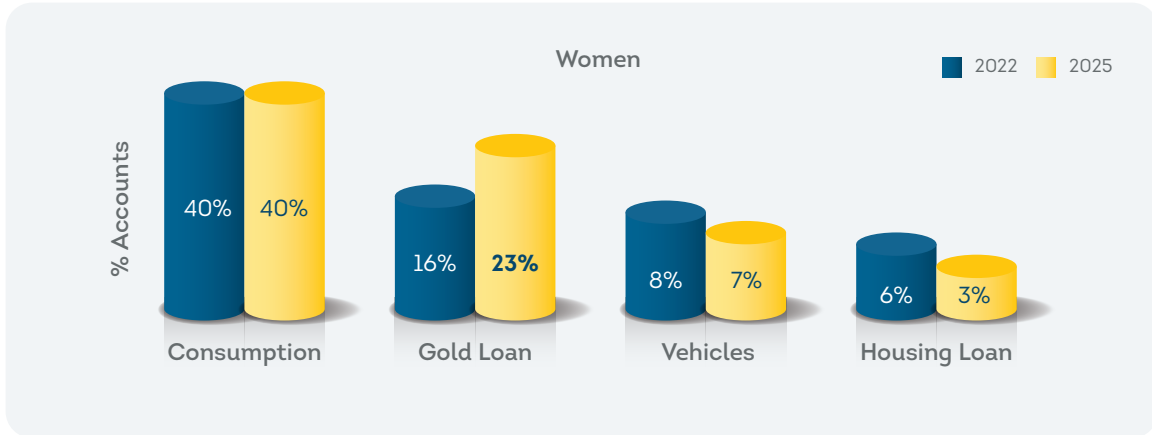
\*While reviewing Vintage delinquency (computed at ever 90+ reported on trades over next 12 months) for 2024 we note that women borrower have 0.7x default compared to overall credit originations.

New-to-credit (NTC) women borrowers represent a scalable entry cohort for retail credit, expanding the market by bringing previously unserved households into the formal financial system. Their share has grown steadily—rising by 10 percentage points to reach 38% in 2025 compared to 2022. Most NTC women borrowers enter retail credit through consumption and gold loan products.

Within consumption, consumer durable loans saw the highest increase in share of NTC originations for both women and other borrowers, growing by 7% and 10% respectively between 2022 and 2025. Gold loans also recorded significant growth among women, with a 7 percentage points rise in NTC originations versus just 1 percentage point for other borrowers during the same period—indicating stronger uptake and reliance on this product category by women borrowers. These product choices suggest that women are entering the formal credit system through low-barrier, easily accessible products. They also signal that immediate personal, or household needs often take priority as women begin their credit journey.

## CONSUMPTION LOANS CONTINUE TO BE PRODUCT OF FOCUS FOR NEW ACCESS; GOLD LOANS SHOWED HIGHER INCREASE IN SHARE FOR WOMEN NTC BORROWERS COMPARED TO OTHERS

Product Share of NTC Originations Year-to-Date Dec End



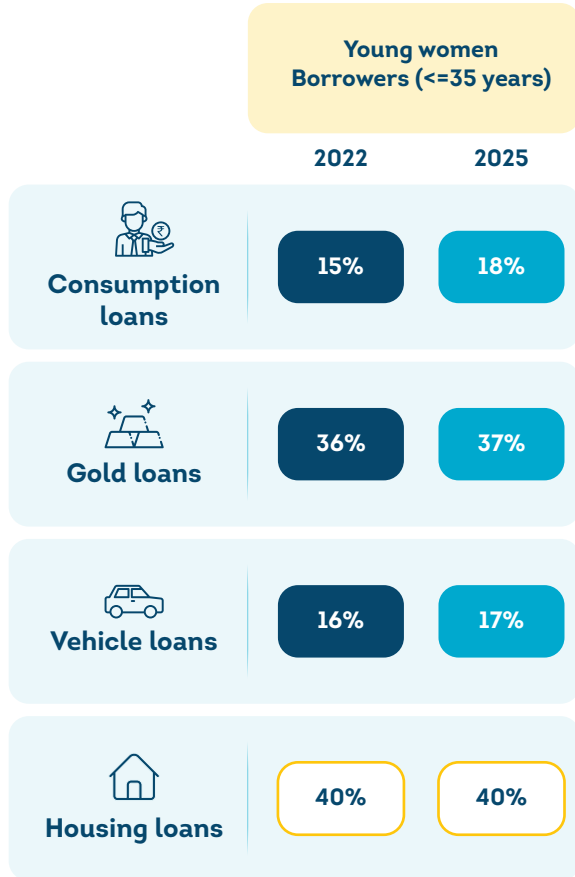
Consumption includes Credit Cards, Personal Loans and Consumer Durable Loans

Vehicles includes Auto Loans, Used Car Loans and Two Wheeler Loans

All Other products (including business purpose loans) account for 27% of NTC Originations by women borrowers

All Other products (including business purpose loans) account for 15% of NTC Originations by other borrowers

## CONTINUED MOMENTUM IN PARTICIPATION FROM YOUNGER WOMEN BORROWERS ACROSS PRODUCT



Consumption includes Credit Cards, Personal Loans and Consumer Durable Loans  
 Vehicles includes Auto Loans, Used Car Loans and Two Wheeler Loans

### Women Borrowers: Credit and Demographic Features

Across most product categories, women show a stronger preference for NBFCs, reflecting their need for faster processing, flexible underwriting, and lower documentation thresholds. Gold loans are the key exception: 44% of women’s gold loan originations come from PSU banks, indicating trust in public sector institutions for asset-backed borrowing and possibly better terms.

Ticket-size patterns further highlight their differentiated credit behaviour: women typically secure higher sanctioned amounts than other borrowers across product lines, signaling stronger creditworthiness or more prudent loan utilization.

Geographically, women borrowers are predominantly in semi-urban and rural locations. However, consumption credit stands out: 51% of women borrowers come from metro and urban markets. This indicates that women’s consumption-led credit adoption is more urban-centric, likely driven by greater digital adoption, retail penetration, and financial access in cities.

**Key Takeaway:** Younger women borrowers are accelerating credit uptake across consumption, gold, and vehicle loans, while staying stable in housing. While steady in growth, housing loans continue to be more popular as 1 in 3 young borrowers taking a housing loan is a woman, aided partly by specific stamp duty benefits provided by government intervention. As young women diversify into multiple products and grow their financial portfolios faster lenders have a strong opportunity to build early loyalty and drive long term lifetime value.

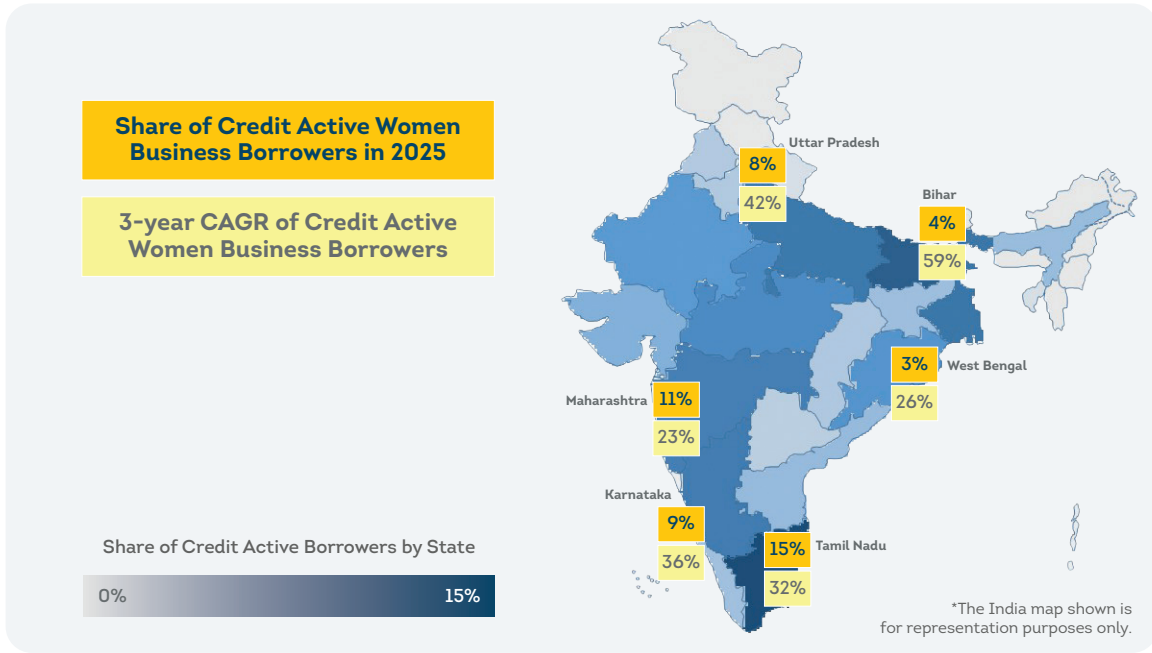
# ENTREPRENEURSHIP BEGINS HERE

HOW BORROWERS BECOME  
BUSINESS BUILDERS

RISE OF WOMEN-LED ENTERPRISES






## WOMEN ENTREPRENEURS AT THE CORE OF COMMERCIAL CREDIT; 31% CAGR OVER LAST 3 YEARS COMPARED TO 17% FOR OVERALL COMMERCIAL CREDIT GROWTH



Women borrowers with an active business-purpose loan have grown rapidly, recording a 31% CAGR over the past three years—indicating rising participation of women in enterprise-led credit adoption. While southern and western states continue to anchor volume, with Tamil Nadu accounting for 15% and Maharashtra for 11% of such borrowers, growth momentum is increasingly shifting northwards.

States such as Bihar and Uttar Pradesh—with a combined share of 12%—have demonstrated above-average growth, posting CAGRs of 59%, and 42% respectively. This divergence between contribution and growth suggests a maturing base in traditionally strong markets and emerging acceleration in under-penetrated northern states. The trend points to improving credit access, rising entrepreneurial activity among women, and the effectiveness of digital and policy-led inclusion initiatives in newer geographies.

## WOMEN ENTREPRENEURS ARE INCREASINGLY GRADUATING TO AVAILING MORE COMPLEX BUSINESS CREDIT PRODUCTS SUCH AS CASH CREDIT AND OVERDRAFT FACILITIES

	2023	2024	2025
 <p>Number of women entrepreneurs with an active business loans as of December (in individual capacity)</p>	1 Crore	1.4 Crore	1.6 Crore
 <p>% of women entrepreneurs with an active loan availed in the name of business entity managed by them</p>	29%	25%	27%
 <p>% of business entity with Cash Credit or Overdraft facility availed</p>	4.3%	4.5%	4.3%

## WOMEN ENTREPRENEURS ARE INCREASINGLY GRADUATING TO AVAILING MORE COMPLEX BUSINESS CREDIT PRODUCTS SUCH AS CASH CREDIT AND OVERDRAFT FACILITIES

Post-pandemic, women entrepreneurs experienced strong growth in credit activity and outstanding balances. However, this momentum has moderated in recent past stabilizing at 18% growth in women borrowers with business loans by Dec-25. The share of women taking loans in the name of their business entity has also plateaued at 27%, indicating significant untapped potential for business-oriented women borrowers to progress into larger and more complex commercial lending products.

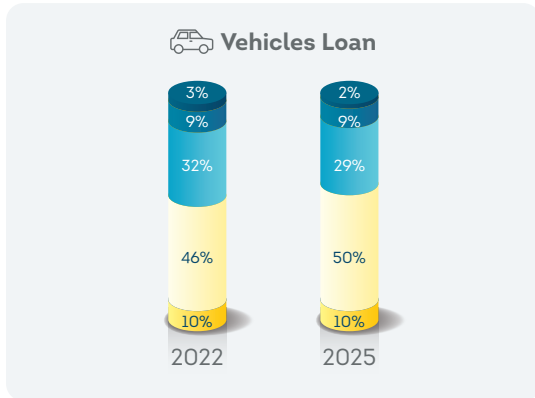
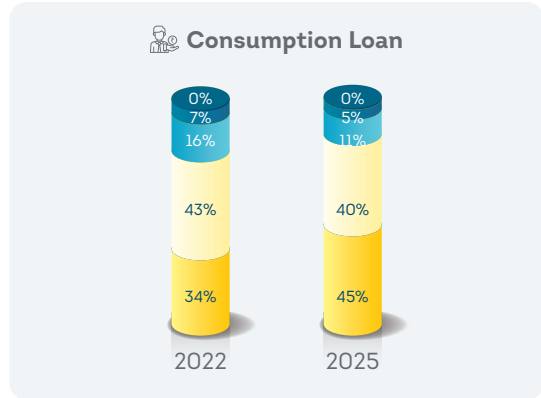
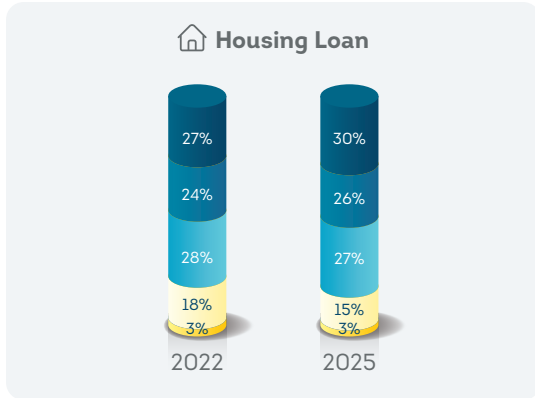
Despite this slowdown, women who do enter commercial credit are adopting more complex credit products such as cash credit and overdraft facilities though the access to such products still remains lower at ~4.3% of the women owned business entities compared to overall ~40%.

**Key Takeaway:** By leveraging digital channels for targeted outreach, credit education, and seamless online product journeys, lenders can help women entrepreneurs access more complex commercial credit, enabling deeper participation and long-term business growth.



# DIGITAL ADOPTION FUELING WOMEN BORROWERS EXPANSION ESPECIALLY IN ACCESS TO CONSUMPTION LOANS

Originations by TAT between enquiry and originations



31-90 DAYS
  16-30 DAYS
  6-15 DAYS
  1-5 DAYS
  SAME DAYS

## DIGITAL ADOPTION FUELING WOMEN BORROWERS EXPANSION

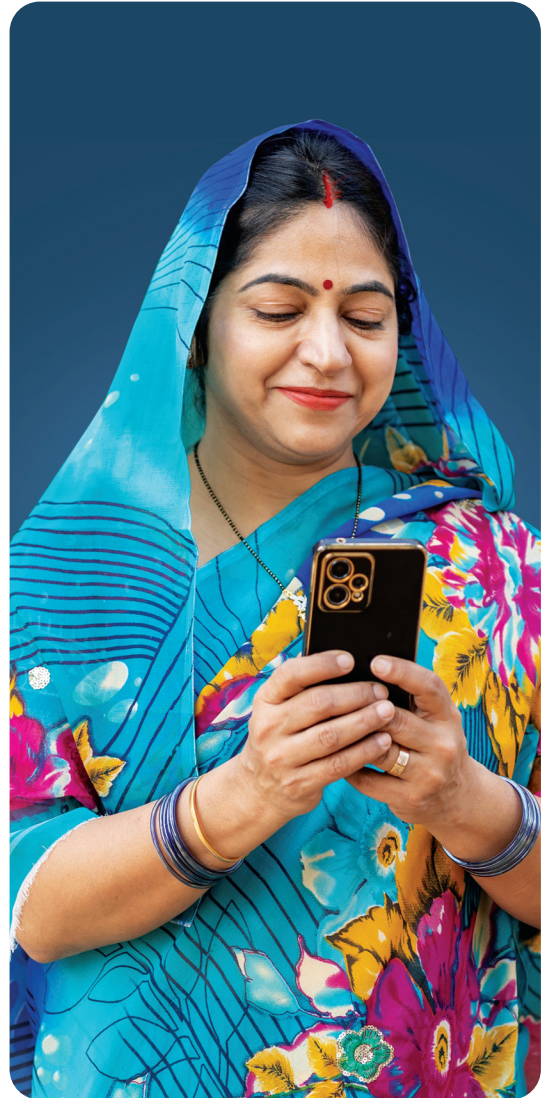
Digital adoption in loan origination is compressing turnaround times for women borrowers availing retail purpose loans, enabling same-day and same-week (1-5 days) credit decisions at scale.

Consumption loans show the strongest acceleration, with same-day approvals rising from 34% in 2022 to 45% in 2025—an 11-percentage-point increase that reflects the sector's high digital readiness and simplified underwriting.

Housing loans, however, remain concentrated in longer TAT buckets (31-90 days) due to unavoidable steps such as property valuation, collateral checks, and in-depth income assessment, which are less amenable to full digitization.

In commercial lending, same week approval (0-5 days) has increased from 24% in 2022 to 30% in 2025. Reduced TAT in business purpose loans signals a digitally enabled lending ecosystem—improving timely access to capital, aligning credit with business cash-flow needs, and reflecting higher lender confidence in standardized, data-driven underwriting.

**Key Takeaway:** As digital origination deepens, speed-to-credit is evolving from a process metric to a structural enabler—reducing friction for women, boosting approval confidence, and bringing more first-time borrowers into formal credit. Continued focus on digitization across data, onboarding, servicing, and product design will define the next frontier of financial inclusion in India.



## LAST MILE DIGITIZATION WILL SHAPE THE NEXT PHASE OF FINANCIAL INCLUSION

Across women-borrower segments, growth remains strong. Yet a substantial opportunity still exists to expand women's access to credit—especially at the last mile. As the market matures, the priority is shifting from simply increasing outreach to enabling meaningful participation.

At the grassroots level, many women entrepreneurs—especially Rural Women Nano-Entrepreneurs (RWNE)—operate in low-income, credit-constrained environments. While digital infrastructure has expanded access, disparities in digital readiness, financial literacy, and ecosystem coordination continue to shape credit outcomes.

Understanding how these borrowers interact with: Digital payments, Financial tools and Lending platforms will be critical to designing more targeted interventions.

Strengthening last-mile digital capability can:

1. Improve credit visibility
2. Enable flow-based underwriting
3. Enhance sustainable borrowing
4. Support long-term enterprise resilience

**Implication:** The next phase of financial inclusion will depend not only on expanding credit availability, but on digitally equipping women to participate confidently and independently in the formal financial system.



# TRANSFORMING DAILY DIGITAL BEHAVIOR INTO ACTIONABLE DATA PATHWAYS

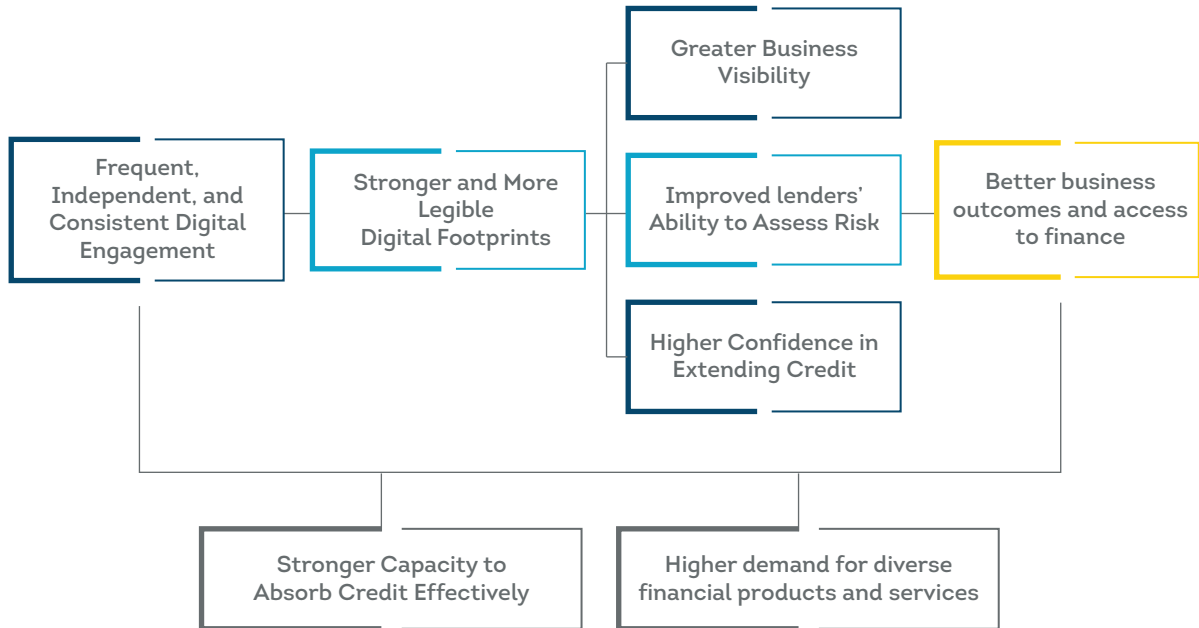
UNDERSTANDING RURAL WOMEN  
NANO-ENTREPRENEURS' (RWNES') DIGITAL  
JOURNEYS



## UNDERSTANDING RURAL WOMEN NANO-ENTREPRENEURS'(RWNES)\* DIGITAL JOURNEYS

In India's rapidly digitizing economy, digital participation has become central to enterprises for accessing markets, services, and finance. The lending ecosystem is becoming increasingly digital and data-driven, accelerating loan approvals. As noted earlier, same-day consumption loan approvals rose from 34% in 2022 to 45% in 2025. Rising participation of women in formal credit markets and faster approval timelines reflect a structurally evolving financial system.

In the current financial system, enterprises that use digital tools frequently, independently, and consistently may leave behind digital footprints that lenders can meaningfully use to assess creditworthiness. **Each digital interaction**, from social media engagement and website visits to digital payments and e-commerce activity, generates a footprint that reflects behavioural signals relevant to credit assessment. Digital engagement is not just a tool for efficiency but a mechanism for financial visibility.



\*Description in the definitions and notes section

## FRAGMENTED DIGITAL ENGAGEMENT LIMITS HOW RWNES BENEFIT FROM DIGITAL

Digital visibility is not automatic. For women nano entrepreneurs, who constitute the majority of women nano and micro enterprises, digital access does not always translate into independent, strategic, or sustained use. While smartphones and digital payments are widespread, deeper engagement remains uneven. Shared devices, assisted transactions, time poverty due to unpaid care and household responsibilities, and contextual constraints such as restricted mobility, limited financial decision-making autonomy, low awareness of digital tools, language barriers etc shape how women interact with digital tools. What matters, therefore, is not access alone but how digital engagement unfolds over time.

This section examines the behavioral dynamics that shape Rural women nano-entrepreneurs (RWNES) digital participation. Drawing on primary field research, this section introduces the Digital journey of women entrepreneurs. It reveals where progression stalls, where risk and trust barriers persist, and where behavioral constraints limit deeper engagement. By identifying these friction points, the framework helps the ecosystem to design targeted interventions that support women's progression towards strategic, empowered digital use.

\*This section is based on primary field research conducted with Rural nano women entrepreneurs (RNWEs) of Kerala and Madhya Pradesh. The analysis draws on in-depth interviews, focus group discussions, and field observations with 161 women entrepreneurs operating in rural and semi-rural contexts.



## DIGITAL ACCESS ISN'T DIGITAL EMPOWERMENT FOR RWNES; TRUST SHAPES SUSTAINED ADOPTION

Based on field observations, we identified qualitative insights into RWNEs' digital behavior, including how they use digital tools, make decisions, and manage daily operations. These behaviors matter because they directly shape their digital journey, influencing engagement levels, tool adoption, and responsiveness to digital interventions

**RWNEs manage daily operations but often lack full decision-making power** over credit, procurement, pricing, and investment, which limits how far digital participation translates into financial control, visibility, and confidence.

**Most RWNEs own smartphones and use basic applications.** Our study finds that 60-70% accept digital payments. However, engagement remains limited to payments, with minimal use of tools for other business functions.

38% of RWNEs in Kerala report time poverty as a key growth barrier, indicating that the **overlap of business and household responsibilities limits sustained digital engagement** and shifts adoption toward quick, familiar tools.

RWNEs articulate clear business needs, such as improving marketing and diversifying products. Yet they **lack clarity on how digital or AI tools can address them**, creating a translation gap that reinforces reliance on familiar practices.

**Trust shapes digital adoption among RWNEs.** They prefer tools endorsed by peers, banks, or government institutions, as peer validation signals safety and reduces fear of loss.

RWNEs show **greater willingness to adopt new digital tools when collectives\* introduce or endorse them.** Collectives reduce perceived risk, lower the burden of experimentation, and provide social proof, thus drive more sustained adoption.



\*Description in the definitions and notes section

## DIGITAL ADOPTION AMONG RWNES UNFOLDS AS A NON-LINEAR JOURNEY SHAPED BY TRUST, CONTEXT, EXPERIENCE, AND BEHAVIORAL CHOICES AT EACH STAGE



Field insights show that RWNEs cannot be classified simply as “digitally included” or “excluded.” While many use smartphones, UPI, and familiar applications, their exposure to advanced tools remains uneven and context-driven

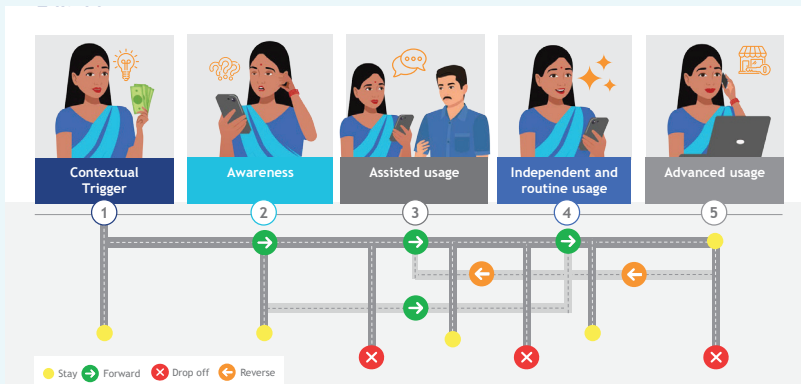


This digital journey reflects RWNEs lived realities and operating environment



The journey is not linear; at each stage, RWNEs make critical choices. They may continue at the same level, progress to deeper or more independent use, revert to earlier forms of engagement, or discontinue use after negative experiences.

## RURAL WOMEN NANO ENTREPRENEURS’ (RWNEs) DIGITAL JOURNEY



The real life digital journey and digital adoption is a behavioral decision process that moves from contextual triggers to advanced usage

## EACH STAGE OF THE DIGITAL JOURNEY GENERATES FOOTPRINTS OF VARYING DEPTH AND CONTINUITY, STRENGTHENING THE RELIABILITY OF CREDIT-RELEVANT DATA THAT SHAPES ACCESS TO FORMAL CREDIT

### 1 Contextual trigger

A business or financial need arises, but digital tools addressing the need may not yet be actively considered.

### 2 Awareness

Exposure to a relevant digital tool through peers, family, or networks. Use is not yet certain.

**Digital footprint:** Initial interactions lead to light, exploratory traces (logins, browsing)

### 3 Assisted usage

Initial use with support from family, SHGs, or intermediaries. Assistance may reduce perceived risk and enable initial engagement.

**Digital footprint:** Transaction or task-based traces; often inconsistent.

### 4 Independent and routine usage

Regular, self-directed use of digital tools. Confidence grows through repetition.

**Digital footprint:** Consistent transaction and usage data strengthen the digital record. Interruptions or reversals can weaken data continuity.

### 5 Advanced usage

Strategic, multi-tool use for business growth and financial tasks. Digital tools become embedded in operations.

**Digital footprint:** Diversified, continuous, credit-relevant data trail. Interruptions or reversals can weaken data continuity.

## SUPPORTING WOMEN TO ADVANCE IN THEIR DIGITAL JOURNEY FROM BASIC TO INDEPENDENT SUSTAINED USAGE WILL IMPROVE THEIR ACCESS TO FORMAL FINANCE

02

Building practical digital capability by enabling hands-on, use-case-driven practice with tools, supports progression from contextual trigger to independent & routine usage

01

Leveraging social validation and trust networks by using peer, bank, and institutional endorsements will support safe adoption from early awareness to assisted usage

03

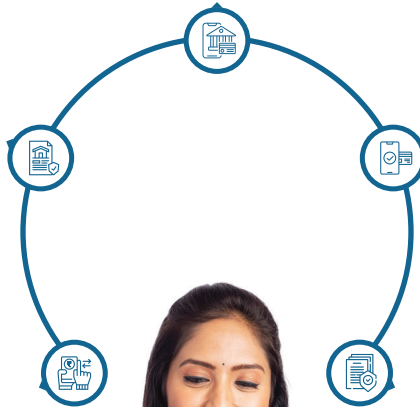
Strengthening agency across business decisions will translate digital engagement into real control and strategic use

04

Designing digital tools that account for RWNEs' contextual realities, time constraints, overlapping responsibilities, and risk perceptions will enable sustained and meaningful engagement

05

Enabling collective learning by fostering group-based approaches that reduce risk and reinforce skills facilitates progression from assisted use to routine and advanced adoption



## RURAL WOMEN NANO-ENTREPRENEURS REIMAGINING DIGITAL POSSIBILITIES

“

**DIGITAL TOOLS  
HELPED ME FIND  
CUSTOMERS; AI  
CAN HELP ME  
PLAN WHAT  
COMES NEXT.**

”



Fresh mushrooms need quick selling, so I have begun using WhatsApp groups and my Facebook page. I get fairly good sales through these platforms. As I get more used to digital tools, I feel AI could help me market better and share the health value of my produce to customers. I also think it can keep me informed about market trends and open up ideas for new products. Over time, I see AI supporting my financial decisions, helping me plan savings, investments, and credit more confidently.

Sreevidya, Mushroom culture, Varkala/Kerala

## RURAL WOMEN NANO-ENTREPRENEURS REIMAGINING DIGITAL POSSIBILITIES

“

**SINCE I STARTED  
ACCEPTING UPI,  
MORE  
CUSTOMERS STAY  
AND BUY FROM  
MY SHOP.**

”



Customers often came to the shop but left without purchasing when UPI payment was not available. This became a major issue because the shop is located near an area with a large number of migrant workers, or nearby travelers, many of whom prefer digital payments. As a result, the shop experienced a significant reduction in customers. I had heard of UPI apps but didn't know how to set up a QR code. After attending a training session locally, I learned how UPI works, including on my phone, and how to stay safe from scams. Once I started accepting digital payments, more customers stayed, and transactions became smoother.

I feel more confident now, and I see digital payments helping my business grow steadily.

**Pragati, Retail shop, Raisen/Madhya Pradesh**

## RURAL WOMEN NANO-ENTREPRENEURS REIMAGINING DIGITAL POSSIBILITIES

“

**I WANT MY  
DESIGNS TO FEEL  
RELATABLE TO  
EVERY  
CUSTOMER.**

”



I use Instagram and Pinterest to learn new designs and stitching ideas, and to promote my work. I imagine AI helping me create and visualise designs for different body types so customers can see what suits them before buying. I hope it can also suggest new designs and styles that match my customers' tastes, making my work more relevant and exciting for everyone.

**Rabia, Fashion designing teacher  
and garment stitching business, Nedumangad/Kerala**



### Digital Footprints as Productive Economic Assets

The ecosystem must systematically integrate UPI trails, recurring inflows, merchant activity, and behavioral repayment patterns into flow-based underwriting models. This is particularly critical for nano enterprises with no formal collateral. Strengthen data use while ensuring regular gender-bias audits in credit models.



### Strengthen Last-Mile Digital Capability

The evidence from rural women nano-entrepreneurs shows that trust networks, collectives, and peer endorsement drive sustained adoption. Financial institutions, platforms, and government actors must embed trust-based, collective-led digital capability building to deepen financial visibility and credit readiness.



### Expand First-Time Access – responsibly

With a majority of credit-eligible women still unserved, expansion must continue through improved risk segmentation, alternative data use, and hybrid sourcing models; balancing inclusion with portfolio quality.



### Design Lifecycle-Based and Early-Entry Financial Pathways for Women

Financial institutions should develop lifecycle-linked gender intelligent product bundles and youth-focused credit entry pathways, particularly for women under 35, integrating savings, credit, and digital financial literacy. Early financial anchoring can strengthen retention, deepen product diversification, and enhance long-term portfolio value.



### Strengthen Inclusive Digital and Enterprise Enablement

Financial institutions should embed assisted-digital, vernacular-first, and voice-enabled models, and integrate non-financial support, such as market linkages and basic business tools, into enterprise lending to strengthen credit readiness and business sustainability. This will improve women's business growth and credit absorption as they grow.



### Shift from Access Metrics to Progression Metrics

The next phase of inclusion should track graduation rates, multi-product holding, working capital uptake, and enterprise growth – measuring depth rather than disbursement volumes alone. Structured cross-sell pathways, bundled offers, and milestone-based product expansion should be institutionalized to prevent stagnation at single-product participation.

## INDIA'S FUTURE WRITTEN IN WOMEN'S SUCCESS

With credit penetration among women at 36%, the opportunity ahead is notable. Nearly two-thirds of credit-eligible women (aged 18–64) remain unserved, representing a large untapped segment for inclusion and growth. Even within the existing 36% who are credit active, nearly half have held only a single credit product ever, indicating clear scope to deepen engagement and support their progression along the credit journey. Fully realising this potential requires a clearer understanding of women borrowers' lived experiences, behaviours, and decision-making environments.

Building on this need, this report offers a structured view into how women entrepreneurs—particularly nano enterprises—navigate digital tools for both business and financial purposes. Through field observations and behavioural insights, the Digital Journey framework maps how women's choices, constraints, and contexts shape their digital footprints, which in turn influence business outcomes and access to credit. By highlighting these pathways, the analysis underscores the importance of deeper research into digital behaviour and footprint creation. Given the significant presence of women-led nano enterprises, understanding these behavioural dynamics provides a clear pathway to unlock growth, strengthen financial visibility, and expand meaningful credit access—ultimately advancing the role of women entrepreneurs in India's evolving digital economy.



## TRANSUNION CIBIL

TransUnion CIBIL, India's pioneer information and insights company, enables trust in the modern economy by providing actionable insights for reliable representation in the marketplace. Serving the financial sector, MSMEs, corporates, and individual consumers, its clients include banks, NBFCs, housing finance companies, and insurers. By strengthening the credit information ecosystem, TransUnion CIBIL has catalysed lending in India, driving access to credit for millions over two decades. Its efforts promote sustainable credit growth, financial inclusion, and improved ease of doing business, supporting economic opportunity and empowerment across the country.

## WEP

The Women Entrepreneurship Platform (WEP), a pioneering initiative by NITI Aayog, is steadfast in its mission to empower women entrepreneurs across India. Through recent initiatives and partnerships, WEP continues to break barriers and create opportunities for women. From launching state chapters and building international partnerships to providing mentorship and skill development programmes, WEP is making a tangible difference and setting a foundation for future possibilities.

## MSC

MicroSave Consulting (MSC) is a boutique consulting firm that has, for 25 years, driven progress toward meaningful financial, social, and economic inclusion. With a team of over 300 staff from diverse nationalities and areas of expertise, the firm operates in more than 68 developing countries. MSC collaborates with stakeholders in financial services, enterprise, agriculture, and health ecosystems to deliver sustainable performance improvements and unlock lasting value. Its clients include governments, donors, private sector corporations, and local businesses. MSC specializes in helping organizations seize digital opportunities, address mass markets, and future-proof their operations.

## FWC

Financing Women Collaborative (FWC) is an initiative of the Women Entrepreneurship Platform (WEP), launched in September 2023, to enhance access to finance for women entrepreneurs in India. It is a platform to bring together financial service providers, public and private sector banks, and organizations working with women entrepreneurs to create a supportive financing ecosystem for women.

FWC is chaired by SIDBI, co-chaired by TU CIBIL with Microsave Consulting as its secretariat to anchor initiatives that accelerate financing for women.



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**PIYUSH KANT**

TRANSUNION CIBIL

**DINESH VALIRAMANI**

TRANSUNION CIBIL

- All credit related data is sourced from TransUnion CIBIL consumer database.
- The latest month values are subject to revision as additional data get reported to the TransUnion CIBIL credit bureau.
- Latest month Origination/disbursement values are provisional and subject to revision as additional data gets reported.
- QoQ refers to growth rate of a month in a quarter over a similar month in the previous quarter. As an example, June over March or April over January.
- Approval rate is calculated as the percentage of accounts which were opened within the next 90 days of the enquiry for home loans, commercial vehicle, construction equipment and education loans; and within the next 30 days of enquiry for all other loans. Approval Rate month is 30 - 90 days post the enquiry month.
- CreditVision (CV) score ranges are: Below prime = 300-730; Prime = 731-770; Above Prime = 771-900. Grouped together, below prime consumers constitute a CV score of  $\leq 730$  and prime or above a CV score of  $\geq 731$ .
- NTC (New to Credit) Consumers refers to those consumers who do not have a score as of beginning of the month of the loan origination for a given calendar month. An increase in NTC% indicates higher financial inclusion.
- Collective refers to a structured group-based platform—such as Self-Help Groups (SHGs), producer groups, cooperatives, federations, or community-based associations
- Rural Women Nano Entrepreneurs:
  - For the qualitative research, we describe Rural Women Nano Entrepreneurs as women in rural areas who own and/or operate nano-scale enterprises:
  - Typically self-employment or household-based activities, with no regularly paid workers.
  - Monthly net income of up to INR 10,000, with a small number of cases in our study marginally exceeding this level.

This report is prepared by TransUnion CIBIL Limited (TU CIBIL) and MicroSave Consulting. This report is based on collation of information, substantially, provided by credit institutions who are members with TU CIBIL. While TU CIBIL takes reasonable care in preparing the report, TU CIBIL shall not be responsible for errors and/or omissions caused by inaccurate or inadequate information submitted to it by credit institutions. Further, TU CIBIL does not guarantee the adequacy or completeness of the information in the report and/or its suitability for any specific purpose nor is TU CIBIL responsible for any access or reliance on the report and that TU CIBIL expressly disclaims all such liability. This report is not a recommendation for rejection / denial or acceptance of any application nor any recommendation by TU CIBIL to (i) lend or not to lend; (ii) enter into or not to enter into any financial transaction with the concerned individual/entity. The user should carry out all the necessary analysis that is prudent in its opinion before making any decisions based on the Information contained in this report. The use of the report is governed by the provisions of the Credit Information Companies (Regulation) Act, 2005, the Credit Information Companies Regulations, 2006, Credit Information Companies Rules, 2006. No part of this report should be copied, circulated, published without prior approvals.







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