

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2651
TO BE ANSWERED ON 16.03.2026

COLLATERAL-FREE CREDIT AND CGTMSE COVERAGE IN ODISHA

2651. SHRI SUBHASISH KHUNTIA:

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

- (a) whether collateral-free credit has been extended to MSMEs in the State of Odisha during the last three years under CGTMSE and other Central schemes and if so, the total amount thereof;
- (b) whether the percentage of registered MSMEs in the State covered under CGTMSE has been assessed and if so, the details thereof;
- (c) whether the NPA rate in MSME lending in the State has been reviewed in comparison with the national average and the findings thereof; and
- (d) whether any targeted measures are proposed to improve credit penetration and reduce financial stress in the State and if so, the details thereof?

ANSWER

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

(a): Government of India (GoI) implements various credit guarantee schemes for Micro, Small and Medium Enterprises (MSMEs) across the country, including in the State of Odisha. The details of the collateral-free credit extended under the major schemes in the State of Odisha during last three years are at Annexure-I.

(b) & (c): Credit Guarantee Scheme for Micro and Small Enterprises is a demand driven scheme. A total of 5.02 lakh credit guarantees amounting to Rs. 42,591 crore have been extended in the State of Odisha since inception in 2000 till 28.02.2026. As informed by the Department of Financial Services (DFS), the progress of collateral-free lending under various schemes of the GoI is periodically reviewed in the State Level Bankers' Committee (SLBC) meetings. Banks are regularly advised to adhere to the guidelines issued by the GoI and Reserve Bank of India.

Further, as informed by SLBC Odisha, the NPA rate in MSME lending in the State is reviewed on a quarterly basis in the MSME Sub-Committee and SLBC meetings. The NPA level is assessed by comparing it with the levels of previous quarters/years in the state, as shown below:

| NPA | | | | |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| | 31.03.2025 | 31.06.2025 | 31.09.2025 | 31.12.2025 |
| Overall State | 4.63% | 3.39% | 4.01% | 3.87% |
| MSME Sector | 3.72% | 3.66% | 3.47% | 3.56% |

(d): The Government has taken various measures to improve credit penetration and reduce financial stress for MSMEs across the country, including in Odisha, which inter-alia includes:

- i. Ministry of MSME implements Credit Guarantee Scheme (CGS) for MSEs through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans extended to new as well as existing MSEs by Member Lending Institutions without collateral security and third-party guarantee. The ceiling for guarantee coverage is Rs. 10 crore under the scheme.
- ii. Self-Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 crore as equity funding in MSMEs with a provision of Rs.10,000 crore from the Government of India and Rs. 40,000 crore through Private Equity/Venture Capital Funds.
- iii. Prime Minister's Employment Generation Programme provides Margin Money subsidy up to 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of Rs. 50 lakh for Manufacturing and Rs. 20 lakh for Services enterprises.
- iv. PM Vishwakarma Scheme was launched on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of collateral free loans up to Rs. 3 lakh with interest subvention of max up to 8%.
- v. As informed by DFS, Pradhan Mantri Mudra Yojana (PMMY) was launched on 08.04.2015 to extend collateral free credit up to Rs. 20 lakh by Member Lending Institutions. Any individual, who is otherwise eligible to take a loan and has a business plan for small business enterprise can avail loan under the scheme for income generating activities in the manufacturing, trading, service sectors including activities allied to agriculture.
- vi. The Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Package to support eligible MSMEs and business enterprises in meeting their operational liabilities due to disruption caused by COVID-19 pandemic. The Scheme was operational till 31.03.2023.
- vii. As informed by RBI, in terms of para 4.1 (a) of RBI Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector dated July 24, 2017, all Scheduled Commercial Banks are mandated not to accept collateral security in the case of loans up to Rs.10 lakh extended to units in the MSE sector. As per RBI circular dated 9th February 2026, this limit stands increased to Rs. 20 lakh from 1st April, 2026.
- viii. Further, Ministry of MSME, through its field offices, regularly organizes outreach programmes in coordination with MSME/ Industry Departments of States/ UTs concerned and other stakeholders like CGTMSE, SIDBI, Banks, MSME Associations etc., to enhance credit availability among MSMEs in the country, including Uttar Pradesh.

Annexure referred in part (a) of answer to Rajya Sabha Unstarred Question no. 2651 on “Collateral-free credit and CGTMSE coverage in Odisha” due for reply on 16.03.2026.

1. Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs)

| CGS for MSEs – Guarantees approved- Odisha | | |
|---|-----------------------------------|---------------------------------------|
| Financial Year | No. of guarantees approved | Amount approved (in Rs. Crore) |
| 2022-23 | 34,081 | 3,045 |
| 2023-24 | 56,392 | 6,109 |
| 2024-25 | 94,128 | 9,684 |

2. Pradhan Mantri Mudra Yojana (PMMY)

| Collateral free loans guaranteed to MSMEs under PMMY through Credit Guarantee Fund for Micro Units (CGFMU)- Odisha | | |
|---|-------------------------------|--|
| Financial Year | No of Loans guaranteed | Amount of loans guaranteed (in Rs. crore) |
| 2022-23 | 64,990 | 1,546 |
| 2023-24 | 2,26,329 | 2,370 |
| 2024-25 | 4,25,925 | 3,804 |

3. Credit Guarantee Scheme for Stand Up India (CGSSI)

| CGSSI- Odisha | | |
|-----------------------|-------------------------------|--|
| Financial Year | No of Loans guaranteed | Amount of loans guaranteed (in Rs. crore) |
| 2022-23 | 172 | 47 |
| 2023-24 | 204 | 74 |
| 2024-25 | 214 | 63 |

4. Emergency Credit Line Guarantee Scheme (ECLGS)

| ECLGS- Odisha | | |
|-----------------------|-------------------------------|--|
| Financial Year | No of Loans guaranteed | Amount of loans guaranteed (in Rs. crore) |
| 2022-23# | 8,834 | 527 |

The Scheme was operational till 31.03.2023.