

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UN STARRED QUESTION No. 1860
TO BE ANSWERED ON 31.07.2025

COLLATERAL FREE LOAN

1860. SHRI MANICKAM TAGORE B:
 SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:
 SHRI SURESH KUMAR SHETKAR:

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

- (a) the number of functioning Micro, Small and Medium Enterprises (MSMEs) in the country and the number of such enterprises formally registered on the Udyam Portal;
- (b) the steps taken/being taken by the Government to address the issue of lack of access to formal credit for MSMEs particularly those located in rural areas and Tier-II and Tier-III cities;
- (c) the number of MSMEs that have received collateral-free loans under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and the Pradhan Mantri MUDRA Yojana (PMMY) during the last three years, State/UTs-wise particularly for the States of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and Telangana;
- (d) the measures taken/being taken to reduce the delays in payments from large corporates and Government departments to MSMEs which directly impact their liquidity and survival;
- (e) whether the Government has evaluated the effectiveness of the Emergency Credit Line Guarantee Scheme (ECLGS) in supporting micro and small enterprises during the COVID-19 period and thereafter and if so, the details thereof; and
- (f) whether the Government has any plan to improve digital and technological adoption among MSMEs to boost their competitiveness and increase credit access through alternative credit scoring and if so, the details thereof?

ANSWER

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

(a): Udyam Registration Portal was launched on 01.07.2020 with the revised criteria for classification of MSMEs. As on 28.07.2025, the total number of MSMEs registered in all India on the Udyam Registration Portal including Udyam Assist Platform (from 01.07.2020 to 15.07.2025) was 6.59 Crore.

(b) to (c): To improve the impact of the Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE) Scheme, the Ministry of MSME, Government of India, has introduced reduction in the Annual Guarantee Fee (AGF) by 50%, from the peak rate of 2% per annum to as low as 0.37% per annum w.e.f 01.04.2023. Recently, the government has also enhanced the ceiling of guarantee coverage from ₹5 crore to ₹10 crore and has rationalised the AGF for guarantees above ₹1 crore, with effect from 01.04.2025. Further,

: 2 :

- i. To promote credit flow to MSEs in Identified Credit Deficient Districts (ICDD) as per RBI, CGTMSE offers 10% discount on the Annual Guarantee Fees and extend an additional 5% guarantee coverage.
- ii. CGTMSE introduced 'Special Provision for the Informal Micro Enterprises (IME)' under Credit Guarantee Scheme on 14.02.2024. The guarantee covers credit facilities up to Rs. 20 lakh with 85% coverage, with no primary security required, and a guarantee fee of 0.37% for up to Rs. 10 lakh and 0.45% for Rs. 10 lakh to Rs. 20 lakh.

Moreover, to increase awareness among MSMEs in the country awareness programmes are conducted by the field offices of Ministry of MSME, in coordination with MSME/ Industry Departments of States/UTs concerned and other MSME stakeholders through physical workshops, social media, print media & electronic media for creating wide publicity for increasing participation from all stakeholders.

The details of guarantees extended under the Credit Guarantee (CGS) for last three years State-wise is mentioned in the attached *Annexure-I*.

The State/UTs wise details of the number of loan accounts under Pradhan Mantri Mudra Yojana (PMMY) for last three years is given in *Annexure II*.

(d): The Government of India has taken a number of measures to ensure timely payment settlements for Micro and Small Enterprises (MSEs) across the country. The Ministry of MSME launched SAMADHAAN Portal on 30.10.2017 for monitoring of the outstanding dues to the MSEs. 161 Micro & Small Enterprises Facilitation Councils (MSEFCs) have been set-up in States/UTs. The monetary limit for onboarding on Trade Receivables Discounting System for Corporates and CPSEs has been reduced to a turnover of Rs. 250 Crore vide Notification S.O. 4845(E) dated 07.11. 2024. Ministry of MSME has recently launched Online Dispute Resolution (ODR) Portal on 27.06.2025 to provide end-to-end digitized resolution of the delayed payment cases.

(e): Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises to ease their liquidity position. The Scheme provided for collateral free loans to existing eligible borrowers with 100% guarantee in respect of the eligible amount as per the Scheme guidelines. The Scheme was valid till 31.3.2023.

Several impact assessments have been conducted on the effectiveness of ECLGS. As per a research report dated 23.1.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts of which about 93.8% of the accounts were in the micro and small enterprises categories, have been saved from slipping into non-performing asset (NPA) classification due to ECLGS.

(f): In pursuance of the Union Budget 2024-25 announcement, Hon'ble Finance Minister launched New Credit assessment model for MSMEs. The model leverages the digitally fetched and verifiable data and devises automated journeys for MSME Loan appraisal using objective decisioning for all loan applications and model-based limit assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers. The digital footprints used by the model may include Pan authentication using National Securities Depository Limited (NSDL), Mobile and email verification using OTP, Application Programming Interface (API) fetch of GST data through service providers, Bank Statement Analysis using account aggregator, ITR upload and verification, API enabled commercial and consumer bureau fetch and due diligence using Credit Information Companies (CICs), fraud checks, through APIs, among others. The model is live with all banks with different loan amount threshold.

Government has taken several initiatives to promote digital upgradation and adoption of emerging technologies for greater productivity and competitiveness among MSME across the country. These include Ministry of Electronics and Information Technology platforms like Digi Locker and India AI Datasets Platform aimed at empowering MSME to become resilient, competitive and sustainable by leveraging digital technologies, and Department of Telecommunications networks like BharatNet and PM-WANI for affordable access and last mile connectivity. Ministry of Micro, Small and Medium Enterprises is supporting digital empowerment of MSME through digital registration under Udyam, training in Tool Rooms /Technology Centres for technology adoption, incubation of new ideas and technologies through MSME Innovative scheme and MSE Green Investment for Financing Transformation scheme for promoting investment in green technologies. Components of financial incentives, capacity building and awareness are suitably embedded in the design of the above Government funded schemes.

Annexure referred to in reply to part (b) to (c) of Lok Sabha Unstarred Question No. 1860 for answer on 31.07.2025.

| Credit Guarantee Scheme – Number of GUARANTEES APPROVED | | | | |
|---|------------------------------------|------------------|------------------|------------------|
| Sl. No. | States / UTs | FY 2022-23 | FY 2023-24 | FY 2024-25 |
| 1 | ANDAMAN & NICOBAR ISLANDS | 495 | 600 | 655 |
| 2 | ANDHRA PRADESH | 237,520 | 79,938 | 110,323 |
| 3 | ARUNACHAL PRADESH | 935 | 981 | 1,707 |
| 4 | ASSAM | 21,195 | 34,556 | 75,747 |
| 5 | BIHAR | 42,360 | 113,262 | 221,458 |
| 6 | CHANDIGARH | 1,706 | 2,459 | 17,401 |
| 7 | CHHATTISGARH | 17,733 | 25,845 | 40,583 |
| 8 | DADRA & NAGAR HAVELI & DAMAN & DIU | 505 | 1,039 | 1,025 |
| 9 | DELHI | 21,458 | 35,127 | 55,120 |
| 10 | GOA | 2,826 | 4,947 | 6,510 |
| 11 | GUJARAT | 43,336 | 106,073 | 110,039 |
| 12 | HARYANA | 30,343 | 48,455 | 75,244 |
| 13 | HIMACHAL PRADESH | 14,898 | 20,600 | 23,750 |
| 14 | JAMMU & KASHMIR | 51,431 | 53,295 | 47,201 |
| 15 | JHARKHAND | 21,090 | 34,800 | 64,614 |
| 16 | KARNATAKA | 53,766 | 135,959 | 188,144 |
| 17 | KERALA | 25,761 | 45,515 | 68,755 |
| 18 | LADAKH | 467 | 637 | 709 |
| 19 | LAKSHADWEEP | 25 | 7 | 23 |
| 20 | MADHYA PRADESH | 50,289 | 75,023 | 131,490 |
| 21 | MAHARASHTRA | 66,055 | 129,892 | 238,128 |
| 22 | MANIPUR | 2,268 | 1,580 | 1,952 |
| 23 | MEGHALAYA | 1,410 | 1,693 | 2,776 |
| 24 | MIZORAM | 1,032 | 1,232 | 1,472 |
| 25 | NAGALAND | 1,813 | 1,563 | 1,804 |
| 26 | ODISHA | 34,081 | 56,392 | 94,128 |
| 27 | PUDUCHERRY | 1,087 | 2,418 | 4,471 |
| 28 | PUNJAB | 49,720 | 81,259 | 88,991 |
| 29 | RAJASTHAN | 72,391 | 85,848 | 120,424 |
| 30 | SIKKIM | 765 | 1,108 | 1,748 |
| 31 | TAMIL NADU | 61,883 | 113,815 | 179,817 |
| 32 | TELANGANA | 29,792 | 41,940 | 97,292 |
| 33 | TRIPURA | 3,845 | 6,523 | 8,398 |
| 34 | UTTAR PRADESH | 130,769 | 247,258 | 403,938 |
| 35 | UTTARAKHAND | 16,296 | 26,361 | 26,268 |
| 36 | WEST BENGAL | 54,440 | 106,073 | 203,170 |
| | TOTAL | 1,165,786 | 1,724,073 | 2,715,275 |

Annexure referred to in reply to part (b) to (c) of Lok Sabha Unstarred Question No. 1860 for answer on 31.07.2025.

| PMMY- State/UT wise number of A/Cs | | | | |
|------------------------------------|--------------------------------------|-----------------|-----------------|-----------------|
| Sl. No | State/UTs | 2022-23 | 2023-24 | 2024-25 |
| 1 | Andaman and Nicobar Islands | 3463 | 3131 | 3027 |
| 2 | Andhra Pradesh | 1348593 | 1588682 | 1464680 |
| 3 | Arunachal Pradesh | 17193 | 26431 | 36567 |
| 4 | Assam | 599213 | 722225 | 1216262 |
| 5 | Bihar | 8489231 | 9631277 | 7771213 |
| 6 | Chandigarh | 17261 | 15585 | 15724 |
| 7 | Chhattisgarh | 1114927 | 1035574 | 1016177 |
| 8 | Dadra and Nagar Haveli | 4469 | 3792 | 3936 |
| 9 | Daman and Diu | 1043 | 1194 | 2292 |
| 10 | Delhi | 337476 | 315625 | 199513 |
| 11 | Goa | 42745 | 42505 | 27585 |
| 12 | Gujarat | 1784437 | 1960464 | 1570182 |
| 13 | Haryana | 1218808 | 1095972 | 800080 |
| 14 | Himachal Pradesh | 151733 | 146471 | 110348 |
| 15 | Jharkhand | 2056159 | 2129193 | 1668829 |
| 16 | Karnataka | 5592066 | 6458940 | 4943477 |
| 17 | Kerala | 1781474 | 1973469 | 1944890 |
| 18 | Lakshadweep | 1623 | 2309 | 2258 |
| 19 | Madhya Pradesh | 3701661 | 3445475 | 3302774 |
| 20 | Maharashtra | 5253324 | 5279979 | 4462791 |
| 21 | Manipur | 39744 | 10666 | 11452 |
| 22 | Meghalaya | 24937 | 31633 | 35308 |
| 23 | Mizoram | 23394 | 28729 | 26463 |
| 24 | Nagaland | 15172 | 21014 | 32002 |
| 25 | Odisha | 3922511 | 3761546 | 2793890 |
| 26 | Pondicherry | 98394 | 133357 | 85730 |
| 27 | Punjab | 1259891 | 1039309 | 707516 |
| 28 | Rajasthan | 2977440 | 2693556 | 2163626 |
| 29 | Sikkim | 13805 | 19290 | 19185 |
| 30 | Tamil Nadu | 6406513 | 7204001 | 4536967 |
| 31 | Telangana | 639323 | 947059 | 1137388 |
| 32 | Tripura | 350659 | 324797 | 348747 |
| 33 | Union Territory of Jammu and Kashmir | 330963 | 366142 | 399396 |
| 34 | Union Territory of Ladakh | 9988 | 11013 | 12197 |
| 35 | Uttar Pradesh | 6808721 | 7679518 | 5924230 |
| 36 | Uttarakhand | 445328 | 445218 | 338119 |
| 37 | West Bengal | 5426916 | 6181872 | 5526827 |
| Total | | 62310598 | 66777013 | 54661648 |