



25<sup>th</sup>  
ANNUAL REPORT  
2024-25

# CGTMSE

(Setup by Ministry of MSME,  
Government of India and SIDBI)



Credit Guarantee Fund Trust  
for Micro and Small Enterprises

आपके सपनों की पक्की गारंटी...



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## Letter of Transmittal



Credit Guarantee Fund Trust for Micro and Small Enterprises,  
1st Floor, Swavalamban Bhavan,  
Avenue 3, Lane 2, G- Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

September 26, 2025

To,

The Additional Secretary & Development Commissioner (MSME)  
Ministry of Micro, Small and Medium Enterprises,  
Government of India  
Office of the Development Commissioner (MSME)  
Nirman Bhavan, 7th Floor, "A" Wing  
Maulana Azad Road,  
New Delhi - 110108

The Chairman and Managing Director  
Small Industries Development Bank of India  
Head Office, SIDBI Tower, 15, Ashok Marg  
Lucknow- 226001

Dear Sir,

In terms of Clause 14.2 of the Declaration of Trust Deed executed by the Government of India and Small Industries Development Bank of India, the Settlers of CGTMSE, we forward herewith the following documents:

1. A copy of audited accounts of the Trust for the financial year ended March 31, 2025 together with Auditor's Report and
2. A copy of the report on the working of Credit Guarantee Fund Trust for Micro and Small Enterprises for the period ended March 31, 2025.

Yours faithfully

Sd/-  
(Manish Sinha)  
Chief Executive Officer

Place: Mumbai

## Message from Chairman



It is with immense pleasure that I present the **Annual Report of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for FY 2024-25**. This year has been one of renewed momentum for India's Micro and Small Enterprises (MSEs) who are the heartbeat of our economy. At CGTMSE, we are privileged to play a catalytic role in advancing entrepreneurial growth at a time when the nation's focus on MSMEs has been immense.

Over the past year, India's MSME sector has been at the forefront of driving economic expansion, job creation and innovation. The recent policy measures including the promotion of digital platforms for MSME credit, the push for Udyam registration among small businesses, and incentives for green and sustainable enterprises through the MSME Sustainable Zero Defect, Zero Effect (ZED) certification are reshaping the future of small enterprise financing.

In FY 2024-25, CGTMSE approved a record ₹3.06 lakh crore in credit guarantees, the highest ever in a single financial year. The Trust crossed a major milestone by approving its 1 croreth guarantee. As of March 31, 2025, CGTMSE has sanctioned 1.15 crore cumulative guarantees, aggregating ₹9.34 lakh crore. Notably, 72% of this amount (₹6.69 lakh crore) has been sanctioned in the last four financial years, reflecting a sharp growth in outreach and impact.

This remarkable achievement demonstrates CGTMSE's crucial role in fostering a supportive environment for MSEs and underscores the positive impact of credit guarantee schemes in empowering the MSEs.

Throughout the year, the trust has focused on:

- **Driving digital transformation** by integrating technology across our guarantee operations to deliver faster, more transparent, and more accessible services.



**Shri Manoj Mittal**  
Chairman (Ex-Officio)



- **Enhancing partnerships** by collaborating with the State Governments of Mizoram and Gujarat, alongside our existing state-level alliances, as well as engaging with NBFCs, Small Finance Banks, and Regional Rural Banks to broaden our outreach and strengthen our relevance.
- **Promoting inclusive entrepreneurship**, with targeted support for Women entrepreneurs in the form of up to 90% guarantee coverage, artisans through collateral-free loans under PM Vishvakarma backed by CGTMSE guarantees, and enterprises adopting sustainable practices by additional coverage to ZED certificate holders.

Looking ahead, CGTMSE remains committed to **making collateral-free credit the norm rather than the exception**. The trust will continue to collaborate closely with our Member Lending Institutions (MLIs), government stakeholders, and partners to create an enabling ecosystem where MSEs can confidently access the capital they need to innovate, compete, and contribute to India's vision for **Viksit Bharat**. Through technology-driven solutions, stronger partnerships, and confidence-building measures, we aim to make access to formal credit faster, more inclusive, and aligned with the aspirations of a self-reliant, innovative, and sustainable India.

The momentum gathered by the trust is noteworthy. Several new initiatives are being rolled out, including deepening engagement with the 276 Member Lending Institutions (MLIs) operating as of 31/03/2025 and

extending outreach to additional districts, all aimed at strengthening credit delivery and promoting financial inclusion. These measures are expected to enable a greater number of MSEs to access collateral-free credit, while also allowing MLIs to cater to a broader and more diverse entrepreneurial community. Such efforts are poised to drive balanced and sustainable growth across the nation.

CGTMSE envisions a future in which it assumes a more prominent role on the global stage, sharing India's experiences with credit guarantee mechanisms and incorporating international best practices to further strengthen its operational model.

As CGTMSE enters its 25th year of steadfast service to the nation, the Trust proudly celebrates this milestone through initiatives that reaffirm its commitment to the growth, resilience, and success of India's MSEs.

I extend my sincere gratitude to our dedicated team, the **Ministry of MSME, Government of India**, the **Reserve Bank of India**, **Indian Banks' Association**, **SIDBI**, **MLIs**, **MSEs**, **Industry Associations** and all our stakeholders. Your unwavering support and collaboration are what make CGTMSE's achievements possible.

Together, let us continue to **empower India's small businesses, fuel inclusive growth, and build a resilient and sustainable future for our nation**.

**Shri Manoj Mittal**  
Chairman (Ex-officio)

## Board of Trustees of CGTMSE

(status as on September 26, 2025)



Shri Manoj Mittal, Chairman (Ex-Officio)  
Chairman and Managing Director,  
Small Industries Development Bank of India  
Swavalamban Bhavan, Avenue 3,  
Lane 2, G- Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

Dr Rajneesh, I.A.S., Vice Chairman (Ex-Officio)  
Additional Secretary and Development Commissioner (MSME)  
Ministry of MSME, Govt. of India  
"A" Wing, 7th Floor, Nirman Bhavan,  
Maulana Azad Road, New Delhi - 110 108



Shri Manish Sinha, Member Secretary  
Chief Executive Officer,  
Credit Guarantee Fund Trust  
for Micro and Small Enterprises,  
Swavalamban Bhavan, 1st Floor,  
Avenue 3, Lane 2, G- Block, Bandra-Kurla  
Complex, Bandra (East), Mumbai - 400 051

# MSE Sector: Catalysing India's Future & Inclusive Growth

## Driving Entrepreneurship and Expansive Employment for a Developed India

Micro and Small Enterprises (MSEs) are the dynamic bedrock of economic resilience, not just globally but fundamentally in India. These enterprises are instrumental in providing livelihoods and fostering entrepreneurial spirit at a foundational level.

In India, the MSE sector is poised for even greater heights, acting as a vibrant engine of entrepreneurship and a cornerstone of the nation's ambitious economic agenda. While specific segregated GDP contributions for MSEs alone are often embedded within broader MSME data, the MSE segment is recognized as the largest portion of the overall MSME contribution, which currently stands at around **30% of India's GDP**.

This sector is a major force in global trade, with its products making up a sizeable portion of India's exports. Crucially, the MSE sector provides employment to over 28 crore Indians, making it the largest employment generator after agriculture.

## Sector Composition and Accelerating Momentum

The formalization of the MSE sector is accelerating rapidly. As of July 2025, the Udyam portal, a significant stride towards formalization, boasts an impressive over **6.5 crore registered MSEs** (encompassing Micro and Small categories within MSME registrations), with the Udyam Assist Platform (UAP) further integrating over **2.7 crore informal Micro Enterprises** into the formal credit ecosystem. This extensive registration highlights the growing formalization and visibility of Micro and Small businesses.

The sector's composition underscores its diverse and widespread impact, particularly emphasizing the prevalence of Micro Enterprises:

- **Manufacturing:** A robust 1.4 crore units are leading India's grassroots industrialization drive.
- **Services:** Comprising a significant 2.3 crore units, this segment is rapidly expanding, driven by India's emergence as a global digital services hub.
- **Trading:** Contributing a substantial 2.8 crore units, these enterprises are vital for local market linkages and distribution.

In terms of employment generation, the MSE sector's broad-based socio-economic impact is evident and directly tied to these segments:

- Approximately **6 crore jobs** are in **manufacturing**, fuelling industrial growth at the Micro and Small scale.
- Around **12 crore jobs** are in **trade**, facilitating commerce across the nation, often through small retail and distribution networks.
- An estimated **10 crore jobs** are in **services**, reflecting the growing digital economy and service-oriented expansion, often delivered by small service providers.

This growth is being achieved with lower capital costs, while actively promoting industrialization and fostering balanced regional development, especially in rural and backward regions where MSEs thrive.



## Government Support: Cultivating a Proactive and Empowering Ecosystem

The Government of India is proactively expanding its policy support and programmatic interventions, creating a robust ecosystem designed to empower MSEs. The

focus remains on enhancing financial inclusion, fostering skill development, accelerating technology adoption, and strengthening market linkages.

Key initiatives that are set to drive future growth specifically for MSEs include:



### PM Vishwakarma Yojana

This forward-looking scheme, designed specifically for artisans and craftspeople (Micro Enterprises), is providing crucial skill certification, enhanced market access, and collateral-free credit (up to ₹3 lakh at a concessional 5% interest rate). As of June 2025, it has seen **29.94 lakh successful registrations**, directly benefiting Micro entrepreneurs.

### Udyam Registration & Udyam Assist Platform (UAP)

These platforms are continually simplifying enterprise registration, and critically, integrating informal Micro Enterprises into the formal credit ecosystem, thereby unlocking access to essential financial resources. The Udyam Portal recorded over **6.5 crore registered MSEs** (including Micro and Small) as of July 2025, with Udyam Assist Platform bringing in over **2.7 crore informal Micro Enterprises**.



### Prime Minister's Employment Generation Programme (PMEGP)

This scheme exclusively offers substantial financial support for Micro Enterprises. Since its inception till FY 2024-25, over **9.65 lakh Micro Enterprises** have been set up, generating employment for over **79 lakh people**.

### SFURTI Clusters & Public Procurement Policy

These initiatives are boosting market access and ensuring a mandated 25% Government procurement from MSEs, with dedicated targets of 4% for SC/ST and 3% for women entrepreneurs, fostering inclusive growth and market integration. As of December 2024, **513 clusters were approved under SFURTI** with total financial assistance of around **₹1,333 crore**, benefitting around **3 lakh artisans**.



### ZED (Zero Defect, Zero Effect), Digital MSE, and RAMP schemes

These programs are actively advancing quality competitiveness, accelerating digital transformation, and promoting climate-smart and sustainable practices within MSEs, preparing them for a green and digital future. The RAMP programme has an outlay of **₹6,062.45 crore over 5 years**, specifically designed to address challenges faced by MSEs.

Furthermore, the Union Budget 2025-26 has significantly enhanced the credit guarantee cover for Micro and Small Enterprises from ₹5 crore to ₹10 crore, unlocking an additional ₹1.5 lakh crore in credit over the next five years, directly benefitting MSEs and fostering their growth. A tailored credit card for Micro Enterprises with a ₹5 lakh limit is also planned, with 10 lakh cards expected in the first year, further improving access to working capital.

### Emerging Opportunities & Promising Growth Outlook

India's MSE sector is at a transformative juncture, strategically positioned for exponential growth. This optimistic outlook is underpinned by robust Government backing, rapid digitalization, and increasing integration into value chains.

- The accelerated adoption of digital public infrastructure like GST, Udyam, UPI, and Account Aggregators is revolutionizing credit access, making it easier and more efficient for MSEs to secure funding.
- Fintech-led innovations and sophisticated data-driven underwriting are actively expanding credit reach, especially to New-to-Credit (NTC) MSEs, fostering financial inclusion at an unprecedented scale.
- Emerging sectors such as renewable energy, green manufacturing, bioeconomy, and digital services are opening exciting new pathways for knowledge-driven, sustainable, and high-growth entrepreneurship, particularly for agile Micro and Small Enterprises, aligning with India's climate goals and innovation agenda.

The continued expansion and enhancement of schemes like CGTMSE, coupled with a proactive reduction in compliance burdens, favourable priority sector lending norms, and

credit-linked subsidies, are expected to significantly accelerate the growth of first-generation entrepreneurs, empower women-led businesses, and invigorate rural enterprises, ensuring equitable and widespread prosperity.

### The Road Ahead: A Trillion-Dollar MSE Future

With the Government's unwavering focus on achieving a \$5 trillion economy and the overarching Viksit Bharat 2047 Vision, the MSE sector is poised to play an undeniably transformative role. It will be the primary driver of job creation, self-employment opportunities, rural development, and enhanced export competitiveness. By 2028, the MSE sector, as a key component of the broader MSME ecosystem, is projected to be a significant force contributing to the overall \$1 trillion valuation for the MSME sector.

A future powered by entrepreneurship, innovation, profound digital inclusion, and unwavering sustainability positions MSEs as the indispensable engines of equitable and long-term economic growth for a thriving, self-reliant, and globally influential India. The journey ahead for Indian MSEs is not just about growth; it is about pioneering a new era of inclusive prosperity and widespread impact.

As the sector looks ahead, CGTMSE is committed to making collateral-free credit a standard practice rather than an exception. By collaborating closely with its Member Lending Institutions, Government stakeholders, and various partners, the scheme creates an enabling ecosystem where MSEs can confidently access the capital needed to innovate, compete, and contribute directly to India's vision of a \$5 trillion economy and beyond. This strategic focus ensures that the engines of the economy at the grassroots are well-capitalized and ready to drive equitable and long-term growth.

## About CGTMSE

# Empowering Growth, Expanding Reach



Micro and Small Enterprises (MSEs) are the backbone of economic growth and social progress. Their flexibility, innovation, and entrepreneurial energy make them critical drivers of employment, local development, and inclusive prosperity. Yet many MSEs particularly first-generation entrepreneurs, startups, and businesses in underserved regions continue to face significant barriers in accessing institutional credit, largely because of collateral requirements and perceived credit risks.

To bridge this gap, the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** was established in **July 2000** by the **Ministry of MSME, Government of India** and **SIDBI**, with a clear mission to facilitate **collateral-free credit** by providing credit guarantees to lending institutions, enabling easier and more equitable flow of finance to the MSE sector.

As CGTMSE enters its 25th year of service, its journey continues to evolve, driving transformative impact in India's Micro and Small Enterprises (MSE) sector. Over the years, CGTMSE has scaled rapidly, supporting the Government's vision of fostering entrepreneurship and making collateral-free credit widely accessible.

In **FY 2025**, CGTMSE crossed a major milestone by approving guarantees worth over **₹3 lakh crore**, facilitating credit access for more than **27,15,275 MSEs** across the country. Since inception, cumulative guarantees have exceeded **₹9 lakh crore**, with half of this achieved in just the last two years which a

testament to CGTMSE's growing scale, relevance, and outreach.

This impressive growth is built on the back of ongoing **policy enhancements, operational reforms, and strong Government support**, including corpus infusions. These efforts have unlocked credit flows to first-generation entrepreneurs, women-led businesses, rural enterprises, and other underserved segments of the MSE ecosystem.

Looking ahead, CGTMSE remains committed to broadening its reach by onboarding more **Member Lending Institutions (MLIs)** and penetrating deeper into **districts and aspirational regions** to address evolving credit needs. Our expanding **State Government partnerships** are helping design regional schemes, while collaborations with **NBFCs, fintechs, and Cooperative banks** are making credit more accessible at the grassroots level.

With a sharp focus on **digital transformation**, CGTMSE has strengthened its **Guarantee Management System** platform, enabling faster processing, real-time monitoring, and enhanced transparency.

CGTMSE is also aligning with India's **green growth priorities**, with focused efforts to promote credit guarantees for **climate-friendly, sustainable, and circular economy businesses**, ensuring our impact contributes to both economic and environmental goals.

As India advances towards its **Viksit Bharat 2047** vision, CGTMSE stands well-positioned to play a pivotal role in fostering **entrepreneurship, innovation, and inclusive**

**development.** With its expanding footprint, commitment to continuous improvement, and focus on future-ready solutions, CGTMSE will continue to be a trusted enabler for the growth and success of MSEs across the country.

### Outlook of CGTMSE: Fuelling India's Growth with Accessible Credit

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) continues to be a pivotal enabler of collateral-free credit for Micro and Small Enterprises (MSEs) in India. Its strategic evolution over the last 25 years underscores its commitment to fostering a vibrant and financially inclusive ecosystem for these vital economic contributors.

### Highlights of FY 2024-25 and Recent Enhancements:

The last Union Budget brought significant enhancements to the CGTMSE scheme, directly benefiting MSEs and signalling a robust outlook:

- **Doubled Credit Guarantee Cover:** A landmark change has seen the credit guarantee cover for Micro and Small Enterprises increased from ₹5 crore to ₹10 crore. This crucial enhancement is projected to unlock an additional ₹1.5 lakh crore in credit over the next five years, significantly boosting the lending capacity of financial institutions to MSEs.
- **Reduced Guarantee Fees:** In a move to further reduce the cost of borrowing for MSEs, CGTMSE has implemented a reduction in the Annual Guarantee Fee (AGF). Effective April 1, 2025, the standard AGF for guarantees up to ₹10 lakh has been reduced to 0.37%, with corresponding reductions for higher slabs. This makes credit more affordable and accessible.
- **Focus on Specific Segments:** The scheme continues to offer enhanced coverage for

specific categories, including:

- o **MSEs in Gujarat and Mizoram:** Additional guarantee coverage through specific state collaboration schemes. This is over and above similar arrangements with 7 states in the past.
- o **Women Entrepreneurs:** Benefiting from higher guarantee coverage (up to 90%) promoting inclusive growth.
- **Digital Integration:** There is an ongoing emphasis on increasing digital integration in the application and management of CGTMSE-backed loans, streamlining processes, reducing paperwork, and improving accessibility for MSEs, even in remote areas.

### Future Aspirations and Strategic Outlook:

CGTMSE's future aspirations are deeply aligned with India's broader economic goals of fostering entrepreneurship, increasing formalization, and driving inclusive growth:

- **Enhanced Credit Penetration:** A key objective is to substantially expand formal credit access for MSEs. Recent budgetary measures and policy interventions are focused on accelerating credit outreach, with the aim of bringing a much larger segment of Micro and Small businesses into the formal financial system. This enhanced credit flow is expected to unlock significant economic potential, drive entrepreneurial growth, and contribute meaningfully to employment generation and regional development.
- **Championing Women Entrepreneurs:** CGTMSE's collaboration with Women's World Banking, Inc. (WWB) has entered its second year, continuing its vital work to catalyse institutional credit to women entrepreneurs. This strategic partnership has already resulted in multiple awareness camps, productive stakeholder



interactions, and provided crucial technical advisory to CGTMSE, effectively reinforcing its commitment to empowering women as key drivers of economic growth.

- **Supporting First-Time Entrepreneurs and Startups:** CGTMSE is strategically focusing on expanding its coverage to include more startups and first-time entrepreneurs, recognizing their critical role in innovation and job creation. This involves offering flexible terms and potentially extended repayment periods.
- **Collaborative Lending Models:** CGTMSE is actively promoting and collaborating on co-lending models with banks and Non-Banking Financial Companies (NBFCs) to improve the flow of credit to MSEs, particularly in underserved regions.
- **Leveraging Technology for Outreach:** The Trust is committed to leveraging technology to reach a larger number of MSEs, ensuring seamless functioning and improved operational efficiency for Member Lending Institutions (MLIs). This includes continuous upgrades to its platform and promoting

digital transactions.

- **Strategic Partnerships with State Governments:** CGTMSE is collaborating with various State Governments to implement Special Credit Guarantee Schemes, often backed by near 100% guarantees, to further enhance credit flow and boost enterprise creation at the state level.
- **Contribution to "Viksit Bharat @ 2047":** By enabling a stronger and more accessible flow of credit, CGTMSE aims to play a pivotal role in strengthening the MSE sector, fuelling entrepreneurship, generating jobs and driving economic prosperity thereby contributing meaningfully to the "Viksit Bharat 2047" vision.

In essence, CGTMSE is not merely a financial mechanism but a dynamic force evolving to meet the growing credit demands of India's MSE sector, ensuring that promising Micro and Small businesses have the necessary financial backing to innovate, expand, and thrive without the burden of collateral.





## CGTMSE's Nationwide Coverage in FY 2024-25

(Amount in ₹ crore)

Sr. No.	States / UTs	No. of Guarantees Approved	Amount Approved
1	ANDAMAN & NICOBAR ISLANDS	655	141.63
2	ANDHRA PRADESH	110323	8189.07
3	ARUNACHAL PRADESH	1707	352.31
4	ASSAM	75747	6436.08
5	BIHAR	221458	14119.66
6	CHANDIGARH	17401	2711.45
7	CHHATTISGARH	40583	4231.26
8	DADRA & NAGAR HAVELI & DAMAN & DIU	1025	315.14
9	DELHI	55120	12824.34
10	GOA	6510	857.30
11	GUJARAT	110039	25334.86
12	HARYANA	75244	10864.91
13	HIMACHAL PRADESH	23750	2410.93
14	JAMMU & KASHMIR	47201	2815.90
15	JHARKHAND	64614	6494.08
16	KARNATAKA	188144	21453.08
17	KERALA	68755	7693.30
18	LADAKH	709	97.60
19	LAKSHADWEEP	23	1.66
20	MADHYA PRADESH	131490	14213.41
21	MAHARASHTRA	238128	39989.01
22	MANIPUR	1952	181.09
23	MEGHALAYA	2776	328.04
24	MIZORAM	1472	134.10
25	NAGALAND	1804	230.39
26	ODISHA	94128	9683.73
27	PUDUCHERRY	4471	331.65
28	PUNJAB	88991	10406.30
29	RAJASTHAN	120424	13865.04
30	SIKKIM	1748	165.33
31	TAMIL NADU	179817	21446.55
32	TELANGANA	97292	11586.39
33	TRIPURA	8398	570.42
34	UTTAR PRADESH	403938	32790.30
35	UTTARAKHAND	26268	2775.85
36	WEST BENGAL	203170	19464.65
	<b>TOTAL</b>	<b>2715275</b>	<b>305506.78</b>

# How We Triumphed in FY 2024-25

## (Operational Highlights)



### MICRO AND SMALL ENTERPRISES

For MSEs, we provide guarantee coverage up to ₹10 crore.

### 75% - 90% COVERAGE

- Extent of guarantee coverage ranges from 75% to 90%. Enhanced guarantee coverage @85% to various categories of the borrowers including SC/ST Entrepreneurs and People with Disability, ZED certified MSEs / MSEs situated in Aspirational District.
- Higher extent of guarantee coverage of 90% to Women Entrepreneurs
- Extending Special Benefits to MSEs promoted by Transgender for concession of 10% in the standard rate of annual guarantee fee and higher extent of guarantee coverage of 85%.



### ELIGIBLE ACTIVITY

Manufacturing, Services and Retail Trade activities are eligible including Educational Institution and Wholesale Trade.

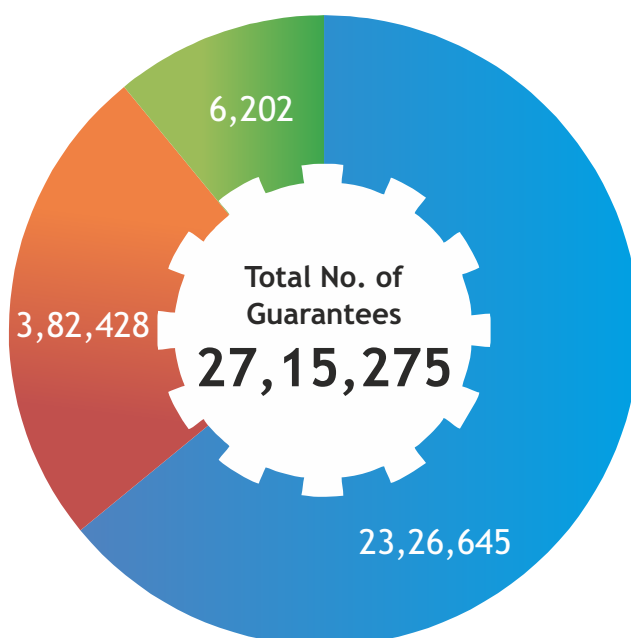
### OVER 200 REGISTERED MEMBER LENDING INSTITUTIONS (MLIs)

Include Public Sector Banks, Private Banks, Regional Rural Banks (RRBs), Financial Institutions, Foreign Banks, Small Finance Banks (SFBs), Scheduled Urban Co-operative Banks, Non-scheduled Urban Co-operative Banks, District Central Co-operative Banks, Microfinance Institutions (MFIs) and Non-Banking Financial Companies (NBFCs)

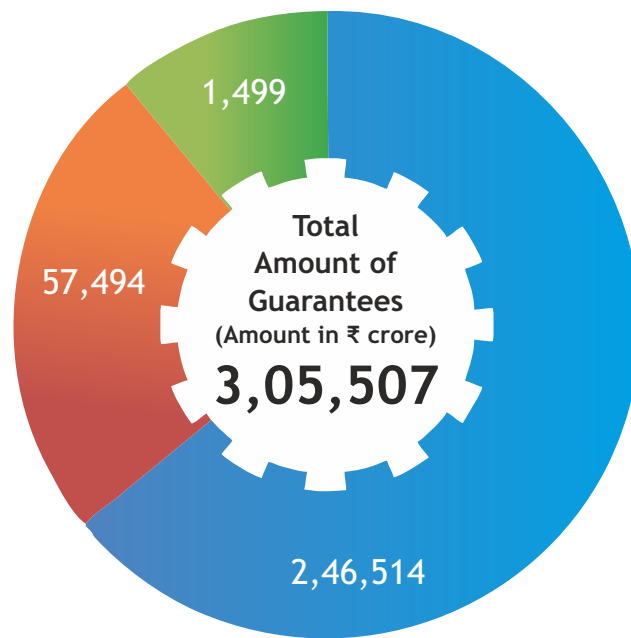


## Performance Highlights

No. Guarantees approved  
for FY 2024-25



Total Amount issued  
approved for FY 2024-25



■ CGS-I ■ CGS-II ■ CGS-III



**Retail Trade**  
₹ 1,13,819  
crore



**Hybrid Security**  
₹ 39,948  
crore

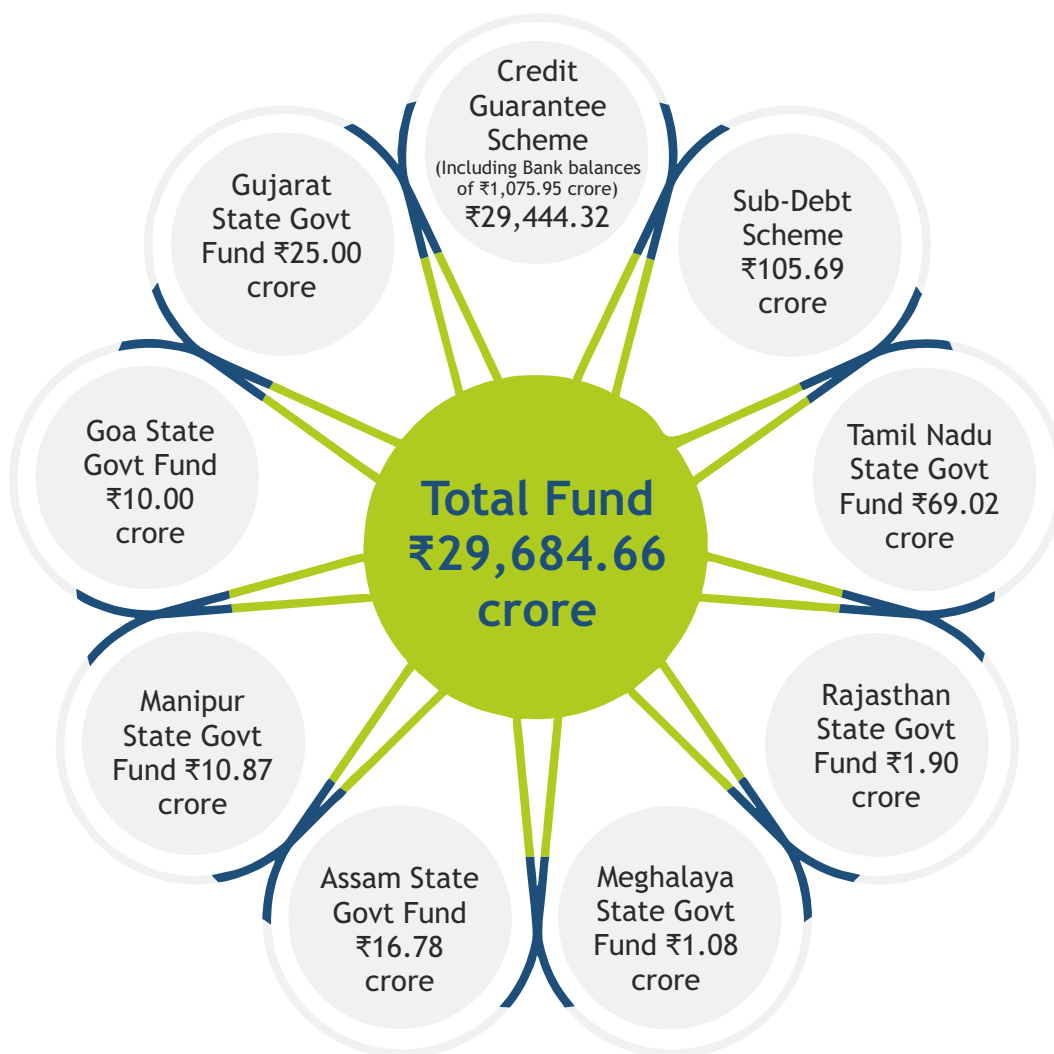
## Highlights on Working of CGTMSE

### 1. Corpus Fund of CGTMSE (Trust)

The Trust was established with a corpus of ₹2,500 crore contributed by the Government of India (GoI) (₹2000 crore) and Small Industries Development Bank of India (SIDBI) (₹500 crore). The Corpus of the Trust was gradually enhanced to ₹7,500 crore by an additional contribution of ₹5000 crore by GoI. Further, an additional corpus of ₹9,000 crore was received by Trust from, GoI - ₹8,500 crore

and SIDBI - ₹500 crore during FY 2023. As on date the aggregate contributions from GoI and SIDBI stands at ₹15,500 crore and ₹1,000 crore respectively as on March 31, 2025.

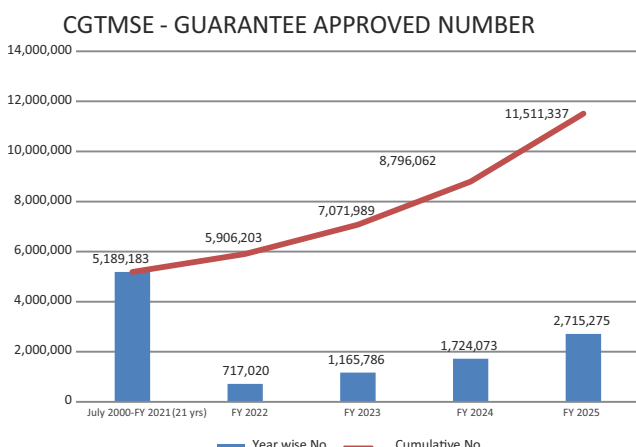
As on March 31, 2025, the total funds available with CGTMSE was ₹29,684.66 crore which consists of corpus, surplus, retained income, etc. The scheme wise fund details are as under:-



## 2. Operational Highlights

CGTMSE has issued ₹3.06 lakh crore worth credit guarantee during FY 2025. This is highest ever guarantee approval in an FY. Further, CGTMSE achieved a major milestone of approving its one crore guarantee.

Further, as on March 31, 2025, CGTMSE has approved 1.15 crore number of cumulative guarantees worth ₹9.34 lakh crore. It is worth mentioning that 72% of cumulative guarantees amounting to ₹6.69 lakh crore has been done during the last 4 FYs.



## 3. Schemes being managed / operated by CGTMSE

3.1 There are five Credit Guarantee Schemes (CGS) being operated by CGTMSE viz., CGS - I for Banks and Financial Institutions, CGS - II for NBFCs, Credit Guarantee Scheme for Co-Lending (CGS - III), PMSVANidhi, and PM Vishwakarma.

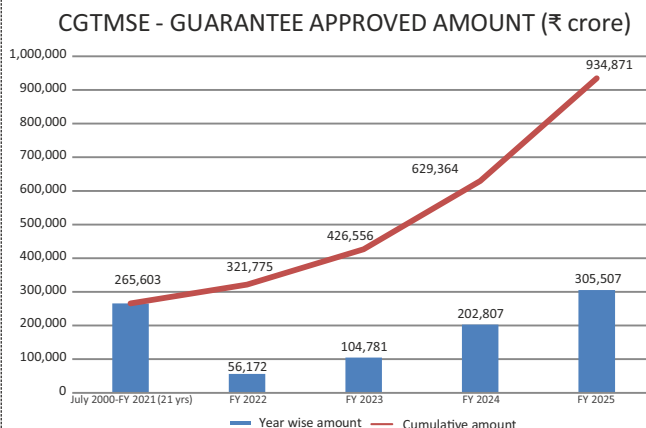
3.2 CGTMSE has collaborated with Nine State Governments viz. State Government of Tamil Nadu, Assam, Manipur, Meghalaya, West Bengal, Goa, Odisha, Gujarat and Mizoram, to provide enhanced guarantee coverage for the MSEs situated in the respective State

## 4. Member Lending Institutions (MLIs)

4.1 As on March 31, 2025, the number of MLIs of the Trust under CGS - I was 214 comprising 12

Besides, CGTMSE has settled the highest amount of claims worth ₹3,101 crore during FY 2025 since its inception as compared to ₹2,637 crore during previous FY.

This remarkable achievement demonstrates the CGTMSE's crucial role in fostering a supportive environment for MSEs and underscores the positive impact of credit guarantee schemes in empowering the MSEs.



Public Sector Banks, 22 Private Sector Banks, 39 Regional Rural Banks, 6 Foreign Banks, 10 other Financial Institutions, 11 Small Finance Banks, 110 Co-Operative Banks and 4 Micro Finance Institutions. Besides, 62 Non-Banking Financial Companies have also been registered as MLIs under CGS - II. The total number of MLIs of CGTMSE under CGS - I & II as at the end of FY 2025 was 276. 168 Lending Institutions (LI) have been registered with CGTMSE under PM SVANidhi.

4.2 Merger of Regional Rural Banks (RRBs): As per Gazette Notification issued by the Ministry of Finance dated April 05, 2025, the Government of India approved the amalgamation of Regional Rural Banks (RRBs) across 11 states – Andhra Pradesh, Uttar Pradesh, West Bengal, Bihar, Gujarat, Jammu & Kashmir, Karnataka, Madhya Pradesh,



Maharashtra, Odisha and Rajasthan – into one RRB per state, thereby operationalizing the ‘One State-One RRB’ policy. The amalgamation is effective from May 01, 2025, and is aimed at enhancing operational efficiency, financial viability, and regional

focus of RRBs by consolidating their resources and governance structure. Therefore, after merger of 26 RRBs and creation of 11 new RRBs, the total no. of RRBs has been reduced from 43 to 28. As on date all 28, RRBs are registered under CGS - I of CGTMSE.

## 5. Operations under all Guarantee Schemes

5.1 Scheme wise guarantee coverage is summarized below:

(Amount in ₹ crore)

Scheme	Guarantees approved for FY 2025		Guarantees approved for FY 2024		Growth %	
	No.	Amount	No.	Amount	No.	Amount
CGS-I	23,26,645	2,46,514	13,64,482	1,65,705	71%	49%
CGS-II	3,82,428	57,494	3,58,659	36,858	7%	56%
CGS-III	6,202	1,499	932	244	565%	514%
<b>Total</b>	<b>27,15,275</b>	<b>3,05,507</b>	<b>17,24,073</b>	<b>2,02,807</b>	<b>58%</b>	<b>51%</b>

5.2 As seen from the above table, total guarantees approved grew by 58% in number and 51% in amount during FY 2025 compared to FY 2024.

5.3 During FY 2025, for all the Schemes (CGS I, II & III), a total of 27,15,275 guarantees were approved for an amount of ₹3,05,507 crore. Cumulatively, as on March 31, 2025, a total of 1,15,11,337 accounts have been accorded guarantee approvals for ₹9,34,871 crore by CGTMSE under all the three guarantee schemes.

5.4 The Trust had approved a guarantee of ₹2,02,807 crore during FY 2024 maintaining the same pace, during FY 2025 year the Trust has approved guarantee of more than ₹3 lakh crore for the first time since its inception. The Trust approved guarantee of ₹3,05,507 crore during the Year. The achievement was well recognized by all the stakeholders.

5.5 Credit Guarantee Scheme for PM SVANidhi (CGS-PMS) was launched during July 2020. 168 MLIs are registered under the

Scheme. Cumulatively, as on March 31, 2025, a total of 92,61,554 accounts had accorded guarantee approvals for ₹12,970 crore and during FY 2025, a total of 12,60,282 guarantees were approved for an amount of ₹2,505 crore under the Scheme. The scheme has been extended from December 2024 to March 2029.

5.6 During FY 2025, a guarantee for 2,55,542 applications have been covered under PMVishwakarma for an amount of ₹2,218.71 Crore.

5.7 CGSSD has come to an end on March 31, 2023, and no fresh guarantee is issued under the Scheme.

## 6. MLI-wise Coverage

6.1 During the period FY 2025, 23,26,645 number of guarantees were approved for ₹2,46,514 crore under CGS- I and 3,82,428 number of guarantees under CGS II for an amount of ₹57,494 crore.

During the year, the following are the top MLIs (Banks), in terms of amount covered, under CGS-I.

(Amount in ₹ crore)

Sr. No.	FY 2025 - Guarantee Cover by Top 10 Banks			
	MLI	No.	Amount	% of Amount to CGS-I Total
1	State Bank of India	2,48,210	64,599	26
2	HDFC Bank Limited	43,168	24,901	10
3	Punjab National Bank	2,68,392	21,201	9
4	Union Bank of India	3,19,687	20,064	8
5	Bank of India	1,17,452	14,040	6
6	Bank of Baroda	1,10,417	12,876	5
7	Canara Bank	34,142	9,573	4
8	ICICI Bank	10,511	9,359	4
9	Central Bank of India	62,575	8,490	3
10	Axis Bank Limited	8,821	8,451	3
	<b>Total</b>	<b>12,23,375</b>	<b>1,93,554</b>	<b>79</b>

6.2 Top 5 NBFCs during FY 2025 are as follows:

(Amount in ₹ crore)

Sr. No.	FY 2025 - Guarantee Cover by Top 5 NBFCs			
	MLI Name	No.	Amount	% of Amount to CGS-II Total
1	Bajaj Finance Limited	2,26,102	29,050	51
2	Tata Motors Finance Limited	32,494	5,269	9
3	SMFG India Credit Company Ltd.	25,310	4,500	8
4	IIFL Finance Limited	25,344	4,019	7
5	Tata Capital Limited	12,270	3,251	6
	<b>Total</b>	<b>3,21,520</b>	<b>46,089</b>	<b>80</b>

## 7. State-wise Coverage

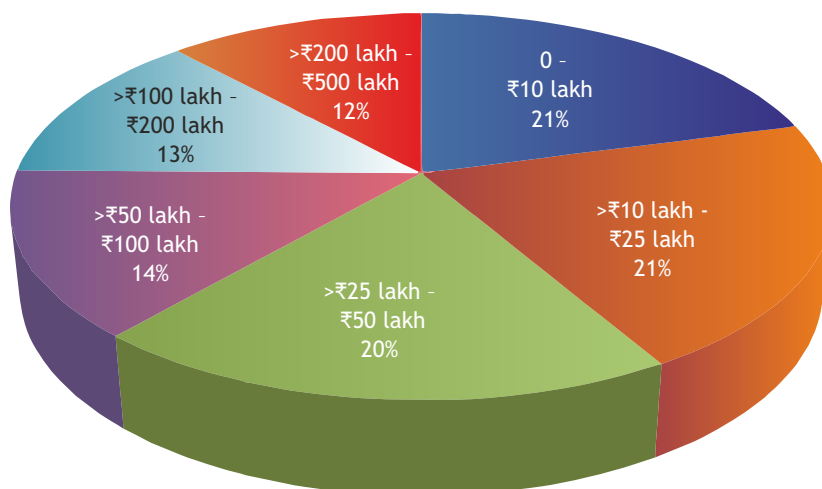
State-wise analysis of coverage under CGS I, CGS II and CGS III indicates that during FY 2025 following were the top five States:

(Amount in ₹ crore)

FY 2025 - Guarantee Cover by Top 5 States				
Sr. No.	States / UTs	No.	Amount	% amount to total guarantee amount
1	Maharashtra	2,38,128	39,989	13
2	Uttar Pradesh	4,03,938	32,790	11
3	Gujarat	1,10,039	25,335	8
4	Karnataka	1,88,144	21,453	7
5	Tamil Nadu	1,79,817	21,447	7
	<b>Total</b>	<b>11,20,066</b>	<b>1,41,014</b>	<b>46</b>

## 8. Slab-wise Coverage for CGS I, II & III

Slab-wise coverage under CGS-I, CGS-II and CGS-III is summarised below:



## 9. Average size of loans covered

The average size of loans covered under the scheme during FY 2025 was ₹11.25 lakh as compared to ₹11.76 lakh during the previous FY 2024. Cumulatively, average size of loans covered under CGTMSE is ₹8.12 lakh as on March 31, 2025.

## 10. Claim Settlement & Closure

10.1 During FY 2025, 1,55,309 claims were settled for an amount of ₹3,101 crore as compared to 1,32,622 claims settled for ₹2,637 crore during previous years.

10.2 Claims in respect of 92,105 units were settled for an amount of ₹2,140 crore towards

the first installment of claim under CGS I, as compared to 96,124 claims for ₹1,971 crore during previous year.

10.3 Claims in respect of 55,962 units for an amount of ₹819 crore under CGS II during the year as compared to 32,213 claims for ₹565 crore during the previous year.

10.4 Further, 7,242 claims for an amount of ₹142 crore were settled towards the 2nd / final installment of claim during the year as compared to 4,285 claims for ₹101 crore during previous year.

10.5 Cumulatively till March 31, 2025, CGTMSE has so far settled 7,49,115 number of claims amounting to ₹16,063 crore.

10.6 It is again worthwhile to mention that the Trust settled highest amount of claims in the year since its inception.

10.7 As part of cash flow and risk management initiatives, CGTMSE had introduced payout cap on claim settlement. Payout cap is 2 times the fee and recoveries received from the respective MLI during previous year. With increased coverage under the Guarantee Scheme, the payout gets enhanced automatically on account of increased guarantee fee. It may be mentioned here that no major bank has reached the payout ceiling in any year.

## 11. Post claim settlement recoveries

During FY2025, the Trust received ₹551.86 crore as recoveries from the MLIs after settlement of claim as against ₹399.79 crore received during FY 2023-24. The receipt of recovery is mainly on account of post claim settlement monitoring mechanism.

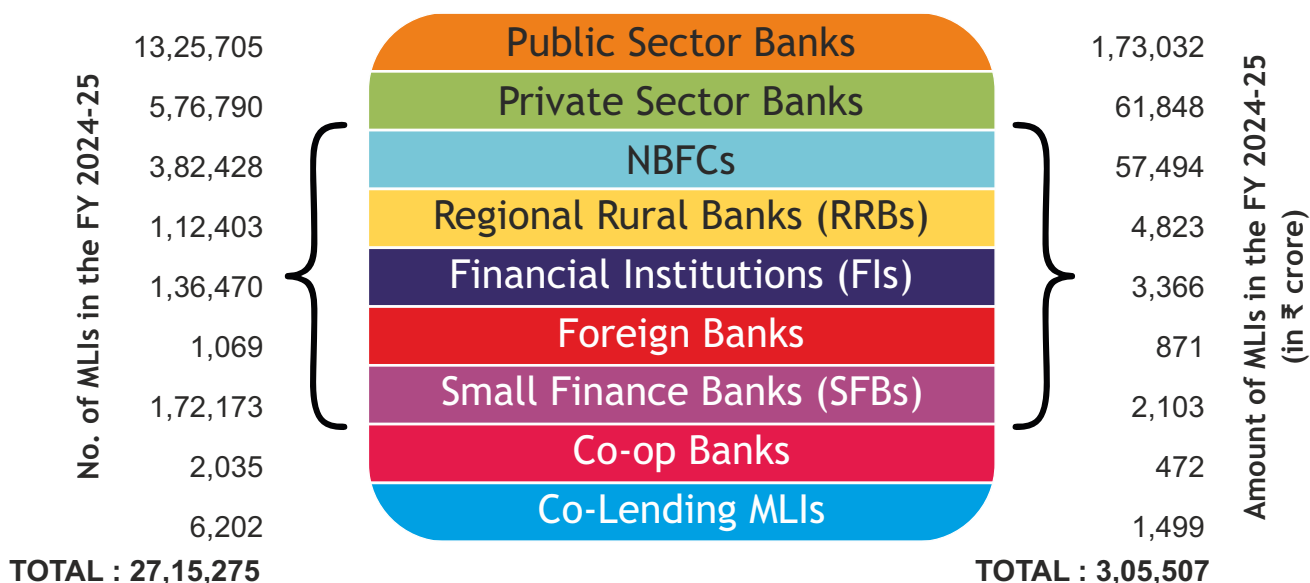
## 12. Performance under bank category:

**12.1 Co-operative Bank:** The co-operative banks were made eligible for becoming MLIs during the FY 2019-20. A total of 110 Co-operative banks are registered under CGS-I, out of which 30 have been registered during FY 2025.

**12.2 Regional Rural Bank (RRB):** Total 39 RRBs are registered under CGS-I out of which 13 has been registered during FY 2025. However, after merger of 26 RRBs and creation of 11 new RRBs, the total no. of RRBs has been reduced from 43 to 28.

**12.3 Small Finance Bank:** Total 11 SFBs are currently registered under CGS-I.

12.4 Bank category wise performance is summarized below:



### 13. Important developments during FY 2025

During the year, many policy level modifications were taken with an aim to strengthen both demand as well as supply side of the guarantee product. Some of the important modifications are listed below:

- Enhancement in extent of guarantee coverage in respect of Women-led Enterprises from 85% to 90%
- Extending Special Benefits to MSEs promoted by Transgender for concession of 10% in the standard rate of annual guarantee fee and higher extent of guarantee coverage of 85%.
- CGTMSE achieved a major milestone of approving its one croreth guarantee.
- Registration criteria have been modified for NBFCs, Scheduled Urban Co-operative Banks (SUCBs), Non-Scheduled Urban Co-operative Banks (NSUCBs), State Co-operative Banks (StCBs) and District Central Co-operative Banks (DCCBs) to enable large number of lending institutions to be onboarded which in turn will help reach out to large number of MSEs
- During FY 2025, MoU was signed with the States Gujarat and Mizoram to provide enhanced guarantee coverage for MSEs situated in the respective States.
- As on March 31, 2025, MoU has been signed with nine State Governments viz. State Government of Tamil Nadu, Assam, Manipur, Meghalaya, West Bengal, Goa, Odisha, Gujarat and Mizoram.
- Further, MoU signed with State Government of Rajasthan for reimbursement of fee for MSEs promoted by SC/ST Entrepreneurs native of Rajasthan.
- Celebrating its 25th year, CGTMSE organised year long series of events including workshops/awareness

programmes PAN India, creation of CGTMSE journey video, success stories of MSE borrowers, CGTMSE promotion on FM radio platform, creation of CGTMSE tagline etc.

- To enhance staff capabilities, CGTMSE organized comprehensive training programs covering POSH, Cyber Security, Credit Risk, and Soft Skills. These initiatives aim to build a well-rounded workforce equipped with both technical expertise and professional conduct.
- **System Modification:**
  - (a) The entire guarantee journey has been automated, leading to very objective Business Rule Engine (BRE)-driven operations.
  - (b) Onboarded 15 major Banks over API channel. More than 30% business is over API channel.
  - (c) Massive operational steps have been taken to improve the claim settlement ratio, creating strong goodwill for CGTMSE among bankers.
  - (d) Acquired ISO 27001-2022 Certification by rolling out ISMS in CGTMSE.
  - (e) Security Operations Center (SoC) has been operationalised with implementation of security solutions including SIEM, SOAR, XDR, MFA, etc.
  - (f) Implemented Phishing Simulation and for e-Learning portal ISMS awareness.
  - (g) Conducted DR Drill and Backup Drills under Business Continuity Processes.
  - (h) Acquired VAPT certification for Infra, Applications and APIs.

### 14. Other developments / Initiatives

- The 36th ACSIC Conference was held during 20-25 September, 2024 at Kathmandu, Nepal by Deposit and Credit Guarantee Fund (DCGF). The theme for



the Conference was “Financing Innovations for Economic Growth - Shaping Innovative Future”. CGTMSE officials attended the Conference and shared/ exchanged their insights, deep knowledge and experiences. With digitalisation and innovation, the ACSIC members focused to bring about a transformation in the bank’s lending to MSE sector by providing overwhelming support and incorporating confidence building measures in its operations to make collateral-free lending to MSEs, the most preferred and profitable option.

- CGTMSE official also attended 32nd ACSIC training programme held on September 02-06, 2024, at Tokyo, Japan by Japan Finance Corporation (JFC) and Japan Federation of Credit Guarantee Corporations (JFG).
- Under the Employees Exchange Program, CGTMSE has collaborated with Deposit and Credit Guarantee Fund (DCGF), Nepal, to enhance professional development and foster cross-cultural knowledge sharing.

- Delegates from Deposit & Credit Guarantee Fund (DCGF) of Nepal visited India to study CGTMSE’s operation, model/ rchitecture and system.

## 15. Constant interactions with MLIs:

In order to deepen and widen the reach of the Scheme, CGTMSE conducted and attended 161 workshops / training sessions for the bank officials of its Member Lending Institutions as compared to 122 during the previous year, at various levels including Circle Office, Regional Office, Staff Training Centers, etc., to disseminate information on the revamped Credit Guarantee Scheme (CGS) of CGTMSE and also to impress upon the MLI to make use of the special guarantee schemes launched to enable eligible Micro and Small Enterprises to avail the benefit of these Schemes. During FY 2025, CGTMSE participated in 130 Seminars/ Workshops/ Webinars/ Bankers’ meet and has conducted 31 Business Development Meetings/SLBC/RBI Empowered Committee Meeting and made presentations to sensitize bank officials/ small enterprises on the various aspects of the Credit Guarantee Scheme.





## 16. Overall impact of CGS operations

CGTMSE's operations had a positive impact on the economy in terms of turnover, exports and employment of credit guaranteed MSEs as given in the Table:

Particulars	As on 31.03.2025	As on 31.03.2024
Cumulative Guarantees (since inception of the Trust) approved under CGS - I, II & III (in Numbers)	1,15,11,337	87,96,062
Guarantee Amount under CGS - I, II & III (₹ crore)	9,34,871	6,29,364
Estimated turnover of guaranteed units (₹ crore)	83,29,491	81,56,592
Estimated exports by guaranteed units (₹ crore)	28,066	26,192
Estimated employment generation (Nos. lakh)	303	230
Number of MLIs	276	227
Women beneficiary (% to total guarantee No.)	22	22
NER (%to total guarantee amount)	3	3

N.B.: Actuals may vary due to intervening cancellations / modifications.



## 17. Auditors

M/s. Kochar & Associates, Mumbai, a firm of Chartered Accountants, was appointed as internal auditor of CGTMSE, for the FY 2024-25. The Auditors undertook a comprehensive review of the entire systems as also undertook audit covering revenue, expenses, investment, etc. As recommended by the Comptroller and Auditor General of India, the Board appointed M/s. Maheshwari & Co., a firm of Chartered Accountants, as Statutory Auditor of CGTMSE for FY 2024-25. Both the audit firms were also engaged in FY 2023-24.

## 18. Accounts

The Trust earned Gross Income of ₹5,604 crore, comprising mainly Guarantee Fee (₹1,607 crore) and Annual Guarantee and Service Fee (₹1,213 crore), Income earned on investments (₹2,219 crore) and Recoveries from MLIs & Other Income (₹565 crore). Trust incurred an amount of ₹23 crore towards various operational and administrative expenditure. Yearly provisioning is being made on the basis of actuarial valuation of liability of the Trust since FY 2009. The details of the provision for FY 2024-25 are given in table below.

Particulars	Provision for FY 2025 Amount (₹ Crore)
Opening balance as on April 01, 2024	9,760
Less: Claim paid during the year	3,088
Add: Provision made during the year	5,496
Closing Balance as on March 31, 2025	12,168

As on March 31, 2025, the cumulative provision is estimated at ₹12,168 crore. The excess of

income over expenditure was ₹84 crore after provision for claims as per the Actuarial valuation. The size of the Corpus of the fund as on March 31, 2025, stood at ₹16,500 Crore. The corpus contributions have already been received, and the net income earned by the Trust so far, has been invested in FDs of banks / institutions and MFs / G-Sec. The total fund as on March 31, 2025, stood at ₹29,444 crore as against ₹27,685 crore as on the end of the previous year.

## 19. Management & Organization

19.1 During FY 2024-25, the Board of Trustees comprised of Chairman & Managing Director of SIDBI as ex-officio Chairman; Additional Secretary & Development Commissioner (MSME), Ministry of Micro, Small and Medium Enterprises (MSME), Government of India as ex-officio Vice-Chairman; Chairman, Indian Banks' Association (IBA) as ex-officio Member and Chief Executive Officer of CGTMSE as Member Secretary. During FY 2024-25, five meetings (including three circular resolution) of the Board of Trustees were held. As on March 31, 2025, three officers including the CEO were on deputation with CGTMSE from SIDBI.

19.2 The Board of Trustees of CGTMSE appreciates the support and co-operation received from Ministry of MSME, Government of India, Office of DC (MSME), SIDBI, RBI, IBA, MLIs of CGTMSE, various international, national and state-level institutions and MSE Industry Associations.

# Financial Statements



# Independent Statutory Auditor's Report for FY 2024-25



To,  
The Board of Trustees,  
Credit Guarantee Fund Trust for  
Micro and Small Enterprises,  
Mumbai,

1. We have audited the attached Financial Statements of Credit Guarantee Fund Trust for Micro and Small Enterprises for year ended March 31, 2025, comprising Balance Sheet, the Income and Expenditure Account, the Cash Flow Statement and Notes thereon. The financial statements are the responsibility of the Trust's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

## 2. Emphasis of Matter

We draw attention to states that as at 31st March 2025

- a) CGTMSE is having various Income Tax notices and CIT appeals are pending since AY 2009-2010 to AY 2023-2024 which are pertaining to the old matters and disputed amount of ₹2,749.26 crores. Refer Note no 5.1 of the notes of accounts of the financials statement.
- b) CGTMSE is having various litigation matter which are pending for response to the Services tax department or it may on hold for the various reasons of sum of amounting to ₹90.10 crores, Refer Note No- 5.2 of notes of accounts of the Financials Statement.

3. We have conducted our audit in accordance with the Accounting Standards generally accepted in India. Those standards require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from

material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

**4. Responsibilities of Management and Those Charged with Governance for the Financial Statements:** Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

**5. Auditor's Responsibilities for the Audit of the Financial Statements:** Our objectives are to obtain reasonable assurance about whether the financial statements as a whole



are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## 6. We report that

- a) We have obtained all the necessary information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts are maintained, as required by the Trust, so far as it appears from our examination of these books.
- c) The Balance Sheet, Income and Expenditure Account and the Cash Flow Statement dealt with by the report are in agreement with the books of accounts.

- d) In our opinion, the financial statements, read together with the notes thereon, give true and fair view and are in conformity with the accounting principles generally accepted in India, namely
  - i. In the case of Balance Sheet, of the state of affairs of the Trust as at March 31, 2025.
  - ii. In the case of Income and Expenditure Account of the excess of income over expenditure of the Trust for the financial year ended on March 31, 2025.
  - iii. In the case of Cash Flow Statement of the cash flows for the financial year ended on March 31, 2025.

**For Maheshwari & Co.**  
Chartered Accountants  
ICAI Firm Reg. No. 105834W

**(Pawan Gattani)**  
Partner  
ICAI M. No. 144734

**Place: Mumbai**  
**Date: 09.09.2025**

**UDIN: 25144734BMJFYE8653**

## CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES

# BALANCE SHEET AS ON MARCH 31, 2025

Particulars	Sche - dules	AS AT MARCH 31, 2025		AS AT MARCH 31, 2024	
		(₹)	(₹)	(₹)	(₹)
<b>Sources of Funds</b>					
Corpus Fund	1		1,80,02,35,46,159		1,79,17,88,73,295
General Reserve	2		74,20,662		74,20,662
Current Liabilities & Provisions	3		1,47,27,07,95,239		1,21,07,85,68,888
<b>Total</b>			<b>3,27,30,17,62,060</b>		<b>3,00,26,48,62,845</b>
<b>Application of Funds</b>					
<b>Fixed Assets</b>					
Computer & Software		1,64,96,982		1,58,38,508	
Less : Depreciation Reserve		1,36,45,925	28,51,057	1,27,69,887	30,68,621
Furniture & Fixture		9,77,594		9,77,594	
Less : Depreciation Reserve		8,91,542	86,052	8,12,878	1,64,716
Motor Car		12,66,029		12,66,029	
Less : Depreciation Reserve		12,02,728	63,301	12,02,728	63,301
Electrical Items		8,57,613		8,57,613	
Less : Depreciation Reserve		7,10,209	1,47,404	6,36,941	2,20,672
			<b>31,47,814</b>		<b>35,17,310</b>
<b>Investments</b>	4		<b>3,11,93,52,24,820</b>		<b>2,87,22,47,50,175</b>
<b>Current Assets</b>					
Cash in hand			693		3,566
Bank Balance	5		10,75,95,60,947		7,35,91,94,460
Receivable	6		16,65,05,631		16,19,69,458
Amount Recoverable from Tax Authority	7		4,43,73,22,155		5,51,54,27,876
<b>Total</b>			<b>3,27,30,17,62,060</b>		<b>3,00,26,48,62,845</b>
Notes forming parts of Accounts	9				

AS PER OUR REPORT OF EVEN DATE

THE ABOVE BALANCE SHEET TOGETHER WITH SCHEDULES ANNEXED THERETO IS HEREBY AUTHENTICATED BY US

**For Maheshwari & Co.**  
Chartered Accountants  
ICAI Firm Reg. No. 105834W

On behalf of the Board of Trustees of CGTMSE

Sd/-  
**(Pawan Gattani)**  
Partner  
M.No. 144734

Sd/-  
**(Manish Sinha)**  
CEO & Member Secretary

Sd/-  
**(Manoj Mittal)**  
Chairman

Place: Mumbai  
Date: 09.09.2025

## CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES

# INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED MARCH 31, 2025

Amount (₹)

Particulars	Schedules	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>INCOME</b>			
Guarantee Fees		16,06,60,92,807	12,75,26,22,805
Annual Guarantee/Service Fees		12,13,01,44,502	10,85,18,13,657
Recoveries by MLI's on Claim Paid Account		5,51,86,85,574	3,99,79,10,765
Interest Income		21,91,97,20,556	18,93,45,30,551
Income from Mutual Funds		27,41,47,438	17,84,00,525
Miscellaneous Income		2,10,84,842	1,41,82,687
Grant received from RAMP fund		-	40,80,70,750
Interest on Income Tax Refund		11,34,68,058	-
		<b>56,04,33,43,777</b>	<b>47,13,75,31,740</b>
<b>EXPENDITURE</b>			
Operating and Other Administrative Expenses	8	23,08,38,712	23,66,49,116
Provisions for Guarantee Claims	3	54,96,68,00,000	46,14,81,00,000
Bank Charges		4,231	1,826
Depreciation		10,27,970	12,51,876
		<b>55,19,86,70,913</b>	<b>46,38,60,02,818</b>
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>84,46,72,864</b>	<b>75,15,28,922</b>
Add / (Less) : Prior Period Items		-	(59,18,604)
<b>Surplus Before Tax</b>		<b>84,46,72,864</b>	<b>74,56,10,318</b>
Add:- Income Tax Provision W/Back		-	-
Less: Provisions for Income tax		-	-
<b>Surplus After Tax</b>		<b>84,46,72,864</b>	<b>74,56,10,318</b>
Less: Transfer to General Reserve		-	-
<b>Surplus of Income Over Expenditure Carried to Corpus Fund</b>		<b>84,46,72,864</b>	<b>74,56,10,318</b>
Notes forming parts of Accounts	9		

AS PER OUR REPORT OF EVEN DATE

THE ABOVE INCOME & EXPENDITURE A/C TOGETHER WITH SCHEDULES  
ANNEXED THERETO IS HEREBY AUTHENTICATED BY US.

For Maheshwari & Co.  
Chartered Accountants  
ICAI Firm Reg. No. 105834W

On behalf of the Board of Trustees of CGTMSE

Sd/-  
(Pawan Gattani)  
Partner  
M.No. 144734

Sd/-  
(Manish Sinha)  
CEO & Member Secretary

Sd/-  
(Manoj Mittal)  
Chairman

Place: Mumbai  
Date: 09.09.2025

# CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

Amount (₹)

Particulars		AS AT MARCH 31, 2025		AS AT MARCH 31, 2024	
	<b>Cash flow from Operating Activities</b>				
	Excess of Income over expenditure, before tax as per Income and Expenditure Statement		84,46,72,864		74,56,10,318
Add:	Depreciation debited to Income and Expenditure A/c	10,27,970		12,51,876	
Add:	Provision on guarantee claims debited to Income and Expenditure A/c	54,96,68,00,000		46,14,81,00,000	
Less:	Interest Income	(21,91,97,20,556)		(18,93,45,30,551)	
Less:	Income from mutual fund	(27,41,47,438)		(17,84,00,525)	
Less:	Interest on income tax refund	(11,34,68,058)			
			32,66,04,91,918		27,03,64,20,800
	<b>Cash flow before changes in working capital</b>		33,50,51,64,782		27,78,20,31,118
	<b>Changes in working capital</b>				
	(Increase) / decline in receivable	(45,36,173)		13,13,787	
	(Increase) / decline in amount recoverable from tax authorities	1,73,67,64,752		(20,04,46,183)	
	Increase / (decline) in current liabilities	2,11,09,62,966		3,26,07,26,644	
			3,84,31,91,545		3,06,15,94,248
	<b>Changes in cash flow after changes in working capital</b>		37,34,83,56,327		30,84,36,25,366
Less:	Claims paid during the year	(30,88,55,36,615)		(25,78,43,45,895)	
	Advance tax / TDS paid	(65,86,59,031)		(93,76,19,658)	
			(31,54,41,95,646)		(26,72,19,65,553)
	<b>Net Cash Flow Generated / (Used) From Operating Activities (A)</b>		5,80,41,60,681		4,12,16,59,813
	<b>Cash flow from Investing Activities</b>				
	(Acquisition) / disposals of fixed assets during the year	(6,58,474)		(16,30,278)	
	Addition to investments during the year	(24,71,04,74,645)		(30,53,33,17,675)	
	<b>Net Cash Flow Used In Investing Activities (B)</b>		(24,71,11,33,119)		(30,53,49,47,953)



Particulars		ASAT MARCH 31, 2025		ASAT MARCH 31, 2024	
	Cash flow from Financing Activities				
	Increase corpus during in the year	-		10,00,00,00,000	
	Interest on income tax refund	11,34,68,058		-	
	Income from Mutual Funds	27,41,47,438		17,84,00,525	
	Interest income	21,91,97,20,556		18,93,45,30,551	
	<b>Net Cash Flow Generated From Financing Activities (C)</b>		<b>22,30,73,36,052</b>		<b>29,11,29,31,076</b>
	<b>Net Increase Cash Flow During The Year (A) + (B) + (C)</b>		<b>3,40,03,63,614</b>		<b>2,69,96,42,936</b>
	Opening balance of Cash and Cash Equivalents		7,35,91,98,026		4,65,95,55,090
	<b>Closing balance of Cash and Cash Equivalents</b>		<b>10,75,95,61,640</b>		<b>7,35,91,98,026</b>

**Notes:**

1 Cash and Cash Equivalents include cash and bank balance

2 Figures in brackets indicate cash outflow

3 The Cash and Cash Equivalents as at 31 March as under

	31 March 2025	31 March 2024
Cash	693	3,566
Bank balance	10,75,95,60,947	7,35,91,94,460
<b>Total</b>	<b>10,75,95,61,640</b>	<b>7,35,91,98,026</b>

4 Figures of the previous year have been regrouped, wherever necessary.

**For Maheshwari & Co.**  
Chartered Accountants  
ICAI Firm Reg. No. 105834W

Sd/-  
**(Pawan Gattani)**  
Partner  
M.No. 144734

Sd/-  
**(Manish Sinha)**  
CEO & Member Secretary

On behalf of the Board of Trustees of CGTMSE

Sd/-  
**(Manoj Mittal)**  
Chairman

Place: Mumbai  
Date: 09.09.2025

# CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### AS ON 31 MARCH, 2025

Amount (₹)

Particulars	ASAT MARCH 31, 2025	ASAT MARCH 31, 2024
<b>Schedule : 1</b>		
<b>Corpus Fund</b>		
Received from :		
Government of India	1,55,00,00,33,000	1,55,00,00,33,000
SIDBI (Including the Corpus of ₹25,00,00,000/- & ₹7,77,50,000/- for RSF - 1 & 2 respectively)	10,00,00,00,000	10,00,00,00,000
<b>(a)</b>	<b>1,65,00,00,33,000</b>	<b>1,65,00,00,33,000</b>
Surplus of Income over expenditure		
Balance B/F	14,17,88,40,295	13,43,32,29,977
Add: Surplus of Current year	84,46,72,864	74,56,10,318
<b>(b)</b>	<b>15,02,35,13,159</b>	<b>14,17,88,40,295</b>
<b>(a + b)</b>	<b>1,80,02,35,46,159</b>	<b>1,79,17,88,73,295</b>
<b>Schedule : 2</b>		
<b>General Reserve</b>		
Balance B/F	74,20,662	74,20,662
Add: Transfer from Income and Expenditure A/c	-	-
	<b>74,20,662</b>	<b>74,20,662</b>
<b>Schedule : 3</b>		
<b>Current Liabilities and Provisions</b>		
<b>Provision Towards Guarantee Claims</b>		
Opening balance as on 1st April	97,60,10,18,325	77,23,72,64,220
Less : Claim paid during the year	30,88,55,36,615	25,78,43,45,895
Add : Additional Provision Made as on 31st March	54,96,68,00,000	46,14,81,00,000
Closing Balance as on 31st March	<b>(a) 1,21,68,22,81,710</b>	<b>97,60,10,18,325</b>
<b>Current Liabilities</b>		
<b>Statutory Dues</b>		
GST Payable	2,22,77,91,528	2,06,74,02,161
TDS Payable	23,76,214	18,05,395
Professional Tax Payable	-	2,200
<b>Advances Fees and Outstanding Liabilities</b>		
Advance Received Towards GF & ASF from D C (Handicraft & Handloom), GOI	22,99,875	22,99,875
Advance Fee Towards Guarantee/Annual Fees	20,80,13,13,456	17,90,86,24,527

Particulars	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Annual Service / Guarantee Fees Refundable	5,26,69,264	3,92,59,139
Fee Appropriation Account	-	36,789
EMD for Contracts	2,10,000	2,10,000
Outstanding Liabilities Towards Expenses	1,77,02,141	80,33,063
<b>Other Current Liabilities</b>		
<b>Funds</b>		
Fund from Ministry of Housing and Urban, GoI Towards "PMSVANidhi"	46,98,802	1,37,68,56,944
Fund from Ministry of MSME, GoI, Towards "CGSSD"	1,10,63,37,139	1,02,73,80,449
Fund from Tamil-Nadu State Govt. Towards "TNCGS"	70,36,72,397	65,13,03,088
Funds - Meghalaya State Govt	1,14,03,104	1,06,92,279
Funds - Manipur State Govt	11,03,80,360	10,31,20,623
Funds - Assam State Govt	17,13,97,165	15,91,58,389
Funds - Rajasthan State Govt	1,64,01,520	2,03,73,975
Funds - Goa State Govt	10,80,27,699	10,09,91,667
Funds - Gujarat State Govt	25,18,32,865	-
<b>(b)</b>	<b>25,58,85,13,529</b>	<b>23,47,75,50,563</b>
<b>(a + b)</b>	<b>1,47,27,07,95,239</b>	<b>1,21,07,85,68,888</b>
<b>Schedule : 4</b>		
<b>Investments</b>		
1) Investment in Fixed Deposits with Banks [including Interest Accrued there on]		
i) Investment of D C (Handicraft & Handloom), GOI Advance	22,91,329	22,91,381
ii) Investment of the MHOU Fund (PMSVANidhi), GOI	-	1,36,83,93,502
iii) Investment of Ministry of MSME Fund, (CGSSD), GOI	1,09,20,25,033	1,01,30,68,343
iv) Investment of Tamilnadu State Govt Fund, (TNCGS)	70,30,01,885	65,06,32,576
v) Investment of Meghalaya State Govt Fund	1,13,99,446	1,06,92,279
vi) Investment of Rajathan State Govt Fund	1,92,67,768	2,03,73,018
vii) Investment of Manipur State Govt Fund	11,03,80,360	10,31,20,623
viii) Investment of Assam State Govt Fund	17,13,97,165	15,91,58,389
ix ) Investment of Goa State Govt Fund	10,80,27,700	10,09,91,667
x) Investment of Gujarat State Govt Fund	25,18,32,865	-
xi) Investment of Corpus & Other Funds	3,04,34,34,64,259	2,78,69,71,29,153
2) Investment in government securities	10,41,89,352	10,15,12,167
3) Investment In Mutual funds [Market value of investments in Mutual Funds: ₹505,78,11,430/- Previous Year ₹501,70,03,425/- ]	5,01,79,47,658	4,99,73,87,077
	<b>3,11,93,52,24,820</b>	<b>2,87,22,47,50,175</b>

Particulars	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
<b>Schedule : 5</b>		
<b>Bank Balance</b>		
Accounts with:		
IDBI Bank (Saving A/c)	1,06,38,78,863	1,09,99,18,388
IDBI Bank Ltd., - D C (Handicraft), GOI	24,872	25,980
IDBI Bank Ltd., - D C (Handloom), GOI	3	3
Union Bank of India	4,87,661	4,40,717
State Bank of India	8,05,535	7,44,195
ICICI Bank (Saving A/c)	3,62,98,45,856	93,15,65,957
HDFC Bank (Saving A/c)	4,76,77,68,366	3,70,32,45,339
Kotak Bank (Saving A/c)	1,29,67,49,791	1,62,32,53,881
	<b>10,75,95,60,947</b>	<b>7,35,91,94,460</b>
<b>Schedule : 6</b>		
<b>Receivables</b>		
Prepaid Expenses	27,30,000	32,73,945
Input Tax Credit	68,32,956	26,70,636
Service Tax (EC/SHCE)	31,36,145	31,36,145
Service Tax Recoverable	15,24,96,232	15,24,96,232
Fesitval Advance	10,39,500	3,92,500
Funds - Odisha State Govt	2,70,798	-
	<b>16,65,05,631</b>	<b>16,19,69,458</b>
<b>Schedule : 7</b>		
<b>Amount Recoverable from Tax Authority</b>		
Income Tax refundable 31/3/10	39,86,08,031	39,86,08,031
Income Tax refundable 31/3/11	12,13,84,436	12,13,84,436
Income Tax refundable 31/3/12	1,38,88,000	1,38,88,000
Income Tax refundable 31/3/13	13,25,69,729	13,25,69,729
Income Tax refundable 31/3/15	43,95,61,396	43,95,61,396
Income Tax refundable 31/3/17	32,39,09,904	32,39,09,904
Income Tax refundable 31/3/18	22,16,46,095	22,16,46,095
Income Tax refundable 31/3/20	82,99,86,159	82,99,86,159
Income Tax refundable 31/3/21	53,78,12,893	53,78,12,893
Income Tax refundable 31/3/22	69,77,50,847	69,77,50,847
Income Tax refundable 31/3/23	-	79,91,45,094
Income Tax refundable 31/3/24	-	93,76,19,658
TDS Paid 31/3/25	65,86,59,031	-
Pre- Deposit against Service Tax Demand	6,15,45,634	6,15,45,634
<b>Amount Recoverable from Tax Authority</b>	<b>4,43,73,22,155</b>	<b>5,51,54,27,876</b>



Amount (₹)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Schedule : 8</b>		
<b>Operating and Other Administrative Expenses</b>		
Advertisement & Publicity Expenses	39,66,202	15,11,580
Advocate Fees	60,000	90,000
Auditors' Remuneration	3,65,000	3,65,000
Conveyance Expenses	8,00,746	7,05,618
Courier / Postage Charges	39,943	32,718
Conferance / Sponsorship / Seminar Exp.	58,71,016	71,67,810
Internal Auditors Remuneration	3,24,000	3,24,000
IT service Expenses	7,61,76,937	5,40,99,050
Staff Welfare & Misellaneous Expenses	25,63,519	21,42,031
Office & Training Expenses	24,91,119	18,56,214
Office Rent	2,40,67,087	1,68,57,320
Personnel Cost & Expenses	8,39,85,224	6,58,75,375
Printing & Stationery	8,37,810	8,03,705
Professional / Consultancy Fee	2,57,98,853	5,55,67,760
Telephone Expenses	28,902	57,638
TA / HA Expenses	34,62,354	45,93,297
Ni-MSME(Corpus Support One time Expenses)	-	2,46,00,000
	<b>23,08,38,712</b>	<b>23,66,49,116</b>

# CREDIT GUARANTEE FUND TRUST FOR MICRO AND SMALL ENTERPRISES

## GROUPING FORMING PART OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2025

Amount (₹)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>List 1: Personnel Expenses</b>		
Salaries & Allowances to Employees (SIDBI)	3,31,76,944	2,82,69,176
Salaries & Allowances to Employees & Contract Staff	4,82,12,535	3,54,69,660
Coupon Expenses (Sodexo)	25,95,745	21,36,539
	<b>8,39,85,224</b>	<b>6,58,75,375</b>
<b>List 2: Staff Welfare &amp; Miscellaneous Expenses</b>		
<b>Staff Welfare</b>		
Staff Welfare Expenses	9,09,006	7,52,194
<b>Miscellaneous Expenses</b>		
Repair & Maintenance	89,920	1,46,711
Write-Off / Loss on Sale of Fixed Asset	-	16,472
Miscellaneous Exp	15,64,593	12,26,654
	<b>25,63,519</b>	<b>21,42,031</b>
<b>List 3: Printing &amp; Stationery</b>		
Printing Expenses	7,31,792	5,72,542
Stationery & Computer Consumables	1,06,018	2,31,163
	<b>8,37,810</b>	<b>8,03,705</b>
<b>List 4: Miscellaneous Income</b>		
Miscellaneous Income	59,842	37,464
Management Fee	2,10,25,000	1,25,00,000
Balances Written Back	-	16,45,223
	<b>2,10,84,842</b>	<b>1,41,82,687</b>
<b>List 5: Outstanding Liabilities Towards Expenses</b>		
K.S. Sangvhi & Co.	4,950	4,500
Maheshwari & Co.	3,28,500	3,28,500
Path Infotech Ltd.	62,40,698	-
SIDBI	29,83,476	14,40,004
Khandelwal Jain & Co.	4,89,375	3,54,375
Social Footprint Pvt Ltd	3,92,175	-
ESDS	22,344	-
Tata Communication Ltd	-	31,53,621
Kochar & Associates	72,900	72,900

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Powerpoint Cartridges Pvt Ltd	-	16,660
Wysetek System Tech Pvt Ltd	3,20,702	-
Vinod Singhal & Co.	-	1,00,608
3i Infotech	43,67,641	24,42,971
Tambi Ashok & Associates	-	16,024
Alterego Technology Ltd	45,000	-
BDO India LLP	2,32,369	-
Sumeet Facilities Ltd	22,02,011	1,02,900
	<b>1,77,02,141</b>	<b>80,33,063</b>

# SCHEDULE FORMING PART OF THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT

## Schedule: 9: - NOTES ON ACCOUNTS:

### 1. Significant Accounting Policies

#### a) Accounting Conventions

The accompanying financial statements have been prepared keeping in view the generally accepted accounting principles including historical cost accounting.

#### b) Recognition of Income and Expenditure

The Trust follows mercantile basis of accounting, unless otherwise mentioned. The income recognition of major sources of income of the Trust are as under:

- **Guarantee Fee :** Income from Guarantee Fee is recognized when the payment from the respective Member Lending Institutions is received / credited in the Bank Account on proportionate basis. Guarantee Fee received is allocated on proportionate basis towards income for the year and income received in advance considering period of Guarantee cover.
- **Interest Income on Fixed Deposits :** Interest income on Fixed Deposits is recognized on accrual basis.
- **Recoveries from MLIs on claim paid :** Income from recoveries made from Member Lending Institutions is recognized when the amount is recovered.
- **Income from Mutual Fund :** The cost of the mutual fund, for the purpose of calculating capital gains at the time of redemption of units of the mutual fund is computed on weighted average basis. The gains are recognized on redemption.

#### c) Fixed Assets

Fixed Assets have been recognized in the financial statements at cost. Cost includes the

cost of purchase, freight, transportation and all other costs incurred to bring the asset to its present location and condition. Depreciation is charged on the Fixed Assets as per the Straight-Line Method based on the basis of estimated useful lives as prescribed under the Companies Act, 2013.

#### d) Investments

Investments of the Trust comprise investments in Fixed Deposits with Banks / Financial Institutions and Investments in Mutual Funds. Investments in mutual funds are stated at weighted average cost less impairment, if any, during the year or market value, whichever is lower. Investments in Fixed Deposits have been stated at cost along with accrued interest thereon. Investments in Fixed Deposits with Banks relating to fund received from the offices of DC (Handloom), DC (Handicraft), PM Svanidhi Fund received from Ministry of Housing and Urban Affairs, GoI, CGSSD Scheme Fund from Ministry of MSME, GoI and several state funds have been identified and stated as such in the Balance Sheet. Refer Schedule 4.

#### e) Retirement Benefits

Retirement benefits are provided by SIDBI for its employees on deputation to the Trust and charged to revenue account annually on reimbursement basis.

2.

(₹ in Crores)

Particulars	As on 31.03.25	As on 31.03.24
Guarantee approval	9,34,871	6,29,364
Outstanding Guarantee	4,74,140	3,01,278
Overall Liability of CGTMSE out of O/s Guarantee	3,55,605	2,31,826
Liability of CGTMSE towards first claim Instalment	2,66,704	1,73,869



Over and above the provision for claims held, the Trust is contingently liable for guarantee given/sanctioned in the event of non-performance of the MSE for whose protection such guarantee is given/ sanctioned.

3. The Trust pays 75% of the settled claim amount in the first instance, leaving balance amount to be paid after the conclusion of recovery proceedings. In FY 2024-25, subsequent payments of 25% have been made in 7,458 cases. However, in other cases, the MLIs are yet to report status of conclusion of recovery proceedings which makes them eligible for the receipt of the balance claim. Further vide circular no.138/2017-18, the trust has introduced a cap on total claim settlement (i.e. settlement of 1st & 2nd instalments of claim), based on fee and recovery remitted by the MLI. Claims of the respective MLI are settled to the extent of 2 times of the total of fees received and recovery remitted during the previous financial year.

4. Auditor's Remuneration ₹3,65,000/- (P.Y. ₹3,65,000/-). The fees are exclusive of taxes.

Amount (in ₹)

Particulars	Current Year	Previous Year
Audit Fees	3,00,000	3,00,000
Tax Audit Fees	65,000	65,000
<b>Total</b>	<b>3,65,000</b>	<b>3,65,000</b>

## 5. Taxation

### 5.1 Direct Taxation

The Trust was notified u/s. 10(23EB) of the

Income Tax Act, 1961 ("the Act") by Finance Act, 2002 w.e.f. 01.04.2002 and accordingly, the income of the Trust was exempt u/s 10(23EB) of the Act for a period of five years commencing from Assessment Year (A.Y.) 2002-03 to A.Y. 2006-07.

The Trust was registered u/s 12A of the Act and accordingly, it had claimed exemption u/s 11 of the Act for A.Y. 2007-08 and A.Y. 2008-09. The Finance Act, 2008 amended section 2(15) with effect from 01.04.2008 i.e. A.Y. 2009-10. Accordingly, the Trust had not claimed the benefit of section 11 from A.Y. 2009-10. However, the trust had made claim of deduction of 15% u/s 11(1)(a) of the Act during assessment proceedings.

The Director of Income Tax (Exemptions) - [DIT(E)] had vide order dated 07.12.2011 held that the activities carried out by the assessee trust are in the nature of trade, commerce or business and referring to the amended provisions of section 2(15) of the Act, cancelled the registration granted u/s 12A of the Act with effect from A.Y 2009-10. The Trust had preferred an appeal against this order before the Income Tax Appellate Tribunal (ITAT) which got decided in favour of the Trust vide order dated 28.05.2014 and registration of the Trust u/s 12A of the Act was restored. Against the said order of ITAT, the department had filed a petition before the High Court of Judicature at Bombay which was dismissed vide order dated 02.08.2017. Thus, the Registration of the trust u/s 12A/ 12AA is continuing. Order giving effect to ITAT order dated 28.05.2014 was passed by the office of CIT (Exemption) vide order dated 09.03.2021.

The year wise details of status of assessment and appeals are as under:

Asst. Year	Appellant	Pending before	Nature of addition/ disallowance	Disputed Amount (₹ in crores)
2009-10	Trust	CIT (Appeals)	Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	30.47
2010-11	Tax Dept.	High Court	Addition of amount accumulated u/s 11(2) in AY 2007-08 while computing taxable income	94.38
			Addition of amount accumulated u/s 11(2) in AY 2008-09 while computing taxable income	154.61
			Contribution received towards corpus from the Settlers of the Trust being added while computing taxable income	166.41
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	53.70
2011-12	Trust	CIT (Appeals)	Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income in the Order giving effect to ITAT Order	51.20
	Tax Dept.	High Court which is pending for admission	Contribution received towards corpus from the Settlers of the Trust being added while computing taxable income	250.00
2012-13	Trust	ITAT has allowed in favour of trust but order giving effect is pending	Contribution received towards corpus from the Settlers of the Trust being added while computing taxable income	2.22
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	75.57
2013-14	Trust	ITAT has allowed in favour of trust but order giving effect is pending	Contribution received towards corpus from the Settlers of the Trust being added while computing taxable income	42.77
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	72.30
2014-15	Trust	CIT (Appeals)	Deficit declared in the return of income is considered as NIL while computing taxable income in the Order Giving Effect to CIT(A) order	55.02
2015-16	Trust	ITAT has set-aside the matter to CIT (Appeals)	Contribution received towards corpus from the Settlers of the Trust being added while computing taxable income	93.74
			Deficit declared in the return of income is considered as NIL while computing taxable income	179.15
			Short grant of TDS Credit	11.02
2016-17	Trust	CIT (Appeals)	Contribution received towards corpus from the Settlers of the Trust being added while computing taxable income	42.48
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	1.19

Asst. Year	Appellant	Pending before	Nature of addition/ disallowance	Disputed Amount (₹ in crores)
2017-18	Trust	CIT (Appeals)	Contribution received towards corpus from SIDBI being added while computing taxable income	4.44
			Disallowed deduction of provision for guarantee claims while computing taxable income	63.83
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	3.87
			No Reduction of Depreciation Written back while computing taxable income	0.27
2018-19	Tax Dept.	High Court which is pending for admission	Disallowed deduction of provision for guarantee claims while computing taxable income	347.04
			Addition of amount accumulated u/s 11(2) of the Act while computing taxable income	56.26
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	9.93
2019-20	Trust	ITAT has allowed in favour of trust but order giving effect is pending	Disallowed deduction of provision for guarantee claims while computing taxable income	791.02
			Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	12.52
			Denial of set-off of brought forward deficit of AY 2015-16	70.97
2023-24	Trust	CIT (Appeals)	Ld. AO had accepted the returned income of Rs. NIL as assessed income in the assessment order. However, in the Computation Sheet, the Ld. AO inadvertently mentioned assessed income of Rs. 12,88,15,480/-.	12.88

#### Penalty u/s 270A of the Act levied by AO

Asst. Year	Appellant	Pending before	Nature of addition/ disallowance	Disputed Amount (₹ in crores)
2018-19	Trust	CIT (Appeals)	Deduction of 15% u/s 11(1)(a) not allowed while computing taxable income	9.92
			Addition of amount accumulated u/s 11(2) of the Act while computing taxable income	56.26
			Disallowed deduction of provision for guarantee claims while computing taxable income	347.04
			<b>Total Additions</b>	<b>413.22</b>
			Total Tax Liability (inclusive of surcharge @ 15% and education cess @ 3%)	146.82
			Penalty (200% of Total Tax Liability)	293.64

## 5.2 Indirect Taxation

- a) The Directorate General of Central Excise Intelligence, Chennai had vide show cause notice dated 14.10.2014 sought explanation as to why Guarantee Fee and Annual Service Fees received by them during the period from FY 2009-10 till 30.06.2012 should not be considered as "Support service for Business or Commerce" under Section 65(104c) read with Section 65(105)(zzzq) of Finance Act, 1994 and accordingly service tax of ₹79,68,11,936/- should not be demanded and recovered from them along with interest u/s. 75 of the Finance Act and why penalty should not be imposed u/s. 76, 77 and 78 of the Finance Act. In response to the same, the trust has made written submission on 17.12.2014 and attended the personal hearing before the Commissioner of GST & CX., Bhiwandi on 17.04.2015 and 06.12.2018, who thereafter adjudicated the SCN, vide Order in Original dated 28.05.2019 confirming the demand of Service Tax of ₹79,68,11,936/- along with applicable interest and penalty. The Trust has preferred appeal against the said OIO before in the Custom, Central Excise and Service Tax Appellate Tribunal, Mumbai on 29.10.2019 by making the pre-deposit of ₹5,97,60,896/-, which is yet to be heard.
- b) Audit was conducted on the record of the trust for the period from F.Y. 2010-11 to 2014-15 under Rule 5A of Service Tax Rules, 1994. On the basis of the observations made in the Final Audit Report, Assistant Commissioner of Service Tax, Mumbai had issued show cause notice dated 18.04.2016 asking the trust to explain as to why-
  1. The activity of sharing of staff with M/s. SIDBI should not be classified under "Business Support Service" and Service Tax of ₹52,156/- along with Interest and penalty should not be demanded and recovered;
  2. Service Tax amounting ₹1,74,760/- along

with Interest u/s. 75 on the unutilized portion of advances received from the Development Commissioner should not be demanded and recovered

The response thereto was filed by the trust on 23.08.2016. Subsequently the Dy. Commissioner of Service tax vide letter dated 24.03.2017 sought clarification as to whether in relation to the points mentioned herein above under sub-clause 1) and 2) of Clause b), the same practice continued post 2015. The reply in response thereto has also been filed by Trust vide letter dated 18.04.2017. Personal hearing of the SCN was attended on 04.03.2021, 25.03.2022 and 12.04.2025 before of the Assistant Commissioner, CGST and Central Excise (Division IV), Mumbai. The Adjudication Order disposing the SCN is awaited.

- c) Show Cause Notice from the Commissioner of Service Tax -Audit II, Mumbai was received on 22.07.2016 demanding service tax amount of ₹1,78,47,373/- plus applicable interest and penalty, for non- payment of service tax on DAN issued before 30.06.2012 but the fee in respect of such DANs were received post 01.07.2012. The written submission in response thereto were submitted on 23.08.2016 by the Trust. On 24.03.2021 the personal hearing on web-ex platform was conducted by the Joint Commissioner, CGST and Central Excise, Mumbai East Commissioner which was attended. The department has disposed the case vide order dated 31.01.2021 against the Trust. In the against order, the Trust has filed the appeal before the Commissioner of Central Excise (Appeals) on 13.09.2021 with pre-deposit amount ₹13,38,555/-. Further, the trust has submitted written submissions on 17.03.2022 and 16.03.2023. The commissioner (Appeals) -II, CGST & C. Ex. Mumbai has disposed the case vide order dated 05.10.2023 against the Trust. In the against order, the Trust has filed the appeal before the Customs, Excise & Service Tax Appellate



Tribunal on 15.01.2024 with additional pre-deposit amount ₹4,46,183/-. The appeal is awaited.

- d) The first appeal preferred against the OIO of the Assistant Commissioner (Refund - II), Service Tax, Mumbai with regard to claim of Refund of the Service Tax paid on services provided to MLI's located in Jammu and Kashmir amounting to ₹1,07,71,826/- for the period July 2012 to June 2014, was disposed of in favour of the Trust by the Commissioner (Appeals) CGST vide his Order in Appeal dated 28.08.2018 remanding back the matter to the original adjudicating authority with the direction to grant the refund after verification of the relevant documents to be produced by the Trust in support of their claim of Refund. No notice is received for verification of documents for processing the refund claim of the Trust from the Original Authority.
- e) The refund application dated 02.04.2018 for claiming refund of ₹7,54,06,280/- for the period March - June, 2017 in respect of service tax paid in advance on the basis of DANs raised for which ultimately no guarantee services have been rendered and which could also not be adjusted against service tax payable. The same was rejected vide Order in Original dated 07.12.2018 by Assistant Commissioner CGST & Central Excise, Division-I, Mumbai. The Trust has

preferred appeal against the said OIO before the Hon'ble Commissioner of Service Tax (Appeals)-II, Mumbai on 07.02.2019. Further, the Commissioner (Appeal-I) GST & CX, Mumbai vide dated 20.08.2020 was allowed the appeal with consequential relief, subject to detailed verification. No communication is received from the jurisdictional officer for verification of documents for processing the refund claim of the Trust from the Authority.

6. The Trust has obtained Actuarial Valuation Report of Expected Pay out due to Default in Loans. Accordingly, the additional provision suggested by Actuary in his report is ₹5,496.68 crore as on 31.03.2025. Details of provision for such claims are as under:

(Amount in ₹)

Particulars	Current Year	Previous Year
Opening balance as on 1 <sup>st</sup> April	97,60,10,18,325	77,23,72,64,220
Less: Claim paid during the year	30,88,55,36,615	25,78,43,45,895
Add: Provision made during the year	54,96,68,00,000	46,14,81,00,000
Closing Balance as on 31 <sup>st</sup> March	1,21,68,22,81,710	97,60,10,18,325

7. Figures of previous year have been regrouped, reclassified and rearranged wherever necessary.

**For Maheshwari & Co.**  
Chartered Accountants  
ICAI Firm Reg. No. 105834W

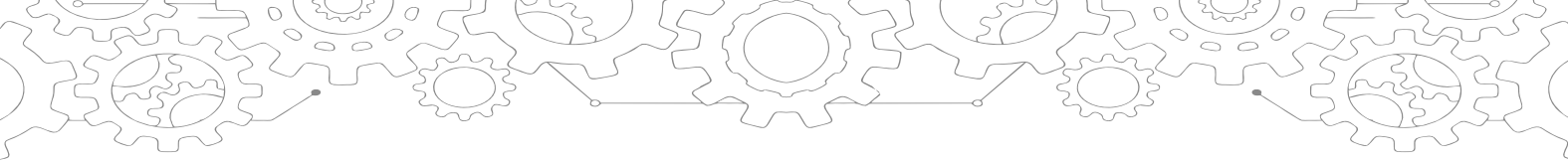
On behalf of the Board of Trustees of CGTMSE

Sd/-  
**(Pawan Gattani)**  
Partner  
M.No. 144734

Sd/-  
**(Manish Sinha)**  
CEO & Member Secretary

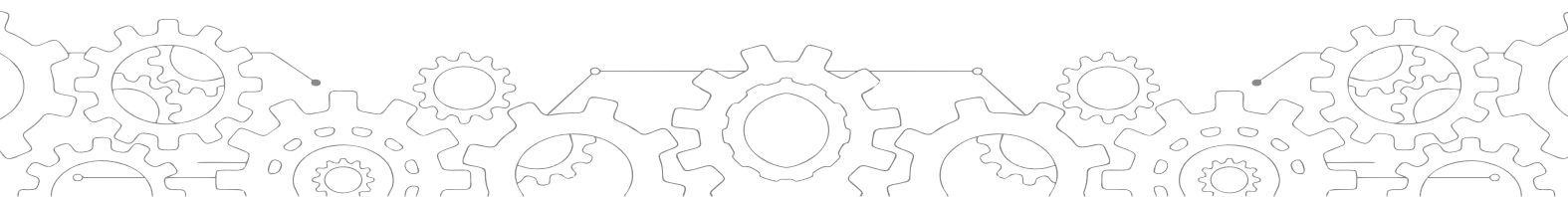
Sd/-  
**(Manoj Mittal)**  
Chairman

Place: Mumbai  
Date: 09.09.2025



# NOTE

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**The Head / Registered Office :**

**Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**

1st Floor, Swavalamban Bhavan, Avenue 3, Lane 2, G- Block,  
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

**For General Queries please contact:**

Toll Free No. : 1800222659/ (022) - 6722 1553 (During Office hours: 10.00 AM to 18:00 PM)

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