Small Business Spotlight

State in Focus: Odisha

Second Edition:

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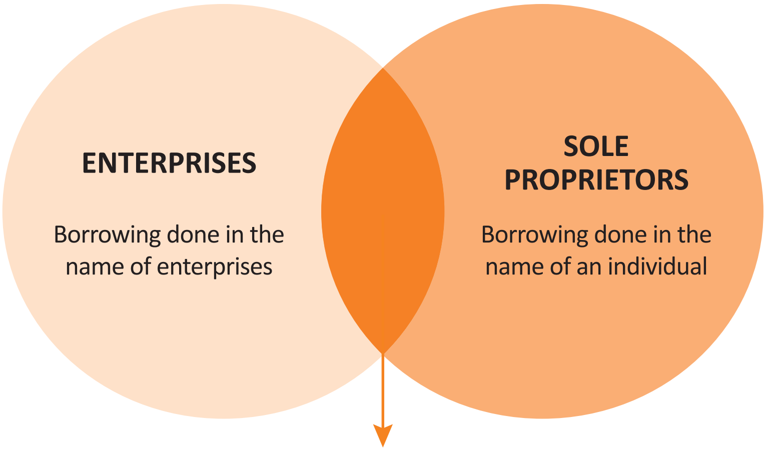
Introduction

"Small Business" is defined here as those businesses, that have an aggregated credit exposure not exceeding ₹5 crore from the formal lending system. This study not only takes into account the enterprises in the commercial bureau but also individual proprietors who have taken loans for "business purpose" in their individual names. It needs to be noted that "Small Businesses" for the purpose of this report does not refer to the government classification of MSME (Micro, Small, Medium Enterprises). However, we believe that a predominant section of micro and small enterprises, as per the latest definition, is covered within the ₹5 crore credit exposure.

BORROWER SEGMENTS CONSIDERED IN THIS STUDY



OVERLAP SEGMENT: This refers to borrowers who have availed business loans both in their individual capacity and under the name of their enterprise - classified as 'Sole Proprietors with entity presence'.

For the purpose of this report, three **distinct and mutually exclusive borrower segments** have been analysed to provide comprehensive insights about the small businesses, including enterprises and sole proprietors. These segments are defined as follows:

- **Enterprises:** This segment includes borrowings availed in the name of a trade or business entity and reported to the commercial repository, with an aggregated credit exposure of up to ₹5 crore.
- **Sole Proprietors:** This segment comprises self-employed individuals who have availed business-type loans in their personal names. These loans are reported to the consumer repository and include Business Loans (BL), Commercial Vehicle Loans (CVL), Construction Equipment Loans (CEL), and Loan Against Property (LAP), with an aggregated credit exposure not exceeding ₹5 crore. These loans are typically availed by self- employed individuals for business purposes, although their end-use is not reported to the bureau.
- **'Sole Proprietors with Entity Presence':** This segment includes individuals who maintain a credit presence across both the consumer and commercial bureaus - that is, borrowers who have availed business purpose loans both in their personal capacity and in the name of their trade or business. Their aggregated credit exposure does not exceed ₹5 crore.

EXECUTIVE SUMMARY

The report highlights small businesses, which remain central to financial inclusion, employment generation, and balanced economic growth. It covers enterprises and sole proprietors with credit exposure up to ₹5 crores.

Key Findings

- **Strong Credit Growth:** Aggregate small business credit exposure reached ₹46 lakh crore, up 16.2% YoY, with active loan accounts rising 11.8% YoY to 7.3 crores. Comprehensive policy initiatives for the MSME sector including implementation of several Government credit schemes have played a pivotal role in sustaining strong credit growth.
- **Increased Formalization:** Sole proprietors form ~80% of credit and ~90% of borrowers. The fastest-growing cohort is "sole proprietors with entity presence," up 20% YoY, led by LAP. As of Sep'25, 23.3% were new-to-credit and 12% new-to-enterprise, signaling increased formalization.
- **NBFCs Expanding Market:** Private banks lead enterprise lending, closely followed by PSBs while NBFCs gain share among sole proprietors with more than 41% share.
- **Unsecured Loan Growth:** For enterprises, working capital dominates (~57% POS), while term loans fund capex. For sole proprietors, LAP leads, followed by business and CV loans. Unsecured loans grew 31% YoY despite stress concerns.
- **Credit Momentum in Smaller States & Services:** MH, TN, UP, GJ lead by portfolio size, but TS, AP, WB show high growth. Beyond-Top-100 locations now hold a rising share, especially in UP, MP, KA, TN. Manufacturing leads in absolute credit, while services grew 19.6% YoY.
- **Improved Portfolio Quality:** PAR 91-180 fell to ~1.4% (Sep'25) from 1.7% (Sep'23). Enterprises show better risk, but sole proprietors also improved. Very Low/Low Risk borrower share rose between Sep'23 - Sep'25, aided by better underwriting and digital data.

Odisha - State in Focus

- Small Business Credit portfolio grew from ₹0.67 lakh crore (Sep'23) to ₹0.96 lakh crore (Sep'25), up 17.2% YoY vs. national 16.2%.
- Aspirational districts' credit grew >22% YoY, outperforming state and national averages with better delinquency.
- Public Sector Banks dominate (>40% share), while NBFCs rapidly expand in under-penetrated areas.
- Risk profile improving: Very Low Risk share rose from 40.1% (Sep'23) to 47.1% (Sep'25) for small enterprises, creating more lending opportunities for banks.

Chapter 1:

The Small Business Credit Landscape

As of Sep'25, the small business portfolio outstanding stood at ₹46 lakh crore, up 16.2% YoY and 1.5% QoQ. Growth has moderated from the previous quarter's 19.3% YoY, possibly reflecting more cautious underwriting and seasonal variations.

Active loan volumes grew 11.8% YoY, slightly below POS growth, indicating steady expansion. Asset quality strengthened, with PAR 91-180 improving from 1.7% in Sep'23 to 1.4% in Sep'25, driven by proactive monitoring and sharper risk selection.

Growth continues to be supported by India's robust GDP (8.2% YoY in Q2 FY26[1]), festive demand momentum, GST rate cuts, and supportive government policies for the MSME sector (particularly the enhanced credit guarantee coverage).

Overall small business credit exposure trends

Figure 1

	Sep-23	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ L Cr)	32.7	39.6	45.3	46.0
YoY%		21.2%	19.3%	16.2%
Number of active loans (Cr)	5.7	6.5	6.9	7.3
YoY%		13.6%	8.7%	11.8%
PAR 31-90	3.2%	3.4%	3.4%	3.4%
PAR 91-180	1.7%	1.4%	1.5%	1.4%
PAR 181-720	3.8%	3.1%	2.9%	3.0%

Portfolio outstanding is for credit exposure up to 720 days. PAR 181 - 720 represents loans that are between 181 to 720 days past due and reported to the bureau. However, this may also include loan accounts that are likely written off by the lender and not reported separately under write-offs to the bureau.

[1] Source: Quarterly Estimates Of Gross Domestic Product For The First Quarter (April-June) Of 2025-26, According to The Press Information Bureau (nodal agency of the Government of India).

BORROWER SEGMENT ANALYSIS

Credit Concentration: Sole proprietors continue to dominate small business credit, accounting for 80% of the overall share.

Growth Drivers: Overall credit grew 16.2% YoY, led primarily by ‘sole proprietors with entity’/overlap segment, which recorded 20.1% YoY growth, driven by expansion in the LAP product(29.2% YoY).

Quarterly Trends: On a QoQ basis, overall growth slightly slowed down, with only the overlap segment emerging as the primary driver driven by LAP (9.9% QoQ).

Overall small business portfolio trends - Across borrower segments

Figure 2

Portfolio Outstanding (₹Lakh Cr)

Borrower Segment	Sep-23	Sep-24	Sep-25	Y-o-Y Growth% (Sep-24 to Sep-25)	Q-o-Q Growth% (Jun-25 to Sep-25)	% Share of Total (Sep-25)
Enterprises	7.6	8.5	9.6	13.5%	-5.0%	20.9%
Sole Proprietors with Entity Presence	14.6	18.3	21.9	20.1%	5.3%	47.6%
Sole Proprietors	10.5	12.9	14.5	12.5%	0.7%	31.5%
Grand Total	**32.7**	**39.6**	**46.0**	**16.2%**	**1.5%**	**100.0%**

Overall active loans grew 11.8% YoY, driven primarily by the sole proprietors’ segment, which recorded a robust ~13% YoY growth. Enterprise growth moderated slightly on QoQ basis, primarily due to enterprises moving out of the ₹5 crore exposure bracket, according to our analysis.

Number of Active Loans (Lakh)

Borrower Segment	Sep-23	Sep-24	Sep-25	Y-o-Y Growth% (Sep-24 to Sep-25)	Q-o-Q Growth% (Jun-25 to Sep-25)	% Share of Total (Sep-25)
Enterprises	94.6	93.5	95.5	2.2%	-1.1%	13.1%
Sole Proprietors with Entity Presence	124.6	156.5	178.3	13.9%	3.4%	24.5%
Sole Proprietors	355	402.1	454.9	13.1%	7.2%	62.4%
Grand Total	**574.2**	**652.1**	**728.8**	**11.8%**	**5.1%**	**100.0%**

BORROWER COUNT DYNAMICS

Overall borrower count grew by a robust **10.2% YoY and 3.7% QoQ**, driven primarily by the **sole proprietor's segment**, which accounts for nearly **90% of the total borrower base**.

Overall small business borrower count

Figure 3

Count of Borrowers with active trade line(s) (Lakh)

Borrower Segment	Sep-23	Sep-24	Sep-25	Y-o-Y Growth% (Sep-24 to Sep-25)	Q-o-Q Growth% (Jun-25 to Sep-25)	% Share of Total (Sep-25)
Enterprises	81.0	80.6	80.9	0.4%	-3.1%	13.1%
Sole Proprietors with Entity Presence	45.6	61.3	70.0	14.2%	2.9%	24.5%
Sole Proprietors	314.8	361.3	403.3	11.6%	5.3%	62.4%
Grand Total	**441.4**	**503.1**	**554.3**	**10.2%**	**3.7%**	**100.0%**

Overall, for the Indian small business borrowing ecosystem, the bulk of growth and activity is increasingly getting concentrated among **sole proprietors**.

LENDER TYPE ANALYSIS

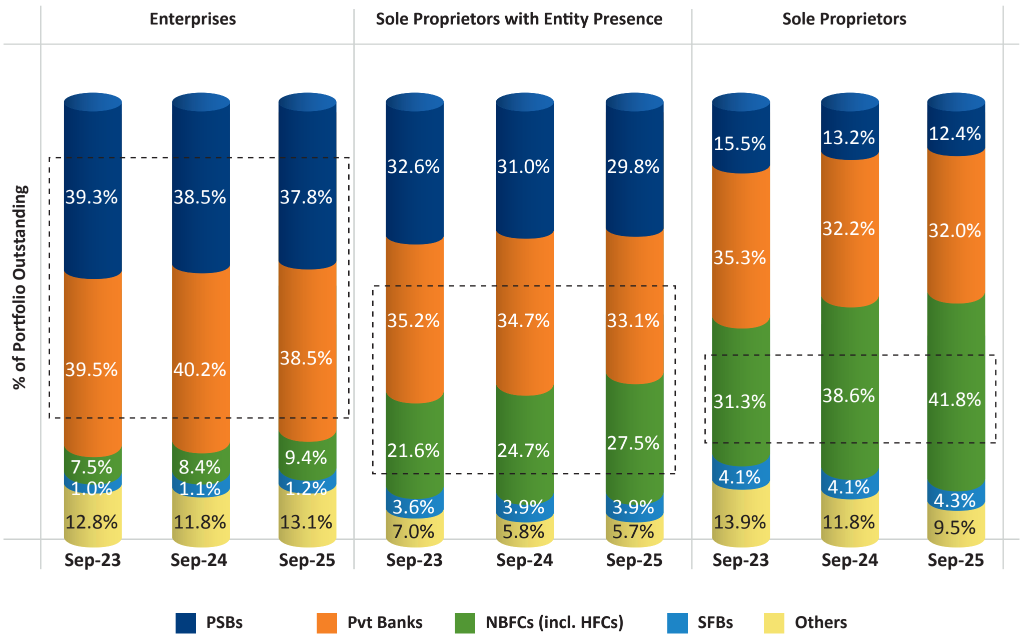
As of Sep'25, private banks remain the primary lenders to enterprises, though their share shows minor volatility. Public sector banks follow closely, but their share declined from 39.3% in Sep'23 to 37.8% in Sep'25, with the difference largely absorbed by NBFCs.

For sole proprietors, NBFCs have strengthened their position, with share rising by 10 percentage points to 41.8% in Sep'25, reflecting the dominance of small-ticket loans. Private banks remain the next key lenders, followed by PSBs, though both have seen reduced shares (taken by NBFCs).

In the overlap segment, private banks continue to lead - though not as strongly as in enterprises - while NBFCs have steadily expanded their share from 21.6% in Sep'23 to 27.5% in Sep'25.

Portfolio exposure of small businesses by lender type and borrower segments

Figure 4



Lender type 'Others' comprises Cooperative Banks, Regional Rural Banks, Asset Reconstruction Companies, Foreign Banks etc.

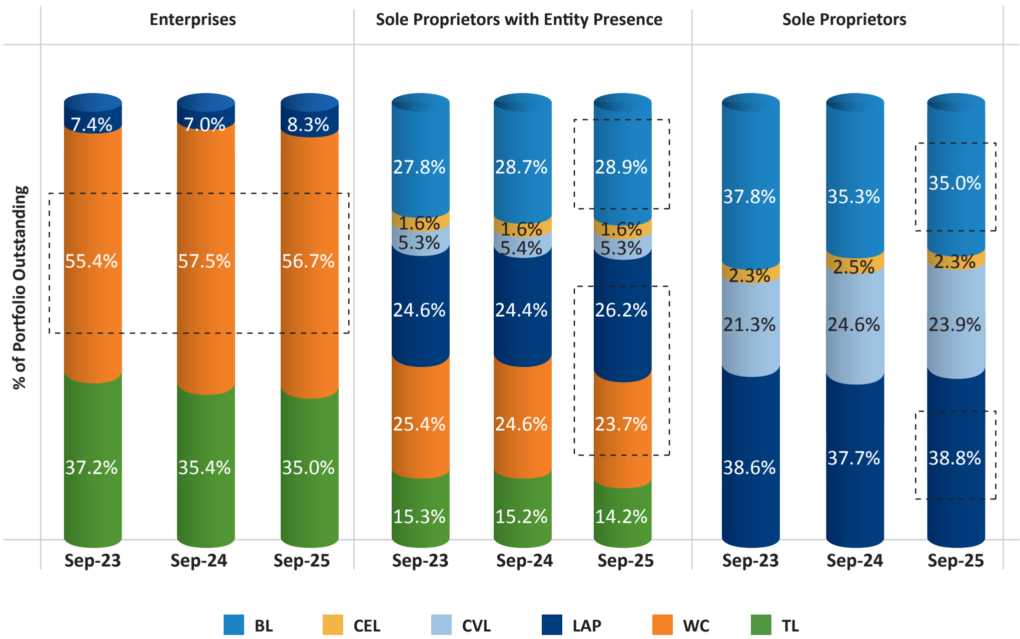
PRODUCT TYPE TRENDS

The product mix varies by segment.

- For enterprises, the portfolio is primarily concentrated in Working Capital (WC) at 56.7% as of Sep'25, underscoring the dominance of operational needs followed by TL. The share has remained largely unchanged over the years.
- For 'sole proprietors with entity' presence, Business Loans (BL), Loan Against Property (LAP), and WC together account for about 78% of the product mix, with little variation over the period.
- Within sole proprietors alone, LAP leads, followed by BL and CVL. Within BL, secured BL[2] constituted an 18% share (as of Sep'25) of the overall POS within sole proprietors, growing at 10.3% YoY, and unsecured BL[2] constituted a 12.4% POS share, growing at 31% YoY.

Portfolio exposure of small businesses by detailed product types and borrower segments

Figure 5



Note: Within term loans, 60% of the portfolio value corresponds to loans with a tenure exceeding one year - most likely availed for capital expenditure.

[2] Unsecured Business Loans include Business Loan General, Business Loan Unsecured, Loan to Professional. Secured Business Loans include Overdraft, Business Loan Priority Sector Small Business, Business Loan - Secured, Business Loan Priority Sector Others. There is also 'Other Business Loans'.

INDUSTRY ACTIVITY ANALYSIS

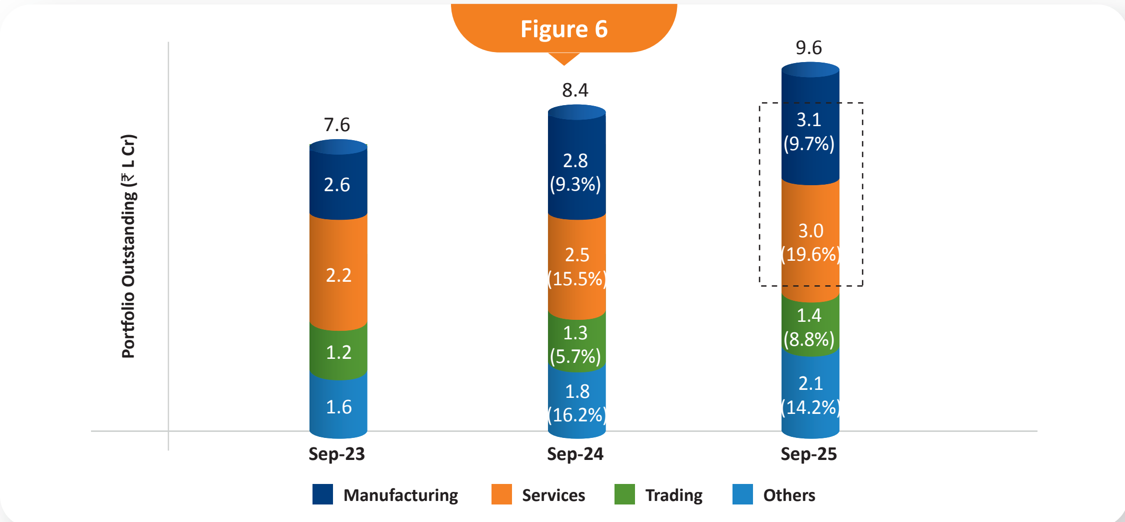
(This is exclusively based on the enterprises segment)

Manufacturing: Credit exposure to manufacturing grew 9.7% YoY, reaching ₹3.1 L Cr, sustaining the steady growth momentum seen in previous years.

Services: Small business POS growth was led by the services sector, which expanded 19.6% YoY - accelerating from 15.5% YoY in the prior year. This surge was supported by government initiatives focused on upskilling programs for sole proprietors.

Trading: Trading posted a modest 8.8% YoY increase, driven by activity in both retail and wholesale trade.

Credit exposure trends by industry activity (Enterprises with aggregate credit exposure below ₹5 crore)



Figures in brackets represent Y-o-Y growth% for each industry activity. Industry activity 'Others' comprises activity reported to the bureau as Other Business Activities or not reported by the members to the bureau.

In the context of delinquencies, services recorded one of the lowest overall delinquency rates as of Sep'25.

The improvement in overall delinquency between Sep'23 and Sep'25, from 1.4% to 1.2%, was driven by broad-based gains across industry activities between the period.

	PAR 91-180		
Industry Activity	**Sep-23**	**Sep-24**	**Sep-25**
Manufacturing	1.4%	1.2%	▬ 1.2%
Services	1.3%	1.1%	▼ 1.0%
Trading	1.5%	1.3%	▬ 1.3%
Grand Total	**1.4%**	**1.2%**	▬ **1.2%**

GEOGRAPHIC ANALYSIS

Growth trends: UP and southern states TS and AP posted strong YoY and QoQ growth, led by TS with 23.4% YoY and 8.0% QoQ expansion.

In contrast, MH (slightly reduced), KA (1.4% QoQ), and GJ (1.0% QoQ) recorded comparatively lower QoQ growth versus the national average among the top 10 states, mainly driven by **moderate growth from private sector banks** that hold a large POS share in these states.

PAR 91-180: On a QoQ basis, all states showed stability or improvement in delinquency (PAR 91-180). Gujarat (GJ) and Rajasthan (RJ) continued to report among the lowest delinquency levels at 0.8-0.9% within the top 10 states.

Small business credit exposure trends by states

Figure 7

Top 10 States	Portfolio Outstanding (₹ K Cr)		Y-o-Y Growth %	QoQ Growth %	PAR 91-180		
	Sep-24	Sep-25	Sep-25	Sep-25	Sep-24	Jun-25	Sep-25
MH	538.7	605.4	12.4%	-0.1%	1.6%	1.6%	1.5%
TN	378.7	432.7	14.3%	2.6%	1.6%	1.7%	1.6%
UP	314.2	375.9	19.7%	3.9%	1.4%	1.5%	1.5%
GJ	326.1	372.9	14.4%	1.0%	0.8%	0.9%	0.9%
KA	287.3	323.0	12.4%	1.4%	1.8%	2.2%	2.1%
RJ	262.5	304.7	16.1%	2.6%	0.8%	1.0%	0.9%
TS	198.3	244.7	23.4%	8.0%	1.0%	1.2%	1.2%
AP	195.9	228.9	16.8%	4.1%	1.3%	1.5%	1.5%
MP	182.9	212.7	16.3%	2.7%	1.2%	1.5%	1.3%
WB	167.2	193.4	15.7%	3.9%	1.4%	1.5%	1.5%
Pan India	**3,962.7**	**4,603.9**	**16.2%**	**1.6%**	**1.4%**	**1.5%**	**1.4%**

In Sep'25, UP moved up one position, displacing GJ, while the rest of the top 10 states remained unchanged.

Beyond Top 100 (BT100) Analysis – By Borrower segments

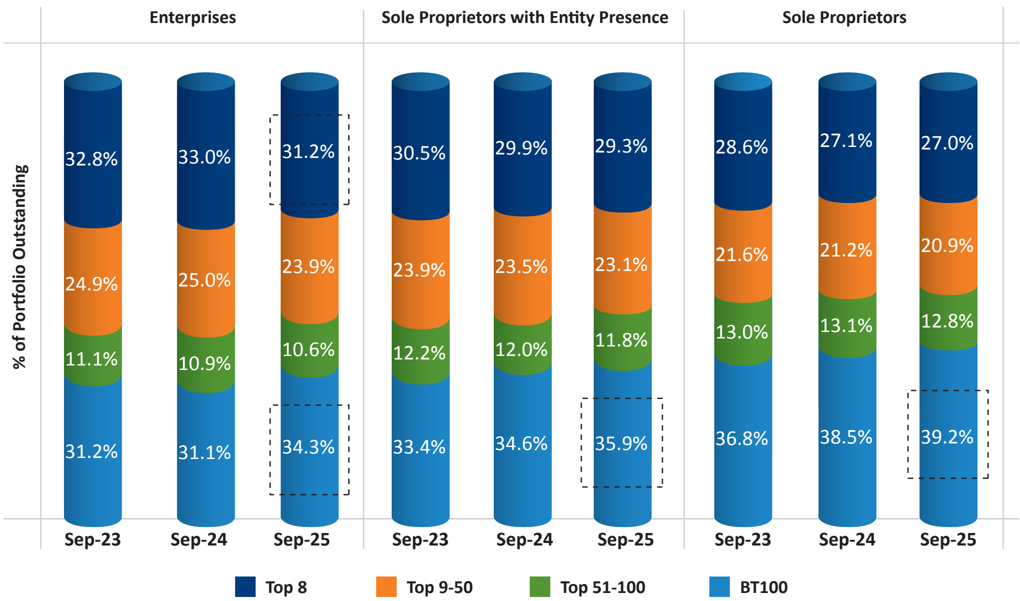
Across all borrower segments, Beyond Top 100 (BT 100) accounts for the majority share.

BT 100 definition: Top 8, Top 9-50, Top 51-100 and Beyond Top 100 (BT100) cities are classified based on highest aggregated portfolio outstanding of consumer loans reported to CRIF High Mark, at the end of the financial year.

- The BT 100 share is highest among sole proprietors at 39.2% as of Sep'25, followed by 'sole proprietors with entity presence' at 35.9%.
- The rising BT-100 share across segments highlights increasing small business credit flow in rural and under-penetrated regions, driven primarily by states such as Uttar Pradesh, Madhya Pradesh, Karnataka, and Tamil Nadu.
- Enterprises, however, continue to show strong metro concentration, with the Top 8 cities accounting for 31.2% of their portfolio as of Sep'25-higher than other borrower cohorts.

Small business credit exposure trends by city classification and borrower segments

Figure 8



DEMOGRAPHIC ANALYSIS: AGE AND GENDER TRENDS

(THIS IS FOR SOLE PROPRIETORS AND SOLE PROPRIETORS WITH ENTITY PRESENCE)

Age analysis: As of Sep'25, nearly 67% of POS is concentrated among borrowers aged 36-60. This share is expanding gradually, reflecting a preference for more seasoned borrowers.

In delinquency buckets (PAR 91-180), the ≤25 age group shows the highest delinquency at 1.9%, though it represents only 3% of POS.

More importantly, delinquencies are rising among borrowers aged 26-35 and 36-45, who together account for about 50% of POS.

Small business credit exposure trends by age

Figure 9

Age Analysis

	POS Share %			PAR 91-180		
Age Group	Sep-23	Sep-24	Sep-25	Sep-23	Sep-24	Sep-25
<=25	3.2%	3.2%	2.9%	1.8%	1.7%	▲ 1.9%
26-35	18.3%	18.4%	18.3%	1.7%	1.6%	▲ 1.8%
36-45	30.7%	31.2%	31.4%	1.7%	1.4%	▲ 1.5%
46-60	34.3%	34.7%	35.2%	1.7%	1.3%	▬ 1.3%
60+	13.5%	12.6%	12.2%	1.9%	1.3%	▬ 1.3%

Gender analysis: By gender, males continue to account for the majority of POS, a trend that has remained unchanged over the years.

- In terms of delinquency (PAR 91-180), females exhibit slightly higher levels.
- PAR 91–180 declined from Sep'23 but registered a marginal increase from Sep'24 across both genders.

Small business credit exposure trends by gender

Figure 10

	POS Share %[3]			PAR 91-180		
Gender	Sep-23	Sep-24	Sep-25	Sep-23	Sep-24	Sep-25
Female	21.0%	20.6%	21.0%	1.9%	1.5%	▲ 1.6%
Male	77.4%	77.9%	77.8%	1.7%	1.4%	▲ 1.5%

[3] The rest 1.2%-1.6% represents fields that are not available.
The PAR here reflects only sole-proprietor data from the Consumer Bureau, and therefore will not match the industry activity PAR reported by the Commercial Bureau.

ORIGINATIONS TRENDS

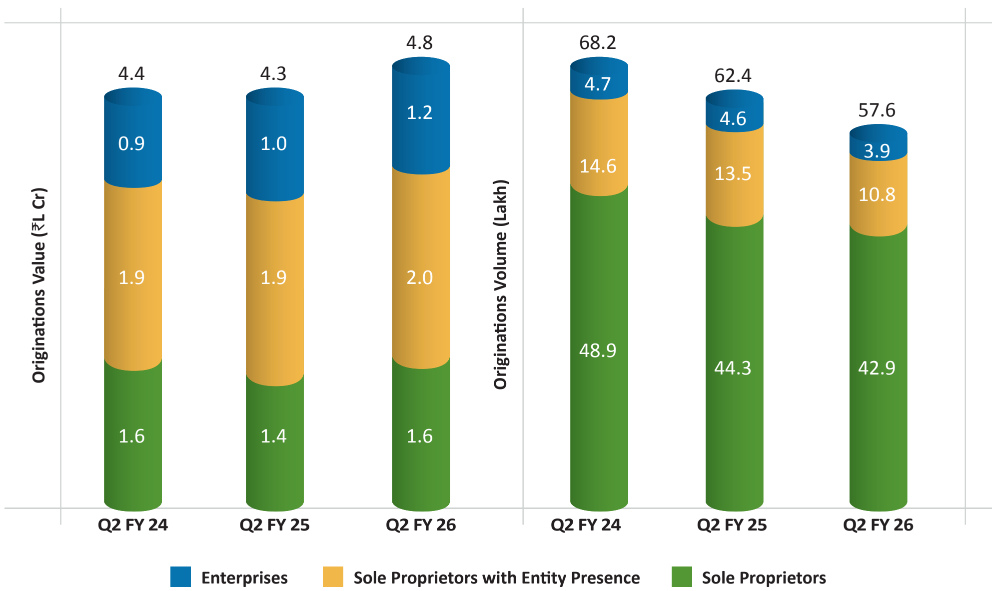
Value: Small business loan originations continued to grow in value, rising from ₹4.4 lakh crore in Q2 FY24 to ₹4.8 lakh crore in Q2 FY26, up 9.9% YoY from Q2 FY25. This reflects healthy credit supply to the sector and a shift toward higher ticket sizes.

Volume: In contrast, originations volume declined (-3.1% YoY as of Sep'25), underscoring the move toward larger loans amidst concerns regarding relatively higher stress in smaller ticket business loans.

- **Product type lens:** The sharpest drops were observed in Business Loans (-28.8% YoY as of Sep'25) for the overlap segment and Working Capital (-26% YoY, though from a small base) for enterprises. For sole proprietors, only BL showed a marginal decline (-3.1% YoY).
  - **LAP remained stable or slightly increased across borrower segments** (in originations volume), indicating a growing preference for asset-backed loans.

Originations for small businesses - Value and volume trends

Figure 11



(Originations represent sanctioned amount here)

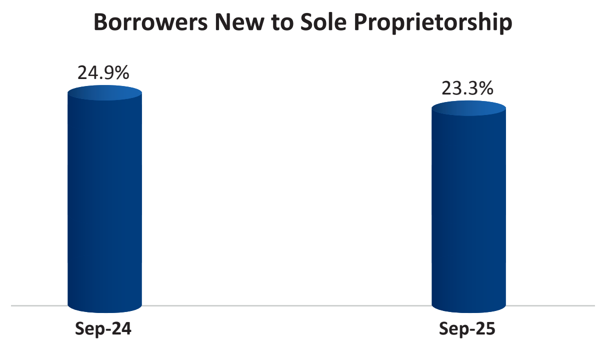
Credit formalization and migration perspectives

This is assessed in three forms -

- **New to Sole Proprietorship:** These are borrowers who have taken first ever business type loan (BL, LAP, CVL, CEL) in the owner's name in the last 12 months.
- **New to Enterprise:** These are borrowers who have taken first ever business type loan (WC (CC, OD), LAP, TL) in the name of the enterprise in the last 12 months.
- **Migration from Sole proprietorship to formal businesses:** These are Sole Proprietors who already have a business type loan (BL, LAP, CVL, CEL) in the owner's name and have migrated to Entity Loans in their Business name in the last 12 months.

Share of sole proprietorships who have taken first ever BL, LAP, CVL, CEL among the total active borrowers

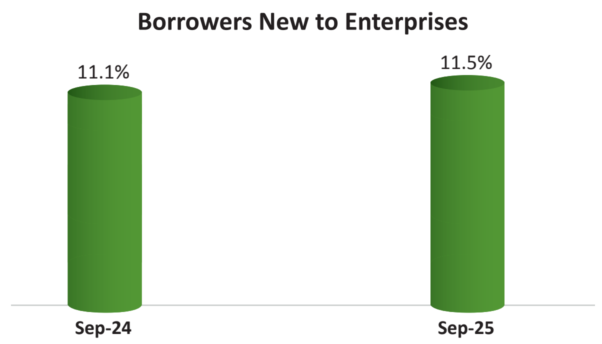
Figure 12



As of Sep'25, 23.3% were new to sole proprietorship, availing BL, LAP, CEL, or CVL for the first time in the past 12 months. The pace, however, has slightly moderated compared to last year.

Share of enterprise borrowers borrowers who have taken first ever (WC (CC, OD), LAP, TL) among the total active borrowers

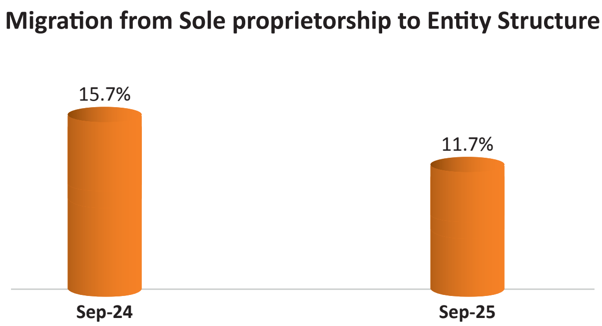
Figure 12a



As of Sep'25, close to 12% borrowers were new to enterprises, availing WC (CC, OD), LAP, TL for the first time in the past 12 months. The pace has remained the same as compared to last year.

Movement to enterprise loans - share of borrowers who have added WC and TL to the total 'sole proprietors with entity presence' borrowers

Figure12b



As of Sep'25, 11.7% of sole proprietors migrated to their first entity loan in their registered business name in the last 12 months, adding WC and TL to their existing credit portfolios. This pace moderated in Sep'25.

PORTFOLIO AT RISK TRENDS

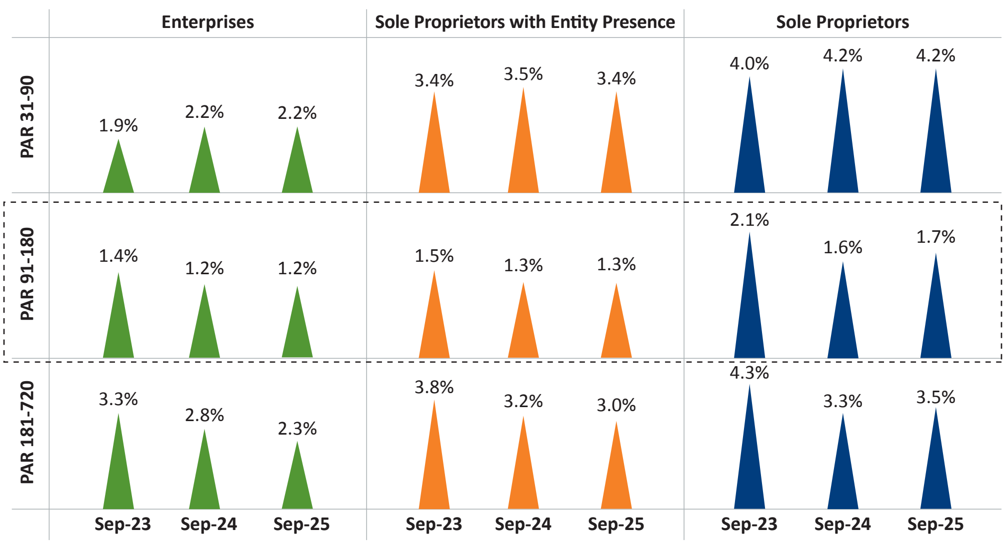
Overall portfolio quality improved, with PAR 91-180 declining from 1.7% to 1.4% between Sep’23 and Sep’25.

- The **improvement** was driven primarily by **sole proprietors**, whose PAR improved from 2.1% to 1.7% over the period, followed by the overlap segment and enterprises, which recorded a two percentage point improvement. **Enterprises consistently outperformed other cohorts**, likely reflecting stronger risk management and monitoring practices.

Despite the progress, **sole proprietors remained the most stressed segment**, with PAR at 1.7% as of Sep’25 - higher than other borrower groups.

Small business delinquency trends - By borrower segments

Figure 13



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Portfolio at risk by lender types

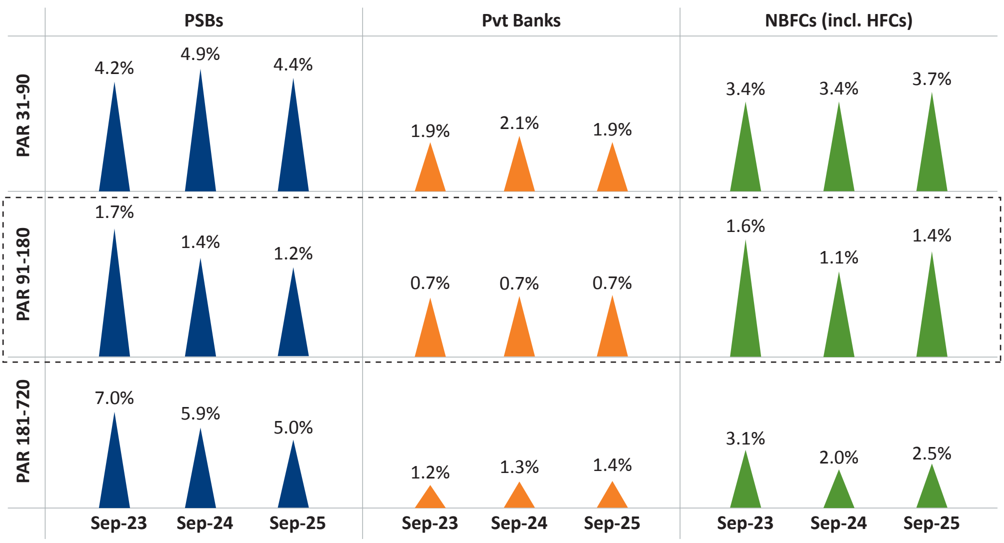
By lender type, private banks continue to anchor stability within the small business segment.

For NBFCs, PAR increased from 1.1% to 1.4% between Sep'24 and Sep'25.

Public Sector Banks (PSBs) showed improvement, with PAR 91-180 declining from 1.4% to 1.2% over the same period.

Small business delinquency trends - By lender type

Figure 14



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RISK MONITORING

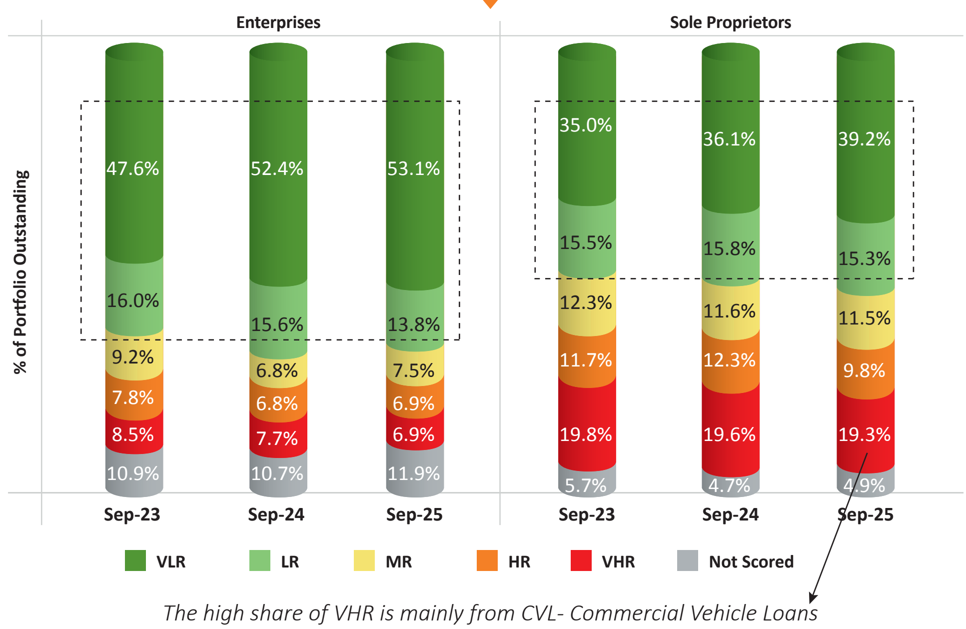
Improved credit monitoring-supported by stronger underwriting practices, enhanced digital data trails, and ongoing formalization-has boosted the share of Very Low Risk (VLR) and Low Risk (LR) distribution in POS. For enterprises, this increased from 63.6% to 66.9%, while for sole proprietors it rose from 50.6% to 54.4%.

Concurrently, the share of High Risk (HR) and Very High Risk (VHR) profiles in POS distribution declined for enterprises. For sole proprietors, HR reduced slightly, but VHR remained broadly unchanged.

The rise in the 'Not Scored' (NS) category, particularly among enterprises and sole proprietors, suggests growing participation from new borrowers in this segment.

Distribution of portfolio scores

Figure 15



Risk Bands are not available for Sole Proprietors with Entity Presence.

Risk distribution for Enterprises is based on CIBR-CRIF India Business Rank. CIBR provides a 13-tranche ranking framework, enabling lenders to precisely differentiate credit risk across various business profiles. Risk Bands: Very Low Risk (CIBR-1 to CIBR-4), Low Risk (CIBR-5 to CIBR-7), Medium Risk (CIBR-8 to CIBR-9), High Risk (CIBR-10 to CIBR-11), Very High Risk (CIBR-12 to CIBR-13)

Risk distribution for Sole Proprietors is based on CRIF Credit Score, ranging from 300 to 900, predicts the possibility of customer defaulting. Score bands: Very High Risk (300-399), High Risk (400-577), Medium Risk (578-644), Low Risk (645-693), Very Low Risk (694-900), and Not Scored

Chapter 2:

State in Focus: **Odisha**

STATE IN FOCUS: ODISHA

Odisha has positioned itself as a leading growth engine in eastern India. Contributing nearly 2.8% to India's GDP, the state's GSVA is dominated by industry, supported by agriculture and services. With the real Gross State Domestic Product (GSDP) steadily climbing up, printing a solid 7.2% in FY25 and maintaining a CAGR of 7.1% since 2011 despite global and domestic turbulences.

Its abundant mineral reserves, iron ore, bauxite, and chromite, serve as the backbone for large-scale investments in steel, aluminium, and emerging green energy corridors, reinforcing its industrial prowess. With strategic port connectivity and a growing focus on IT, renewable energy, and industrial corridors, Odisha is emerging as a diversified and future-ready economy. Complementing this, the auxiliary MSME ecosystem has begun to flourish, with 22.5 lakh registered units, including informal micro enterprises integrated through the Udyam Assist Platform (UAP). Micro enterprises dominate the landscape, accounting for 52%, and informal micro units represent 47.2%. These MSMEs are prominently concentrated in the manufacturing and trade sectors, with a very predominant presence in food processing, metal-based units, textiles, handicrafts, forest-based products and repair services reflecting the state's natural and traditional skills.

India vs Odisha GVA sectoral %

Sector	Odisha Share (%)	India Share (%)
Agriculture & Allied	18.9%	17.8%
Industry	43.9%	26.9%
Services	37.1%	55.3%

- Odisha recorded one of the fastest industrial growth rates among major states, averaging 8.3% between 2017-18 and 2023-24, significantly above the national average of 4.7%.

To foster the MSME sector, Odisha implemented the MSME Development Policy 2022, which offers a comprehensive suite of incentives, ranging from land and stamp duty exemptions to capital and interest subsidies, SGST reimbursement, technology and quality certification support, and an 80% subsidy for MSME ZED certification. These measures are reinforced by digital platforms such as GO-SWIFT and AIM 2.0, seamlessly integrated with IFMS for faster incentive disbursal. Further bolstering manufacturing MSMEs, the state introduced CM-SRIM in August 2023, a targeted scheme reimbursing interest on working capital loans, ensuring liquidity and competitiveness for small businesses. Together, these initiatives have positioned Odisha to become a MSME power hub.

Credit trends

Odisha's small business portfolio expanded from ₹0.6 L Cr in Sep'23 to ₹0.9L Cr in Sep'25, reflecting a 17.2% YoY growth between Sep'24 and Sep'25, exceeding Pan India growth YoY across different periods. Although it was a bit of moderation from Sep'24's 23.4% YoY growth.

On the risk front, PAR 91-180 days category Odisha's PAR 91-180 slightly deteriorated from 1.4% as of Sep'23 to 1.5% as of Sep'25.

The number of active small business loans also increased to 23.3 lakh as of Sep'25, representing a 13.8% YoY growth-although a slowdown from the 15.6% growth recorded the year before, this also exceeding Pan India growth.

Overall small business credit exposure trends - Portfolio exposure and number of active loans in Odisha

Figure 16

	Sep-23	Sep-24	Jun-25	Sep-25
Portfolio Outstanding (₹ L Cr)	0.67	0.82	0.92	0.96
YoY%		23.4%	19.3%	17.2%
Pan India YoY%		21.2%	19.3%	16.2%
Share of Pan India (%)	2.1%	2.0%	2.0%	2.2%
Number of active loans (L)	17.7	20.5	21.9	23.3
YoY%		15.6%	10.5%	13.8%
Pan India YoY%		13.6%	8.7%	11.8%
Share of Pan India (%)	3.5%	3.1%	3.2%	2.7%
PAR 31-90	5.0%	4.8%	4.5%	4.6%
PAR 91-180	1.4%	1.2%	1.3%	1.5%
PAR 91-180 (Pan India)	1.7%	1.4%	1.5%	1.4%
PAR 181-720	4.8%	3.7%	3.6%	3.5%

This includes overall total of the three borrower cohorts.

Portfolio outstanding is for credit exposure up to 720 days.

Individual borrower segment analysis

Odisha: Sole proprietorships (including those with entity presence) account for 80% of the borrower base as of Sep’25, which is broadly in line with the Pan-India average. Credit growth rates across borrower segments in Odisha exceed the national average, though this is on a relatively small base.

Overall small business portfolio trends - Across borrower segments in Odisha

Figure 17

Portfolio Outstanding (₹ K Cr)

				YoY% (Sep-24 to Sep-25)		Share of total (%)	
Borrower Segment	**Sep-23**	**Sep-24**	**Sep-25**	**Odisha**	**Pan India**	**Odisha**	**Pan India**
Enterprises	15.4	17.3	19.4	*12.1%*	13.5%	*20.2%*	20.9%
Sole Proprietors with Entity Presence	30.5	38.9	47.2	*21.4%*	20.1%	*48.9%*	47.6%
Sole Proprietors	20.6	26.1	29.8	*14.2%*	12.5%	*30.9%*	31.5%
Grand Total	**66.6**	**82.3**	**96.4**	***17.2%***	**16.2%**	***100.0%***	**100.0%**

OR's industrial diversity: cluster wise lending trends

Odisha's small business portfolio continues to expand steadily across multiple districts, supported by agro and allied sectors, industries, and services. While portfolio-at-risk (PAR 91-180) levels remain generally low, they are inching upward in certain regions.

- **Khordha (including Bhubaneswar and Deras):** Holds the largest share at 14.1% of the state portfolio, driven by clusters in agro, handicrafts, seafood, and electronics.
- **Cuttack and Ganjam:** Together account for roughly 17% of exposure, supported by agro and textile clusters. Emerging hubs such as Paradeep (plastics) and Nayagarh (honey) underscore diversification.
- **Broad-based growth:** Strong expansion in Gajapati, Nayagarh, Nuapada, and several smaller portfolios highlights momentum beyond traditional urban centers.

PAR 91-180:

- Mostly in the 1%-2% range.
- In several districts - Angul, Jajpur, Kendujhar, Nayagarh - Sep'25 PAR is slightly higher than Sep'24, signaling mild challenges in asset quality.

Portfolio & Performance by OR clusters - Districts and Industrial Activity - For small businesses

(Primary clusters are provided for informational purposes only. The portfolio outstanding reflects the entire district and is not specific to the listed cluster)

Figure 18

District	*Portfolio Outstanding (₹K Cr)		Y-o-Y Growth %	% Share	PAR 91-180%	
	Sep-24	Sep-25	Sep-25	Sep-25	Sep-24	Sep-25
Angul	3.9	4.2	6.8%	4.4%	1.0%	1.9%
Baleshwar	4	4.8	19.9%	5.0%	1.4%	1.7%
Bhadrak	2.7	3.4	24.9%	3.5%	1.2%	1.5%
Cuttack	8.2	9.4	14.5%	9.8%	1.5%	1.7%
Dhenkanal	2	2.3	19.1%	2.4%	1.9%	1.9%
Gajapati	0.4	0.6	27.8%	0.6%	1.7%	1.3%
Ganjam	6	7.3	20.3%	7.6%	1.0%	1.3%
Jajapur	4	4.5	14.0%	4.7%	1.3%	1.8%
Kalahandi	1.4	1.8	24.7%	1.9%	1.1%	0.9%
Kendujhar	4.6	5.4	16.2%	5.6%	0.8%	1.6%
Khordha / Bhubaneswar / Deras	12	13.6	12.8%	14.1%	1.4%	1.5%
Mayurbhanj	3	3.6	17.3%	3.7%	1.1%	1.5%
Nayagarh	1.5	1.9	23.9%	2.0%	1.4%	2.0%
Nuapada	0.6	0.7	21.2%	0.7%	0.8%	0.9%
Paradeep / Jagatsinghpur	2.3	2.7	16.1%	2.8%	1.6%	1.8%
Puri	3.3	3.9	18.7%	4.0%	1.3%	1.7%
Rayagada	1.1	1.3	22.8%	1.3%	1.2%	0.8%
OR Others	21.1	25.1	19.1%	26.0%	1.0%	1.2%
OR Total	**82.2**	**96.4**	**17.2%**	**100.0%**	**1.2%**	**1.5%**

*(This represents the total outstanding portfolio of the district, comprising the combined sum of all three borrower cohorts-enterprises and sole proprietors).

OR aspirational districts

Aspirational districts refer to those identified by the **Niti Aayog, Government of India** as relatively underdeveloped based on key socio-economic indicators.

- Odisha's **10 aspirational districts** collectively grew from ₹**10.9K Cr in Sep'24 to** ₹**13.3K Cr in Sep'25**, marking a **22.4% YoY growth**, which is **higher than the state average of 17.2%**.
- These districts now account for **13.7% of Odisha's total small business portfolio**, up from **13.3%** last year.
- Most districts recorded strong double digit growth, led by Nabarangapur (28.6% YoY) and Gajapati (27.8% YoY), though they are expanding from a relatively small base.

Performance metrics:

- Most districts showed improvement in PAR 91-180.
  - However, the forest areas of Dhenkanal reported a higher PAR at 1.9%, while Malkangiri, another forest district, registered an increase to 1.5% - the highest rise among aspirational districts.
- Aspirational districts in Odisha continue to display lower delinquency (PAR 91-180) compared to overall 112 aspirational districts in India.

Portfolio & Performance by aspirational districts - For small businesses in OR

Figure 19

Aspirational Districts	Portfolio Outstanding (₹K Cr)		Y-o-Y Growth %	% Share to Overall OR		PAR 91-180	
	Sep-24	Sep-25	Sep-25	Sep-24	Sep-25	Sep-24	Sep-25
RAYAGADA	1.1	1.3	22.8%	1.3%	1.3%	1.2%	0.8%
NUAPADA	0.6	0.7	21.2%	0.7%	0.7%	0.8%	0.9%
MALKANGIRI	0.5	0.5	17.3%	0.6%	0.5%	1.0%	1.5%
KORAPUT	1.8	2.2	24.7%	2.2%	2.3%	0.8%	0.8%
KANDHAMAL	0.5	0.6	25.0%	0.6%	0.6%	1.3%	1.1%
KALAHANDI	1.4	1.8	24.7%	1.7%	1.9%	1.1%	0.9%
GAJAPATI	0.4	0.6	27.8%	0.5%	0.6%	1.7%	1.3%
DHENKANAL	2	2.3	19.1%	2.4%	2.4%	1.9%	1.9%
BALANGIR	1.8	2.2	18.6%	2.2%	2.3%	1.1%	1.3%
NABARANGAPUR	0.8	1.0	28.6%	1.0%	1.0%	1.1%	1.0%
Aspirational districts total	10.9	13.2	22.4%	13.3%	13.7%	1.2%	1.2%
OR Total	82.2	96.4	17.2%			1.2%	1.5%
Share of Odisha total	*13.3%*	*13.7%*					
Total Aspirational Districts of India (112 as per NITI Aayog)	281.4	328.5	16.8%			1.5%	1.6%

Aspirational districts in OR is slightly performing better than overall Aspirational districts in India

Lender trends analysis

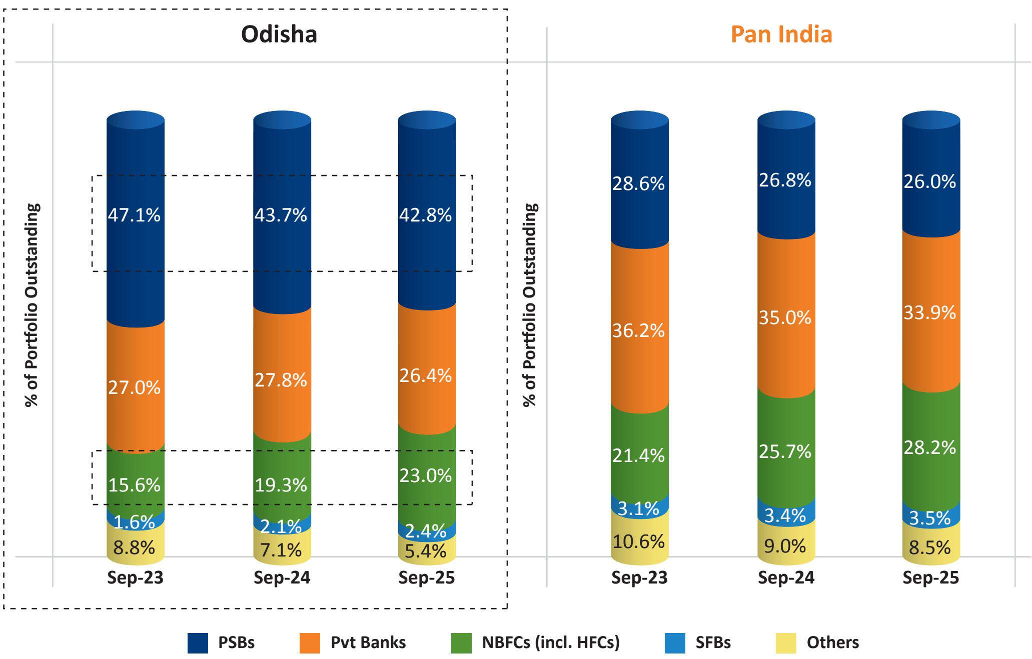
Public Sector Banks: Dominate Odisha's small business lending with 42.8% share as of Sep'25 (down from 47.1% in Sep'23). Their share in overall credit is far higher than Pan India and dominant in sole proprietor business loans and enterprise working capital.

Private Banks: Stable at 26-27% share, showing little movement and significantly lower than Pan India levels.

NBFCs (incl. HFCs): Expanded from 15.6% in Sep'23 to 23.0% in Sep'25, driven by small ticket loans and deeper reach in BT100 geographies, though penetration remains below Pan India.

Lender wise POS metrics for OR State and Pan India (for comparison)

Figure 20



Lender type 'Others' comprises Cooperative Banks, Regional Rural Banks, Asset Reconstruction Companies, Foreign Banks etc.

Originations trends

Originations Value:

Odisha's small business originations rose from ₹8.1K Cr in Q2 FY24 to ₹9.4K Cr in Q2 FY26, **led by 'sole proprietors with entity presence**' (5.1% YoY as of Q2 FY26). Enterprises grew modestly over the three years between Q2 FY24 and Q2 FY26.

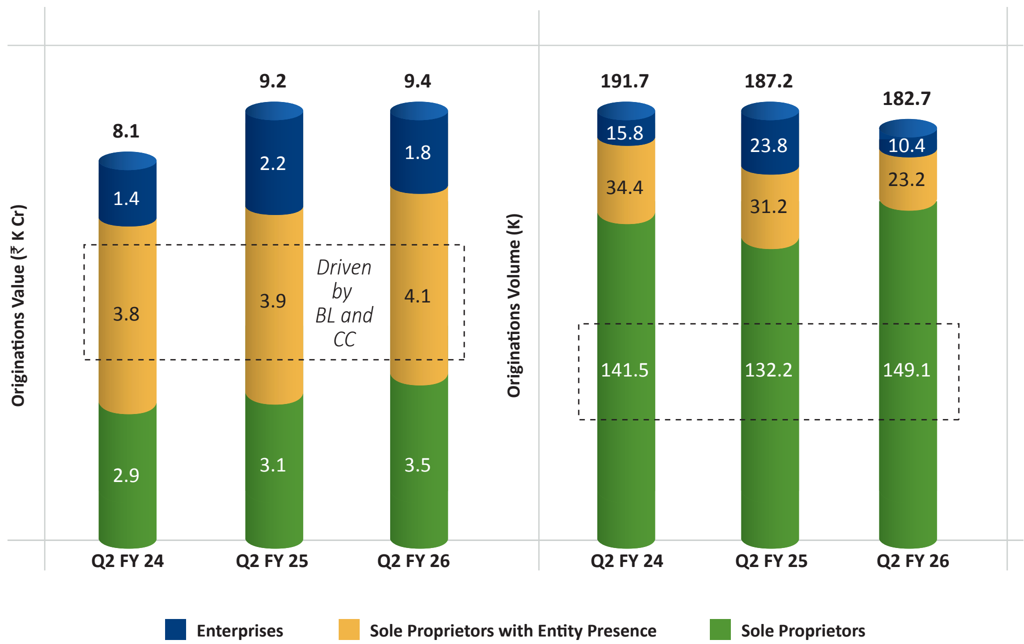
- Originations value in 'sole proprietors with entity presence' continued to be driven primarily by **Cash Credit (WC)** and **Secured Business Loans** (43.2% YoY and 35.4% YoY **growth between Q2 FY 25 and Q2 FY 26 respectively)**.

Originations Volume: Overall originations volume declined slightly, from 191.7K in Q2 FY24 to 182.7K in Q2 FY26. **Sole proprietors** continued to form the bulk of originations, with their volumes increasing from 141.5K to 149.5K, while enterprise volumes moderated between Q2 FY25 and Q2 FY26.

- Sole proprietor volumes continued to be driven by **business loans**, which rose from **117.8 K to 134.5 K**, reflecting a **14.2% YoY increase between Q2 FY25 and Q2 FY26**.

Originations for small businesses for OR State - Value and volume trends

Figure 21



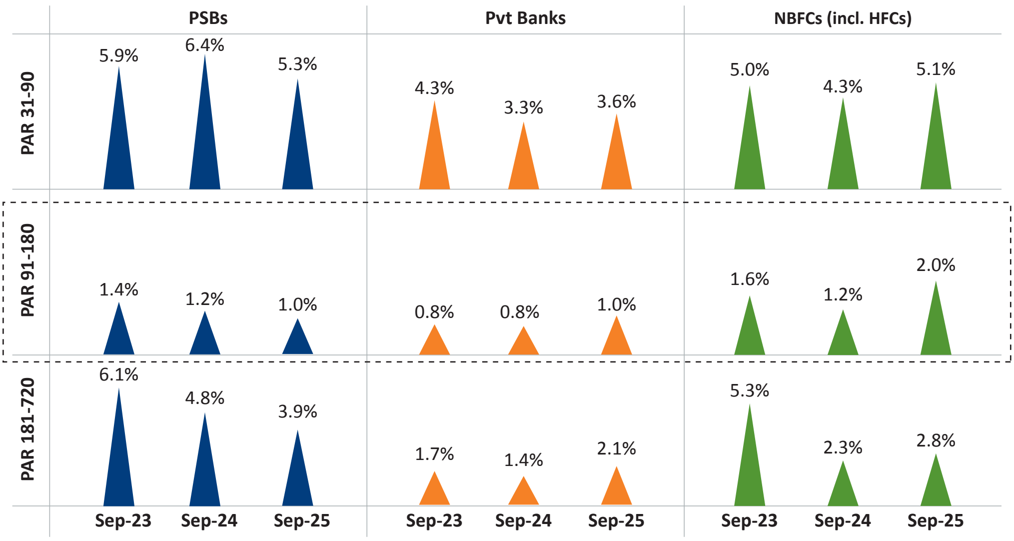
Lender-type delinquency trends

Between Sep'23 and Sep'25, Odisha's PAR 91–180 increased slightly from 1.4% to 1.5% while between Sep'24 and Sep'25, it rose from 1.2% to 1.5%.

- This was mainly driven by NBFCs, whose PAR 91–180 climbed from 1.6% to 2.0% between Sep'23 and Sep'25, and further from 1.2% as of Sep'24.
- Private banks also showed a slight increase, though their PAR remains among the lowest.
- Public Sector Banks recorded the most significant improvement in PAR 91–180 as of Sep'25.

Lender type wise PAR metrics for OR State

Figure 22

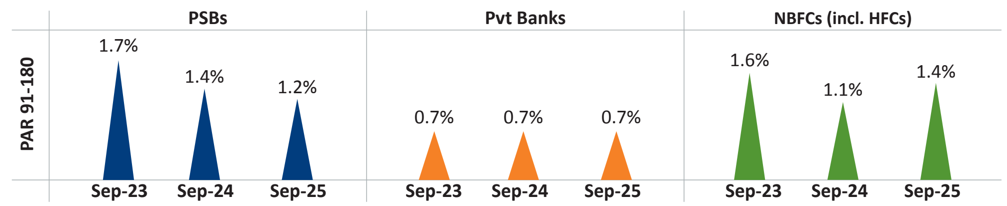


Portfolio outstanding is for credit exposure up to 720 days.

Comparison with Pan India:
A quick comparison shows that **PAR 91-180 in Odisha outperforms the Pan-India average in PSBs, that constitutes the major share of lending in the state.**

Pan India PAR 91-180 - Overall Small business

Figure 23



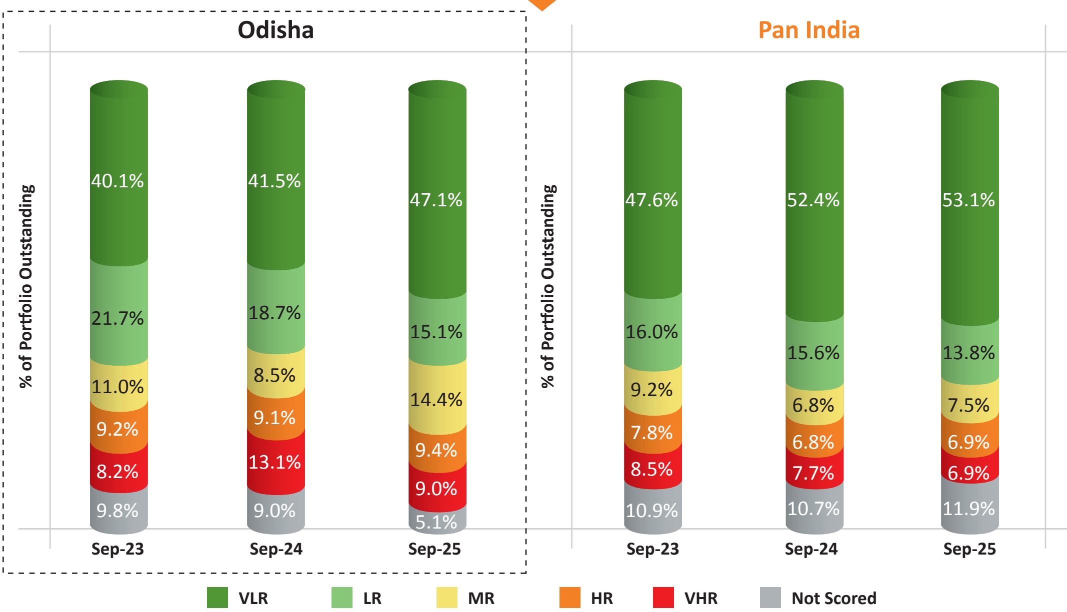
Risk distribution

Odisha's portfolio shows a clear shift toward lower risk profiles. The Very Low Risk share increased from 41.5% in Sep'24 to 47.1% in Sep'25-an improvement stronger than Pan India (52.4% to 53.1%), though still below the national average. Two areas of focus:

- **Low Risk share** declined in both Odisha and Pan India. In Odisha, it fell from 21.7% to 15.1% between Sep'23 and Sep'25, while Pan India dropped from 16% to 13.8% over the same period.
- **High Risk and Very High Risk shares** remain slightly elevated in Odisha compared to Pan India as of Sep'25: 9.4% vs. 6.9% (High Risk) and 9.0% vs. 6.9% (Very High Risk).

Portfolio share by risk band for OR State (Enterprises with aggregate credit exposure below ₹5 crore)

Figure 24



Risk distribution for Enterprises is based on CIBR-CRIF India Business Rank. CIBR provides a 13-tranche ranking framework, enabling lenders to precisely differentiate credit risk across various business profiles. Risk Bands: Very Low Risk (CIBR-1 to CIBR-4), Low Risk (CIBR-5 to CIBR-7), Medium Risk (CIBR-8 to CIBR-9), High Risk (CIBR-10 to CIBR-11), Very High Risk (CIBR-12 to CIBR-13)

Annexure

ANNEXURE

GoI initiatives / Schemes for Small Businesses

1. **Pradhan Mantri Mudra Yojna (PMMY):** Government of India launched PMMY, for providing loans up to ₹10 lakh to the non-corporate, non-farm small / micro enterprises. To strengthen support for aspiring entrepreneurs, an increase in the loan limit to ₹20 lakh was announced in 2024. Under PMMY, loans are provided through Banks, Non-Banking Financial Companies (NBFCs), Micro Financial Institutions (MFIs), other financial intermediaries, in three categories namely, 'Shishu', 'Kishore', 'Tarun' and 'Tarun Plus' which signifies the stage of growth for development and funding needs of the borrowers. PMMY has sanctioned over ₹36.95 lakh crore across 55.34 crore accounts[4].

2. **Stand Up India Scheme:** The Government of India launched Stand Up India (SUPI) Scheme on April 05, 2016, to leverage institutional credit structure in extending credit to entrepreneurs from SC/ST and Women meant for setting up greenfield enterprises. SUPI has shown remarkable growth over the years, with the total amount sanctioned increasing from ₹14,431.14 crore[5] as of 31st October 2018 to an impressive ₹62,790.47 crore till March 2025[6].

3. **PM Vishwakarma Scheme:** The 'PM Vishwakarma' Scheme, launched by the Government of India, aims to enhance the quality and reach of products and services by artisans and craftspeople, integrating them into domestic and global value chains. Since its launch, the PM Vishwakarma Scheme has achieved significant milestones, with over 2.72 crore applications submitted and 30 lakh applications successfully registered[7].

4. **Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM-SVANidhi):** PM SVANidhi Scheme, launched on June 1, 2020, is a micro credit scheme for urban street vendors that aims to provide collateral-free working capital loans up to ₹50,000. Under the scheme regular repayments are incentivized with a 7% interest subsidy and digital transactions are rewarded with cashback up to ₹1,200 per year.

Key Achievement[8] :

- No. of Beneficiaries 68,94,682
- Sanctioned amount 15,507.87 Crore
- Disbursed amount 14,639.39 Crore

5. **Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE):** CGTMSE set up by SIDBI and Ministry of MSME, GoI in 2000, operates the Credit Guarantee Scheme (CGS) for MSEs in respect of credit facilities extended by its Member Lending Institutions, which are not backed / partially backed by collateral security and / or third-party guarantees. Cumulatively, as on 31.10.2025, number of guarantees approved stood at 1.28 crore worth ₹11.5 lakh crore[9].

6. **TReDS:** RBI introduced TReDS platform to help MSMEs for discounting bills of MSMEs to help in realizing their receivables promptly by allowing them to upload, accept, discount, trade and settle invoices. SIDBI is promoter of one of the TReDS platforms, i.e. Receivables Exchange of India Limited (RXIL).

[4] SIDBI Monthly report - Oct, 2025
[5] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2119045
[6] https://sansad.in/getFile/loksabhaquestions/annex/185/AU18_4CPqcj.pdf?source=pqals
[7] PM Vishwakarma (as of November 2025)
[8] PM SVANidhi (as of November 21, 2025)
[9] SIDBI Monthly report - Oct, 2025

7. **PSBLoansin59minutes:** PSBLoansin59minutes is a fintech platform developed by Online PSB Loans Ltd. (OPL), a fintech supported by SIDBI led consortium of Public Sector Banks. The digital marketplace platform enables MSMEs to obtain In-principal approval of loans from lenders onboarded on the platform.

8. **Raising and Accelerating MSME Performance (RAMP):** World Bank-supported scheme to improve MSME access to finance, technology, and markets.

9. **Revision in the definition of MSMEs:** To pave way for strengthening and growth of MSMEs, the Government announced a new definition of MSME w.e.f. July 1, 2020. The revised definition removes the distinction between manufacturing and service enterprises. Besides the investment in plant and machinery, a new criterion for turnover has also been included. The Government has included Retail and Wholesale trades as MSMEs. The definition of MSMEs has been further revised w.e.f 01/04/2025 enhancing the turnover and investment limits.

10. **Fund of Funds for Startups (FFS) Scheme:** The Fund of Funds for Startups Scheme was set upwith a corpus of ₹10,000 crore to provide much-needed boost to the Indian startup ecosystem and enable access to domestic capital. The Scheme is operationalized by SIDBI. As on October 31, 2025, as against the corpus of ₹10,000 crore, SIDBI has committed a cumulative amount of ₹12,452 crore to 162 AIFs. Thus, the commitments have exceeded the corpus of ₹10,000 crore[10].

11. The Union Cabinet has approved the Export Promotion Mission (EPM) with a total outlay of ₹ 25,060 crore for six years, from 2025-26 to 2030-31[11]. The Cabinet also cleared a Credit Guarantee Scheme for Exporters (CGSE), under which up to ₹20,000 crore collateral-free credit support is envisaged[12]. These schemes, announced in Nov'2025, are envisaged to help the MSME segment by improving liquidity and access to credit.

[10] SIDBI Monthly report - Oct, 2025
[11] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2189381
[12] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2189390

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Since its formation in 1990, SIDBI has been touching the lives of citizens across various strata of society through its integrated, innovative and inclusive approach for all round development of MSMEs. SIDBI has directly or indirectly through various credit and developmental measures impacted the myriad Micro, Small and Medium Enterprises (MSMEs) in the country, whether they are traditional, domestic small entrepreneurs, bottom-of-the-pyramid entrepreneurs, or high-end knowledge-based entrepreneurs.

For more information, please visit: https://www.sidbi.in/

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Analytics
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Personal Financial Management
Finance Wellness (PFM), Business Wellness Management

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Account Aggregator Bank Statement Analytics, Categorization, KPI, Risk Score

CIR (Commercial, Consumer & Microfinance)

- Detailed Information of a borrower's credit history & financial behavior. These details are utilized by the lenders & financial institutions to evaluate credit worthiness of the borrower.
- Commercial CIR includes CRIF India Business Rank (CIBR), which is a 13-Rank Assessment model to gauge a Business entity's Credit repayment ability based on its credit profile, credit history and other factors.

B2B2C Consumer CIR

- The reports are fetched by individuals who approach Agents/Online Fintech Platform to avail personal credit for personal usage/pre-qualified offers.

B2C Consumer/Commercial CIR

- Individuals/Entities looking for their personal/entity's credit report fetch this CIR through CRIF's portal.

Commercial Lite CIR

- Synopsis of credit facilities with respect to Member and Off-member exposures, exposures on CC/OD facilities, Total Banking Exposure.

Portfolio review

- The data output represents Offline bulk credit information of their customer base with Lending Institutions.

Market Insights Report

- Market Insights products, offer insights on broader market trends and consumer behavior, using aggregated credit data.

Alerts

- Event based triggers for near real time and effective monitoring of borrowers, post disbursement.

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