

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1948
TO BE ANSWERED ON: 11.12.2025

NPAs IN MSME LOANS

1948. SHRI BAPI HALDAR:

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

- (a) the details of the assessment by the Government on the gap between sanctioned and disbursed credit to Micro, Small and Medium Enterprises (MSMEs) during the last three years; and
- (b) the steps taken to address rising instances of MSME loans being classified as NPAs and delays reported in Quality Control Order compliance due to high testing costs and limited infrastructure?

ANSWER

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

(a) & (b): As informed by Reserve Bank of India (RBI), the credit disbursement to the MSME sector by Scheduled Commercial Banks (excluding RRBs) during the last three years are as follows:

FY	Micro Enterprises		Small Enterprises		Medium Enterprises		Total MSME	
	No. of A/c (in lakh)	Amount disbursed	No. of A/c (in Lakh)	Amount disbursed	No. of A/c (in Lakh)	Amount disbursed	No. of A/c (in lakh)	Amount disbursed
2022-23	84.20	6,43,150.40	7.83	5,79,554.50	3.03	4,74,033.35	95.06	16,96,738.26
2023-24	118.25	8,95,633.99	10.02	7,16,599.44	4.29	5,92,221.56	132.56	22,04,454.98
2024-25	115.74	10,49,491.23	9.42	8,34,267.31	4.83	7,59,690.41	129.98	26,43,448.95

Source: Priority Sector Returns submitted by SCBs (excluding RRBs)

To strengthen and support the MSME sector, the Government of India has taken various steps which, inter-alia, include the following:

- (i) Gazette Notification dated May 29, 2015 provides a 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' (FRR for MSMEs). Subsequently, RBI issued instructions vide its circular no. RBI/2015-16/338 FIDD.MSME & NFS.BC.No.21/06.02.31/2015-16 dated 17.03.2016 for implementation of the same. Subsequently, RBI issued a framework for revival and rehabilitation (FRR) vide circular dated March 17, 2016 for MSME units having loan limits up to 25 crore.

- ii. Emergency Credit Line Guarantee Scheme launched for businesses, including MSMEs with a provision to provide a cover for Credit Guarantee to the tune of Rs 5 lakh crore. The scheme was operational till 31.03.2023. As per a research report dated 23.01.2023 of the State Bank of India on Emergency Credit Line Guarantee Scheme, about 14.6 lakh MSME accounts of which about 98.3% were in the MSE category were saved from being NPAs.
- iii. Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans upto Rs. 10 crore (w.e.f 01.04.2025) extended by Member Lending Institutions to MSEs.

As informed by Bureau of Indian Standards (BIS), various steps has been taken to provide financial and technical support to MSME sector. Some of them are as under:

- i. Concession of 80% (for Micro enterprises / Start-up units), 50% (Small enterprises) and 20% (Medium enterprises) by BIS as financial incentives in annual minimum marking fee with an additional concession of 10% to units located in north-east areas or women entrepreneur MSMEs.
- ii. The requirement of maintaining in-house laboratory has been made optional for MSMEs. MSMEs are also allowed to utilize the services of outside BIS recognized laboratories and NABL accredited labs.
- iii. 'Levels of Control' prescribed with the Scheme of Inspection and Testing are made recommendatory in nature.
- iv. For domestic manufacturers, product certification activities and processes have been digitized through an online platform "Manak online". The renewal of certifications for domestic manufacturers has also been made automatic without any human intervention.
