

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
STARRED QUESTION NO. *280
ANSWERED ON TUESDAY, AUGUST 19, 2025/ 28 SRAVANA, 1947 (SAKA)

NPA RATE IN PMMY

*280. SHRI PRAMOD TIWARI:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether Pradhan Mantri Mudra Yojana (PMMY) loans have a high Non-Performing Asset (NPA) rate compared to other loans;
- (b) if so, the reasons therefor;
- (c) the level of NPA since inception of PMMY until March 2018 and the current NPA rate;
- (d) whether there is a need for PMMY to have greater outreach in under served regions;
- (e) if so, the details thereof;
- (f) whether many potential borrowers remain unaware of the scheme or struggle with cumbersome application process; and
- (g) if so, the steps taken to address these issues?

ANSWER

THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

- (a) to (g): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO.*280 FOR ANSWER ON 19.08.2025 BY SHRI PRAMOD TIWARI ON NPA RATE IN PMMY

(a) and (b) : The NPA rate against amount of loan disbursed under Pradhan Mantri Mudra Yojana (PMMY) for Scheduled Commercial Banks, as on March, 2025, is 2.19%. The NPA rate against outstanding loan amount for PMMY and MSME sector is as under:

Particulars (Scheduled Commercial Banks)	NPA % (As on March, 2025)
Pradhan Mantri Mudra Yojana	9.81%
MSME	3.60%

PMMY scheme mainly caters to those segment of the society which have been outside the formal credit system because of lack of collaterals, business experience etc. The NPA rate under PMMY is higher than the average MSME NPA rate because the loans under the scheme are collateral free and are often provided to new business entrepreneurs who may lack business experience and expertise.

Further, the incidence of NPAs in lending to MSME sector, including PMMY, is attributable to a number of factors, which include overall performance of the borrowing entity, macroeconomic conditions, sectoral issues, global business environment etc.

(c): The NPA under PMMY as on March, 2018 and March, 2025 is placed at Annexure I.

(d) to (g) : Government has taken various steps towards the effective implementation of the Mudra Scheme. These, *inter-alia*, include publicity campaigns, simplification of application form, Credit Guarantee Scheme, nomination of Mudra Nodal Officer, frequent reviews at various level by Government and banks. Targets are assigned to member lending institutions (MLIs) by the Government, for onward allocation of state-wise target according to their area of potential.

The Jan Samarth portal is a one-stop digital platform for linking twelve Government-sponsored loans, including PMMY. The portal provides a quick and efficient way to apply for loans and provide approvals based on a digital evaluation of the applicant's data. Further, many banks and financial institutions have developed online platforms and mobile apps for end to end digital processing of loan applications, reducing the need for physical paperwork and in-person visits.

Annexure for part (c) of Rajya Sabha Starred Question No. *280 regarding "NPA rate in PMMY" for answer on 19.08.2025

Scheduled Commercial Banks		
As on	NPA % against Disbursement Amount	NPA % against Outstanding Amount
Mar-18	2.71%	5.47%
Mar-25	2.19%	9.81%

Source: As per data uploaded by Scheduled Commercial Banks on Mudra portal
