

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1079
TO BE ANSWERED ON 09.02.2026

PROTECTION FOR MSME

1079. SMT. SAGARIKA GHOSE:

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

- (a) the reason for high interest rate of 18 per cent per annum on the TReDS platform;
- (b) whether Government is planning to introduce differential interest-rate directives for MSMEs on the platform;
- (c) whether a comparative study on the impact of Non Performing Asset (NPA) rules on MSMEs versus large corporations have been conducted, if so, the details thereof and if not, the reason therefor; and
- (d) whether any attempt has been made to expand Udyam Assist Platform with large corporates and export bodies, if so, the details thereof and if not, the reason therefor?

ANSWER

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

(a): As informed by Trade Receivables e Discounting System (TReDS) platforms, interest rate is influenced by multiple factors such as the buyer's credit rating, category, tenure and size of invoices, past payment behaviour, liquidity conditions, cost of funds of financiers and the level of competition in bidding. The interest rates are finalized through a competitive bidding process among financiers and are primarily determined by the credit risk and strength of the buyer. Higher competition generally results in lower interest rates. As per the data provided by the TReDS Platforms, no transaction was recorded carrying an interest rate of 18 per cent or above.

(b) & (c): Department of Financial Services (DFS) has informed that as per the survey conducted by SIDBI during FY-2025, 75% of respondents reported availing formal credit, 8% relied exclusively on informal credit sources, while 17% had not availed any form of credit. The survey was conducted on sample basis covering 2,097 MSMEs across 19 sectors across India. (Source: SIDBI, Understanding Indian MSME Sector – Progress and Challenges, May 2025).

DFS also informed that as per RBI, total advances of Scheduled Commercial Banks (SCBs) to the MSME Sector stand at Rs. 35,83,337.55 crore, while Gross NPA amounts to Rs.1,17,186.88 crore, as on 30.9.2025 (current financial year).

(d): Udyam Assist Portal (UAP) is for the Informal Micro Enterprises (IMEs), which are exempted from filing GST and has been introduced to formalize IMEs which are less than GST threshold.
