

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1720
TO BE ANSWERED ON 05.12.2024

NPAs IN MSME SECTOR

1720. SHRI ANIL YESHWANT DESAI:

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

- (a) whether it is a fact that there are increasing number of cases of non re-payment of the loan taken by entrepreneur in MSME sector;
- (b) if so, the size of Non-Performing Assets (NPAs) amount in MSME Sector vis-à-vis NPAs of other sectors during the last five years;
- (c) the percentage of NPAs of MSMEs to the total NPAs during the last five years; and
- (d) the details of the securities that bank must ensure before granting loan to such MSME units?

ANSWER

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

(a) to (c): The Gross Non-Performing Assets (GNPA) with respect to outstanding to MSME and the percentage thereon show a declining trend as per Table below:

(Amount in Rs. Crore)

Period (As on)	Scheduled Commercial Banks		
	MSME-Total Advances (Outstanding)-Funded	MSME-Gross NPAs (Domestic)	MSME-Gross NPAs(Domestic) as % of MSME-Total Advances (Outstanding)-Funded
31-Mar-20	16,97,836	1,87,255	11.03%
31-Mar-21	18,45,188	1,60,464	8.70%
31-Mar-22	20,44,788	1,54,991	7.58%
31-Mar-23	23,92,319	1,30,869	5.47%
31-Mar-24	28,04,511	1,25,217	4.46%

Source: RBI

As per the information given by Reserve Bank of India (RBI), the number of cases classified as NPA for Scheduled Commercial Banks for period ending March 31, 2023 and March 31, 2024 is 41,06,379 and 44,62,386, respectively.

(d): As informed by RBI, on lending to MSME Sector, banks are mandated not to accept collateral security in case of loans up to Rs. 10 lakh extended to units in the Micro and Small Enterprises sector. As per Department of Financial Service, banks are free to take credit related decision in terms of their Board approved policies and RBI's broad regulatory guidelines.
