

# Govt has framework to address bad loans of MSMEs: Minister

**COIMBATORE:** The Centre has created a framework for revival and rehabilitation of MSMEs, which account for nearly half of the non-performing assets (NPAs) of banks from the industry sector, Union Minister Kalraj Mishra said today.

Of the ₹1.13 lakh crore NPA of banks from industries in the country, the Micro Small and Medium Enterprises sector alone accounts for ₹40,000 crore to

₹50,000 crore, he told reporters here.

The high NPAs or bad loans of the sector is a cause for concern for the ministry, which has created a framework for revival and rehabilitation of the units, Mishra said.

It provides for identification of incipient stress in MSMEs, and the committee constituted by banks for distressed firms will prepare a corrective action plan so that they are given an

opportunity to get revived, rehabilitated or closed, he said.

The sector is facing the challenge of high cost of funds and lack of marketing strategy, the MSME minister said, adding that he favours lower interest component for MSMEs.

The ministry is also trying to implement E-governance in the department so that all transactions became transparent, leading to corruption-free administration, he said. PTI