

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**

**STARRED QUESTION NO. \*90**

**TO BE ANSWERED ON 9<sup>th</sup> FEBRUARY, 2021 / MAGHA 20, 1942 (SAKA)**

**'Assistance to MSME and non-MSME'**

**\* 90: Shri Rajeev Chandrasekhar:**

Will the Minister of FINANCE be pleased to state:

- (a) what is the total of the Emergency Credit Line Guarantee Scheme (ECLGS) scheme for MSMEs; and
- (b) the steps being taken by Government to ensure assistance to non-MSME companies also hit by the shock of COVID-19?

ANSWER

FINANCE MINISTER

**(SMT. NIRMALA SITHARAMAN)**

(a) to (b): A Statement is laid on the Table of the House.

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**STATEMENT REFERRED IN REPLY TO RAJYA SABHA STARRED QUESTION NO. \*90 FOR ANSWER ON 9<sup>th</sup> FEBRUARY 2021, TABLED BY SHRI RAJEEV CHANDRASEKHAR REGARDING ASSISTANCE to MSME AND NON-MSME.**

**(a) to (b):** Emergency Credit Line Guarantee Scheme (ECLGS) was introduced as an emergency measure to combat the unprecedented crisis caused in the wake of Covid-19 pandemic. Under the scheme, credit from Scheduled Commercial Banks, Financial Institutions, Non-Banking Financial Companies is provided to eligible Micro, Small & Medium Enterprise (MSME) units, business enterprises and individual loans for business purposes upto 20% of their outstanding credit as on 29.2.2020. This additional credit is fully covered by a credit guarantee provided by National Credit Guarantee Trustee Company Ltd. (NCGTC). The loans provided under ECLGS have a 12-month moratorium on repayment of principal. The Scheme has been extended through ECLGS 2.0 for the 26 sectors identified by the Kamath Committee and the health care sector. The entities with outstanding credit above Rs. 50 crore and not exceeding Rs. 500 crore as on 29.2.2020 were made eligible under ECLGS 2.0. The scheme is valid till 31.3.2021 or till guarantees for an amount of Rs 3,00,000 crore is sanctioned, whichever is earlier. As informed by NCGTC, as on 25.1.2021, the cumulative sanctioned amount under the scheme is Rs. 2.39 lakh crore. ECLGS is also available to eligible non-MSME enterprises.

As informed by Reserve Bank of India (RBI), following steps have been taken *inter-alia*, to assist the MSME and non-MSME borrowers affected by COVID-19 pandemic:

- i) RBI permitted all lending institutions to grant a moratorium of six months on payment of all instalments falling due between 1.3.2020 and 31.8.2020, in respect of all term loans outstanding as on 1.3.2020, and deferred the payment of interest on working capital for the same period.
- ii) RBI with the intent to facilitate revival of real sector activities and to mitigate the impact of the COVID-19 pandemic on the ultimate borrowers, has provided a resolution framework for lending institutions to implement individual resolution plans, based on the assessment of the viability and in accordance with their Board-approved policies, in respect of eligible personal loans, loans to MSMEs and corporates, and for restructuring of loans to MSMEs with exposure of up to Rs. 25 crore, while classifying them as standard. Resolution plans under RBI circulars may involve restructuring, in which the lending institution may grant customised relief which may include, *inter-alia*, rescheduling of loans and granting of moratorium.
- iii) RBI with a view to facilitate greater flow of resources to corporates has decided, as a one-time measure, to increase a bank's exposure to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank upto June 30, 2021.

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