

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UN-STARRED QUESTION NO. 26

TO BE ANSWERED ON 14th SEPTEMBER, 2020 / BHADRAPADA 23, 1942 (SAKA)

LOANS TO MSMEs

26: Shri Dhanush M. Kumar; Shri C.N. Annadurai;
Shri Gautham Sigamani Pon; Shri Kanumuru Raghu Rama Krishna Raju;

Will the Minister of FINANCE be pleased to state:

- the details of success achieved by the Government after launching an online lending portal with majority ownership of the six Public sector Banks (PSBs) / Financial Institutions (FIs) along with their associated companies to facilitate in principle approval for loans to Micro, Small and Medium Enterprises (MSMEs) and the details of the loans approved during each of the last three years and the current year;
- whether the RBI has permitted an one time restructuring of existing MSME loans that had become stressed due to the COVID-19 pandemic;
- if so, the number of PSBs that have restructured loans to MSMEs alongwith the quantum of amount involved and the PSB bank that is having highest share therein; and
- whether the Government is considering to extend the restructuring window for a year by requesting the RBI to delay the recognition of stress in the segment due to pandemic, if so, the details thereof and the response of the RBI in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a): Since the launch of the online lending portal for facilitating in principle approval of loans to Micro , Small and Medium Enterprises viz psbloansin59minutes.com, on 2nd November, 2018, a total of 2,54,965 loans involving an amount of Rs. 79,642 crore have been granted in principle approval on the portal. The details of the loans approved on the portal are as under:

Financial Year (FY)	No of Accounts	Amount (Rs. Crore)
2018-19	1,40,518	43,109
2019-20	1,04,761	32,882
2020-21 (till 31.08.2020)	9,686	3,651

(b) to (d) : Reserve Bank of India (RBI) permitted a one-time restructuring of loans to MSMEs with an aggregate exposure of up to Rs. 25 crore, that were in default but standard as on January 1, 2019, and continue to be standard as on the date of implementation of restructuring, without an asset classification downgrade, subject to certain conditions. The scheme was extended *vide* RBI's circular dated February 11, 2020 for MSME accounts that were in default but standard as on January 1, 2020. In view of the continued need to support viable MSME entities on account of the fallout of Covid-19 pandemic, the scheme has been further extended by RBI to cover loans to MSMEs that were 'standard' as on March 1, 2020 *vide* its circular dated August 6, 2020. The restructuring window under the revised guidelines has been extended till March 31, 2021 for implementation of the restructuring plan. In addition, on 6th August, 2020, RBI has also provided a window under the "Prudential Framework on Resolution of Stressed Assets dated June 7, 2019" to enable lenders to implement a resolution plan in respect of eligible corporate exposures exceeding Rs. 25 crore, which were not more than 30 days past due as on 01.03.2020 and where the stress is on account of Covid-19 pandemic, to be invoked not later than 31st December, 2020 and implemented within 180 days thereafter.

All Public Sector Banks have so far restructured loans of eligible MSMEs under RBI's aforesaid one-time restructuring scheme, amounting to Rs. 31,132 crore. State Bank of India has restructured the highest quantum amounting to Rs. 6284 crore.
