

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**STARRED QUESTION NO. \*82**

TO BE ANSWERED ON THE 26<sup>TH</sup> JULY 2021/ SRAVANA 4, 1943 (SAKA)

**Liquidity Support to Small Banks**

\*82. SHRI P.V. MIDHUN REDDY:  
SHRIMATI GODDETI MADHAVI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the RBI has recently approved liquidity support of Rs.10,000 crore to small finance banks to provide further support to small business units, micro and small industries, and other unorganised sector entities which have been seriously affected during the current wave of the COVID-19 pandemic;
- (b) if so, the details thereof;
- (c) the time by which this scheme is likely to be implemented;
- (d) whether the RBI has announced a new framework for restructuring of loans to individuals and small businesses, including Micro, Small and Medium Enterprises (MSMEs); and
- (e) whether the RBI has mandated that the eligibility criteria to avail this framework include that the borrower's aggregate exposure should not be more than Rs.25 crore as on March 31, 2021 and if so, the details thereof

**ANSWER**

The Finance Minister  
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the Table of the House.

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**Statement for Lok Sabha Starred Question no. \*82 for 26<sup>th</sup> July 2021, regarding “Liquidity Support to Small Banks” by SHRI P.V. MIDHUN REDDY and SHRIMATI GODDETI MADHAVI, Members of Parliament**

(a) to (e): As per input received from Reserve Bank of India (RBI), RBI has announced Special three-year Long-Term Repo Operations (SLTRO) of Rs. 10,000 crore at repo rate for the Small Finance Banks (SFBs), to be deployed for fresh lending of up to Rs. 10 lakh per borrower to provide further support to small business units, micro and small industries, and other unorganised sector entities adversely affected during the current wave of the pandemic. This facility has been made operational *vide* RBI press release dated 7.5.2021 and will be available till 31.10.2021. The first auction under the SLTRO was conducted on 17.5.2021. The unutilised portion of notified Rs. 10,000 crore is being carried forward in each subsequent auction, until fully utilised or till the last auction to be conducted in October 2021, whichever is earlier. Three auctions under this scheme have been conducted so far, and SFBs have availed a total amount of Rs. 1,640 crore under the scheme.

With regard to new framework for resolution/restructuring of loans, RBI, *vide* its circulars dated 5.5.2021 on Resolution Framework 2.0 for COVID-19-related stress, has permitted lending institutions to implement resolution plans / restructuring in respect of eligible personal loans, and loans to individuals for business purposes, loans to small businesses and micro, small and medium enterprises (MSME), while classifying them as standard. Such resolution plan /restructuring has been permitted in respect of loans to individuals for business purposes, loans to small businesses and loans to MSMEs having aggregate exposure of up to Rs. 25 crore as on 31.3.2021, which has been enhanced to Rs. 50 crore *vide* RBI's circulars dated 4.6.2021.

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