

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UN-STARRED QUESTION NO. 5073
TO BE ANSWERED ON 4th APRIL, 2022 / 14 CHAITRA, 1944 (SAKA)

‘Assistance to MSMEs under ECLGS’

5073: SHRI GAURAV GOGOI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government can provide details of the Emergency Credit Line Guarantee Scheme (ECLGS) implemented to help MSMEs tide over the adverse effects of the pandemic, including amount of loans disbursed and number of MSMEs benefitted as of March 2022;
- (b) whether the scheme was applicable only for those MSMEs whose borrower accounts were more than 60 days due on Feb 29, 2020 and if so, the details thereof;
- (c) whether the Government is aware that this clause prevented several MSMEs from availing the benefits of the scheme and if so, the steps taken to bring relief to such MSMEs;
- (d) whether the Government is aware of the RBI data that gross Non-Performing Assets (NPA) of MSMEs spiked by Rs 20,000 crore in 2020-21 and if so, the details thereof; and
- (e) whether the Government acknowledges that the ECLGS did not meet its expected goal and if so, the corrective steps taken by the Government in this regard and if not, the reasons for large NPA in MSME sector?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): ECLGS was launched in May 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and other eligible business enterprises in meeting their operational liabilities and restarting their businesses in the context of the disruption caused by the COVID-19 pandemic. Under this, 100% guarantee is provided to Member Lending Institutions (MLIs) in respect of the credit facility extended by them to eligible borrowers. As informed by the National Credit Guarantee Trustee Company Limited, the agency which operates the scheme, as on 18.3.2022, a 112.32 lakh MSMEs have been supported with 100% guaranteed collateral-free loans under the scheme. Further, as on the said date, a total amount of ₹ 3.19 lakh crore has been sanctioned under the scheme to MSMEs and other businesses, and a total amount of ₹ 2.59 lakh crore has been disbursed.

(b) and (c): Under ECLGS, eligible borrowers having accounts which are either regular or in which payments is past due for up to 60 days on 29.2.2020 or on one of the other reference dates specified in the respective versions of the scheme are covered. Borrowers with stressed accounts in which payment is past due for more than 60 days or whose accounts are classified as NPA, as on 30.4.2020, are eligible for support under the Credit Guarantee Scheme for Subordinate Debt, implemented by the Ministry of Micro, Small and Medium Enterprises.

(d): As informed by the Reserve Bank of India, the gross NPA in the MSME portfolio of Scheduled Commercial Banks was at ₹ 1.82 lakh crore as on 31.3.2021, representing an increase of ₹ 19,804 crore over that of 31.3.2020.

(e): As per a research report dated 6.1.2022 on ECLGS, authored by the Group Chief Economic Advisor of the State Bank of India, almost 13.5 lakh MSME accounts were saved from slipping into non-performing asset (NPA) classification due to ECLGS, of which about 93.7% of the accounts were in the micro and small enterprises categories. The incidence of NPAs in lending by banks, including in the MSME sector, is attributable to a number of factors, which include macroeconomic conditions, sectoral issues, global business environment, governance issues in the borrowing entities, etc.
