

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

UN-STARRED QUESTION NO. 1081

ANSWERED ON MONDAY, THE DECEMBER 2, 2024/ 11 AGRAHAYANA, 1946 (Saka)

LOAN FOR MEDIUM ENTREPRENEURS

1081. DR. KALYAN VAIJINATHRAO KALE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has initiated any program to provide loans to medium entrepreneurs who were defaulters or unable to pay the loan instalments on time due to Corona pandemic and if so, the details thereof and if not, the reasons therefor;
- (b) whether the Government has any data about the total loan amount of the Government which has not been returned by entrepreneurs;
- (c) the details of the steps taken by the Government to recover the loan amount; and
- (d) the number of settlements done by the Government to recover the loan and to provide another loan and for businesses along with the details of loan amount settled, State-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): In the wake of Covid-19 pandemic, Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 to support eligible Micro, Small and Medium Enterprises (MSMEs) and other business enterprises including stressed accounts with upto 60 days past due, to ease their liquidity position. The Scheme provided for collateral free loans to be given by Member Lending Institutions (MLIs) to existing eligible borrowers with 100% guarantee in respect of the eligible amount as per the Scheme guidelines. The scheme was valid for issue of fresh guarantees till 31.3.2023. As informed by National Credit Guarantee Trustee Company Limited (NCGTC), the operating agency of the scheme, a total of 1.19 crore loans amounting to Rs. 3.68 lakh crore were guaranteed, of which around 2.70 lakh medium enterprises were supported through guarantees amounting to Rs.64,561 crore.

(b): ECLGS being a guarantee scheme, Government through NCGTC issued guarantees for loans extended by MLIs. As informed by NCGTC, out of the total Rs. 64,561 crore loans to medium enterprises, loans amounting to Rs.2,653 crore, have been reported by MLIs as Non-Performing Assets (implying not repaid) as on October 31, 2024;

(c): The scheme guidelines provide that the lending institution shall exercise all the necessary precautions and maintain its recourse to the borrower for entire amount of credit facility owed by it and initiate all necessary actions for recovery of the outstanding amount as per their board approved policy.

(d): Under ECLGS, Government has only issued guarantees through NCGTC for loans extended by MLIs under the scheme. As per scheme guidelines recovery / settlement of loan accounts is to be undertaken by MLIs. The data on the number of settlements done by the lenders is not centrally maintained.
