

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UN-STARRED QUESTION NO. 190

Answered On Tuesday, November 30, 2021/ 9 Agrahayana, 1943 (Saka)

NPA's under PMMY

190. SHRI SUJEET KUMAR:

Will the Minister of **Finance** be pleased to state:

- (a) the details for the last three years of total amount and the percentage of loans under the Pradhan Mantri Mudra Yojana (PMMY) that have turned into Non-Performing Assets (NPAs);
- (b) the budgetary allocations made to the Credit Guarantee Fund for Micro Units and/or any other such credit guarantee funds for the last three years; and
- (c) whether the NPAs under the PMMY scheme have indeed been rising after the pandemic struck, and the remedial measures initiated by Government to curtail the rise of such NPAs?

ANSWER

Minister of State in the Ministry of Finance (DR. BHAGWAT KARAD)

(a) Details of total amount and the percentage of loans under the Pradhan Mantri Mudra Yojana (PMMY) that have turned into Non-Performing Assets (NPAs) during the last three years are as under:

Amt. Rs. in Cr.

Financial Year	Total NPA Amount (cumulative)	%NPA Against Disbursement
2018-19	17,712.63	2.51
2019-20	26,078.43	2.53
2020-21	34,090.34	3.61

(b) A Credit Guarantee Fund for Micro Units (CGFMU) was set up with an initial corpus of Rs.3,000 crore for guaranteeing loans extended to eligible micro units under PMMY. The approved corpus of Rs 3000 crore has been released to National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly owned company of Government of India, in tranches as shown in table below:

Amount Rs. in Cr.

Period	Funds released
March, 2016	500
August, 2016	1,500
July, 2017	500
July, 2018	300
August, 2018	200
Total	3,000

(c) As reported by Member Lending Institutions (MLIs), the total Non-Performing Assets (NPAs) under PMMY as a percentage of credit disbursed was 2.51%, 2.53% and 3.61% in FY 2018-19, FY 2019-20 and FY 2020-21 respectively.

As part of Atma Nirbhar Bharat Abhiyan, a number of steps were taken to mitigate the effect of the lockdown due to COVID-19 pandemic, *inter-alia*, in respect of PMMY borrowers:

- Interest Subvention of 2% on prompt repayment of Shishu loans extended under PMMY for a period of 12 months to eligible borrowers. Till 19.11.2021, Rs. 550 crore have been released by Small Industries Development Bank of India (SIDBI) to MLIs for credit into accounts of eligible borrowers;
- As part of COVID-19 Regulatory Package, Reserve Bank of India (RBI) permitted all lending institutions to grant a moratorium of six months on payment of all instalments of term loans including payment of interest on working capital falling due between 01.03.2020 and 31.08.2020. This moratorium also applied to PMMY loans;
- *Ex-gratia* relief was provided by way of payment of difference between compound interest and simple interest on the outstanding as on 29.2.2020 to eligible borrowers in the specified loan accounts, for a period of six months from 01.03.2020 to 31.08.2020;
- Under the Emergency Credit Line Guarantee Scheme (ECLGS) launched on 23.05.2020, fully guaranteed and collateral-free Guaranteed Emergency Credit Line (GECL) from Scheduled Commercial Banks, Financial Institutions and NBFCs is provided to eligible MSME units, business enterprises and individual loans for business purposes to the extent of 20% (since enhanced to 30%) of their outstanding credit as on 29.02.2020.
- RBI's scheme for one-time restructuring of loans to MSMEs was extended up to 31.3.2021 to support the viable MSME entities.
