

FIDC

Finance Industry Development Council

(A Representative Body of Assets and Loan Financing NBFCs)

101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077

Tel: 022 21029898/9820035553 • E-mail: directorgeneral@fidcindia.org Website: www.fidcindia.org

7th September, 2020

Dear esteemed Members,

Sub: Advisory to FIDC Members based on Review Meeting with the Hon'ble Finance Minister on One-time restructuring, disbursements under ECLGS and PCGS 2.0: progress and challenges on 3rd September, 2020

The Hon. Finance Minister Mrs. Nirmala Sitharaman held a meeting with banks and NBFCs on September 03, 2020 and reviewed the progress of various Govt. schemes and measures taken to combat the economic fallout of the pandemic. These included the Emergency Credit Line Guarantee Scheme (“ECLGS”) for disbursement of 20% additional funds to MSMEs and the Restructuring guidelines announced by the RBI on August 6, 2020. The following points emerged from the discussions:

- All NBFCs & banks to have board approved restructuring policy for their stressed customers by the 10th of September.
- All NBFCs & banks to commence the process of assessing and if needed, restructuring loans of eligible customers by the 15th of September.
- Currently, only customers who had loans of less than 30 days past due as on March 1, 2020 are eligible for the restructuring scheme.
- As far as ECLGS is concerned, at the request of FIDC and others, the coverage has also been extended to individuals carrying on any business activity covered by the scheme. The current performance of NBFCs in terms of sanction and disbursement of ECLGS loans is slow and it was felt that NBFCs must speed up disbursement of such loans and target to achieve maximum coverage by the end of September 2020. The scheme would end on



www.fidcindia.org



twitter.com/FidcIndia



www.facebook.com/fidcindia/



www.linkedin.com/in/fidc-india-042043194/

FIDC

Finance Industry Development Council

(A Representative Body of Assets and Loan Financing NBFCs)

101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077

Tel: 022 21029898/9820035553 • E-mail: directorgeneral@fidcindia.org Website: www.fidcindia.org

October 31 or on the attainment of targeted loan amount of Rs 300,000 crores, whichever is earlier.

- A request has also been made that banks should provide cheaper back-to-back funds to NBFCs against their ECLGS loans. We hope this will be considered favourably.

FIDC urges all its members to make full use of the ECLGS scheme and reach out to as many MSME customers as they can before September 30. Let us all play our due role in rebuilding the country's economy by doing the aforesaid activities before the deadlines.

FIDC appeals to all Members to send MSME Disbursement data, post-schemes, as on date and later as on 30th September 2020:

Number of accounts and amount disbursed.

Needless to say, the Data will be kept confidential and only aggregate data will be provided to the authorities.

You may reach out for any guidance in this matter at [**directorgeneral@fidcindia.org**](mailto:directorgeneral@fidcindia.org)

The Representation sent to Hon'ble Finance Minister of even date is enclosed herewith.

Assuring you of our full co-operation always and thanking you in anticipation

Yours Faithfully,

For **FINANCE INDUSTRY DEVELOPMENT COUNCIL**

**MAHESH THAKKAR
DIRECTOR GENERAL
9820035553**



www.fidcindia.org



twitter.com/FidcIndia



www.facebook.com/fidcindia/



www.linkedin.com/in/fidc-india-042043194/