

Government Schemes for MSMEs & NBFCs creating significant impact - Sanctions under Emergency Credit Line Guarantee Scheme (ECLGS) cross Rs. 79,000 crore

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The interventions by Government for MSMEs, have been gaining rapid traction. **Under the Emergency Credit Line backed by a Government guarantee, Banks from Public & Private Sectors have so far already sanctioned loans worth over Rs. 79,000 crore as of June 20, 2020, of which more than Rs 35,000 crore has already been disbursed.**

The top lenders under the Scheme are SBI, HDFC Bank, Bank of Baroda, PNB & Canara Bank. **This has helped 19 lakh MSMEs & other businesses restart their businesses post the lockdown.** As part of the Aatmanirbhar package Government had announced its plans for Rs. 3 lakh Crore as additional credit to MSMEs and small businesses. Such enterprises were to be eligible to receive upto 20% of their existing borrowing as additional loans at interest rates which were capped.

Separately, **under RBI's Special Liquidity Facility announced in March-April, 2020, SIDBI has sanctioned over Rs. 10,220 crore to NBFCs, Micro Finance Institutions & Banks for lending to MSME & small borrowers.** National Housing Bank (NHB) has sanctioned its entire facility of Rs. 10,000 crore to Housing Finance Companies. This refinance by SIDBI & NHB is in addition to ongoing schemes through which over Rs. 30,000 crore has been sanctioned. **NBFCs & MFIs are being further helped under the Extended Partial Guarantee Scheme where approvals have crossed Rs. 5500 crore. Transactions for another Rs. 5000 crore are under process of approval while certain other deals are currently under negotiation.**

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