

Government extends Emergency Credit Line Guarantee Scheme by one month

Loans of more than Rs. 2 lakh crore sanctioned under ECLGS

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The Union Government has extended the Emergency Credit Line Guarantee Scheme (ECLGS) by one month till November 30th, 2020, or till such time that an amount of Rs. 3 lakh crore is sanctioned under the Scheme, whichever is earlier, in view of the opening up of various sectors in the economy and the expected increase in demand during the ongoing festive season. This extension will provide a further opportunity to such borrowers who have not availed of the Scheme so far, to obtain credit under the Scheme.

The ECLGS was announced as part of the Aatma Nirbhar Bharat Package (ANBP) to provide fully guaranteed and collateral free additional credit to MSMEs, business enterprises, individual loans for business purposes and MUDRA borrowers, to the extent of 20 per cent of their credit outstanding as on 29.2.2020. Borrowers with credit outstanding up to Rs. 50 crore as on 29.2.2020, and with an annual turnover of up to Rs. 250 crore are eligible under the Scheme. Interest rates under the Scheme are capped at 9.25 per cent for Banks and FIs, and 14 per cent for NBFCs. Tenor of loans provided under the Scheme is four years, including a moratorium of one year on principle repayment.

As per data uploaded by Member Lending Institutions on the ECLGS portal, an amount of Rs. 2.03 lakh crore has been sanctioned under the Scheme to 60.67 lakh borrowers so far, while an amount of Rs. 1.48 lakh crore has been disbursed.
