

DISBURSAL OF LOANS TO MSMEs UNDER ECLGS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector
incl. MSMEs and PSUs

Emergency Credit Line Guarantee Scheme (ECLGS) is under the operational domain of Ministry of Finance, Department of Financial Services (DFS). As informed by DFS, as on 2.07.2021, guarantees have been issued for loan granted to around 1.09 crore Micro, Small and Medium Enterprises (MSMEs).

ECLGS being a demand driven scheme, sanctions/disbursements are made by lending institutions based on assessment of borrower's requirement and their eligibility.

The eligibility criteria for availing credit under ECLGS are:

As on 2.07.2021 an amount of Rs.2.73 lakh crore have been sanctioned under the scheme of which an amount of Rs.2.14 lakh crore has been disbursed.

The scheme was designed to support existing borrowers meet the liquidity crisis due to Covid-19 pandemic. Ministry of MSME has launched Credit Guarantee Scheme for Subordinate Debt (CGSSD) to extend financial assistance to stressed MSMEs including NPA accounts. The credit needs of the first time borrowers belonging to the Micro and Small Enterprises are catered to by the Credit Guarantee Scheme for Micro and Small Enterprises.

This information was given by Minister for Micro, Small and Medium Enterprises Shri Narayan Rane in a written reply in the Rajya Sabha today.

MJPS

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