

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

UN-STARRED QUESTION NO. 727

TO BE ANSWERED ON 13th DECEMBER, 2022 / 22 AGRAHAYANA, 1944 (SAKA)

‘Compensatory accounting framework in ECLGS extension’

727: Shri Niranjan Bishi:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Emergency Credit Line Guarantee Scheme (ECLGS) extension granted to the Civil Aviation industry has any compensatory accounting framework in place for the creditors in case of defaults;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their businesses. Under the scheme, 100% credit guarantee is extended to the lending institutions for loans extended by them under the scheme to eligible borrowers. The admissible guarantee limit under the scheme has been increased from Rs. 4.5 lakh crore to Rs. 5 lakh crore, with the additional guarantee cover of Rs. 50,000 crore earmarked exclusively for the Hospitality and related enterprises including Civil Aviation sector. The corpus of the ECLGS Fund has accordingly been enhanced by Rs. 7,500 crore to meet the lender claims arising out of defaults, if any.