

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2801
TO BE ANSWERED ON 05.08.2021

Emergency Credit Line Guarantee Scheme

2801. SHRI SUNIL BABURAO MENDHE:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the salient features of Emergency Credit Line Guarantee Scheme (ECLGS);
- (b) the details of funds likely to be spent across the country under the said scheme;
- (c) the details of the targets fixed by the Government under the same;
- (d) the present status of the said scheme; and
- (e) the steps being taken by the Government to provide soft loans and for promotion of advanced technology for MSMEs especially in Maharashtra?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a): Emergency Credit Line Guarantee Scheme (ECLGS) was announced as part of the Atma Nirbhar Bharat Package in 2020 with the objective to help businesses including MSMEs to meet their operational liabilities and resume businesses in view of the distress caused by the COVID-19 crisis, by providing Member Lending Institutions (MLIs), 100 percent guarantee against any losses suffered by them due to non-repayment of the ECLGS funding by borrowers. The eligibility criteria for availing credit under ECLGS are:

- For ECLGS 1.0; MSME units, Business Enterprises, Mudra Borrower and individual loans for business purpose having loan outstanding upto Rs.50 crore and days past due upto 60 days as on 29.02.2020.
- For ECLGS 2.0; Borrower belonging to 26 stressed sectors identified by Kamath Committee & Healthcare sector having loan outstanding above Rs.50 crore and upto Rs.500 crore and days past due upto 60 days as on 29.02.2020.
- For ECLGS 3.0; Borrower belonging to Hospitality, Travel & Tourism, Leisure & Sporting and Civil Aviation sector having days past due upto 60 days as on 29.02.2020.
- For ECLGS 4.0; Existing Hospitals/Nursing Homes/Clinics/Medical Colleges/units engaged in manufacturing of liquid oxygen, oxygen cylinders etc. having credit facility with a lending institution with days past due upto 90 days as on March 31, 2021.

(b) & (c): The overall ceiling initially announced for ECLGS was Rs 3 lakh crore which was subsequently enhanced to Rs 4.5 lakh crore. However, ECLGS being a demand driven scheme, sanctions/disbursements are made by lending institutions based on assessment of borrower's requirement and their eligibility.

(d): ECLGS is under the operational domain of Ministry of Finance, Department of Financial Services (DFS). As informed by DFS, 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. Total 1.14 crore borrowers have been issued guarantee under the scheme.

(e): In order to ensure easy and softer repayment terms on the credit extended to the MSME sector, Government has capped the interest rate under ECLGS scheme at 9.25 percent for Banks and Financial Institutions and 14 percent for Non-Banking Financial Institutions. This scheme also offers a one year moratorium on payment of principle component. In addition to this, the other scheme announced under Atma Nirbhar Bharat package i.e. 'Credit Guarantee Scheme for Subordinate Debt' also has moratorium clause of 7 years on the payment of principle component with the overall all repayment period of 10 years. Ministry MSME is implementing various schemes and programmes to provide access to technology upgradation. These schemes include Technology Upgradation Component of Credit Linked Capital Subsidy Scheme and Technology Upgradation Scheme (CLCS-TUS), Micro and Small Enterprise – Cluster Development Programme (MSE-CDP), MSME Technology Centres (MSME-TCs), Technology Centre Systems Programme (TCSP) etc. These schemes are implemented across the country including the state of Maharashtra.
