

The Finance Ministry on Monday said banks have sanctioned loans of about Rs 1,61,017 crore under the Rs 3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for the MSME sector reeling under the slowdown caused by the coronavirus pandemic.

However, disbursements against this stood at Rs 1,13,713 lakh crore till 3rd September 2020.

The scheme is the biggest fiscal component of the Rs 20-lakh crore Aatmanirbhar Bharat Abhiyan package announced by Finance Minister Nirmala Sitharaman in May to mitigate the distress caused by lockdown due to COVID-19 by providing credit to different sectors, especially micro, small and medium enterprises (MSMEs).

The latest numbers on ECLGS, as released by the finance ministry, comprise disbursements by all 12 public sector banks (PSBs), 24 private sector banks and 31 non-banking financial companies (NBFCs).

"As of 3rd September 2020, the total amount sanctioned under the 100% Emergency Credit Line Guarantee Scheme by #PSBs and private banks stands at Rs 1,61,017.68 crore, of which Rs 1,13,713.15 crore has already been disbursed," the finance minister said in a tweet.

The loan amounts sanctioned by PSBs increased to Rs 78,067.21 crore, of which Rs 62,025.79 crore has been disbursed as of September 3, she said.

At the same time, private sector banks have sanctioned Rs 82,950 crore of loans and disbursed Rs 51,687 crore.

"Compared to 24 Aug 2020, there is an increase of Rs 5,022.06 crore in the cumulative amount of loans sanctioned & an increase of Rs 7,786.16 crore in the cumulative amount of loans disbursed by both #PSBs and private sector banks combined as on 03 Sept 2020," Sitharaman said.

Market leader SBI has sanctioned Rs 24,388 crore of loans and disbursed Rs 18,971 crore.

It is followed by Punjab National Bank, which has sanctioned Rs 10,511 crore. However, its disbursements stood at Rs 8,264 crore as of September 3.

On May 20, the Cabinet approved additional funding of up to Rs 3 lakh crore at a concessional rate of 9.25 per cent through ECLGS for MSME sector. Under the scheme, 100 per cent guarantee coverage will be provided by the National Credit Guarantee Trustee Company (NCGTC) for additional funding of up to Rs 3 lakh crore to eligible MSMEs and interested Micro Units Development and Refinance Agency (MUDRA) borrowers in the form of a guaranteed emergency credit line (GECL) facility.

For this purpose, a corpus of Rs 41,600 crore was set up by the government, spread over the current and next three financial years.

The scheme will be applicable to all loans sanctioned under GECL facility during the period from the date of announcement of the scheme to October 31 or till the amount of Rs 3 lakh crore is sanctioned under GECL, whichever is earlier.