

FM reviews progress of schemes announced under Aatma Nirbhar Package

By TIOL News Service

NEW DELHI, SEPT 13, 2020: THE

progress made so far in implementation of the ongoing Schemes of Aatma Nirbhar Bharat Package by Ministries of Finance and Corporate Affairs, is as under.

Rs 20,000 crore Additional Emergency Working Capital Funding for farmers through NABARD

- As on 28.08.2020, Rs. 25,000 crore has been disbursed. Balance amount of Rs. 5000 crore under Special Liquidity Facility (SLF) allocated to NABARD by RBI for smaller NBFCs and NBFC-MFIs. NABARD is finalising operational guidelines to roll it out soon.

Besides, NABARD has also launched Structured Finance & Partial Guarantee scheme in collaboration with two agencies & banks to help unrated NBFCs/MFIs to get credit from lenders.

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This mechanism worked out with two such agencies and banks will enhance eligibility of credit by 5-6 times to those small MFIs who do not have any rating.Â Once all the earmarked Rs.500 crore for this scheme is deployed, credit availment by those small NBFCs/MFIs to an extent of Rs. 2500 to Rs. 3000 crore is envisaged. This will be a game changer in reaching out to the people especially women inÂ theÂ the remote & unreached areas .

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Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs, HFCs and MFIs to do fresh lending to MSMEs and individuals - As on 28.08.2020, Banks have approved purchase of portfolio of Rs. 25,055.5 crore and are currently in the process of approval/negotiations for additional Rs. 4,367 crore.

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Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs has also progressed well. SBICAP was assigned to set up a SPV to implement the Scheme. The Scheme was launched through a Press Release dated July 1, 2020. On the same day the regulator RBI also issued a circular to NBFCs and HFCs on the Scheme.

As on 11th September, 2020, thirty seven (37) proposals involving an amount of Rs. 10590 crore have been approved.Â Six applications seeking financing of Rs. 783.5 crore are under process.

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Rs 3 lakh crore Collateral-Free Automatic Loans for Businesses, including MSMEs

- To provide relief to the business, additional working capital finance of 20% of the outstanding credit as on 29th February 2020, in the form of a Term Loan at a concessional rate of interest will be provided. This will be available to units with upto Rs 25 crore outstanding and turnover of up to Rs 100 crore whose accounts are standard. The units will not have to provide any guarantee or collateral of their own. The amount will be 100% guaranteed by the Government of India providing a total liquidity of Rs. 3 lakh crore to more than 45 lakh MSMEs.

After taking Cabinet approval on 20.05.2020, Department of Financial Services issued Operational Guidelines for the Scheme on 23.05.2020 and Emergency Credit Line Guarantee Scheme (ECLGS) Fund was registered on 26.05.2020.Â Guidelines amended on 4.8.2020 to include Individual loans for business, enhance loan outstanding ceiling to Rs 50 crore and annual turnover ceiling to Rs 250 crore.