

Bank of Baroda to offer up to Rs 12K cr loans to MSMEs under ECLG Scheme

MUMBAI, May 23 (PTI)

STATE-RUN Bank of Baroda on Saturday said it can offer up to Rs 12,000 crore in loans to MSMEs under the Rs 3 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) announced by the Government.

Last week, Finance Minister Nirmala Sitharaman had announced a 100 per cent credit guarantee scheme worth Rs 3 lakh crore to support the medium, small and micro enterprises (MSMEs) which have been adversely affected by the coronavirus crisis. All existing MSME borrowers with outstanding credit of up to Rs 25 crore as on February 29 and with an annual turnover of up to Rs 100 crore would be eligible for funding under the scheme.

"In our case, that particular portfolio amounts to be Rs 58,000



crore. So, 20 per cent of that would be around Rs 10,000 crore to Rs 12,000 crore. This, we can make available to our MSME clients in the times to come under the guaranteed scheme of the Government," the bank's Managing Director and CEO Sanjiv Chadha told reporters through a video conference.

The ECLGS was the second-biggest component of the over Rs 20 lakh crore comprehensive package announced by the Government for the coronavirus-

hit economy. 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 interest-ed Mudra scheme borrowers, in the form of a guaranteed emergency credit line (GECL) facility.

The amount of GECL funding to eligible MSME borrowers, either in the form of additional working capital term loans (in case of banks and financial institutions) or additional term loans (in case of NBFCs), would be up to 20 per cent of their entire outstanding credit of up to Rs 25 crore as on February 29, 2020.

Chadha further said under the COVID-19 emergency credit line launched in March, the bank has so far sanctioned Rs 3,000 crore in loans and disbursed Rs 1,500 crore to MSMEs.