

# NBFCs to get Rs 20,000 crore under credit guarantee scheme

By: FE Bureau

Mumbai | Published: November 12, 2019 1:58:00 AM

The government is in the process of sanctioning Rs. 20,000 crore under the partial credit guarantee scheme for non-banking financial companies (NBFCs), finance secretary Rajiv Kumar said on Monday.



The credit guarantee scheme was set up to enable cash-strapped NBFCs to raise money smoothly from banks for on-lending in priority sectors.

The government is in the process of sanctioning Rs. 20,000 crore under the partial credit guarantee scheme for non-banking financial companies (NBFCs), finance secretary Rajiv Kumar said on Monday.

“We have supporting sanctions of Rs. 20,000 crore plus and the guarantee is being extended. Some formalities are being done, each case goes to the government to clear it and that is taking little time,” he said on the sidelines of an event to celebrate Union Bank of India’s 101st foundation day.

“Everybody may not need it. Also, it is not necessary that you fund it. Banks have been buying pooled assets since August last year after (defaults by) IL&FS. They have already spent around Rs. 1 lakh crore,”