

PRESS RELEASE

Special Liquidity Scheme for NBFCs and HFCs: Implementation Status

The Special Liquidity Scheme of Rs. 30,000 crores for NBFCs and HFCs is being implemented w.e.f. 1st July, 2020 as a follow up of one of the announcements under AtmaNirbhar package made by the Hon'ble Finance Minister on 13th May, 2020. The Scheme has been launched to improve the liquidity position of NBFCs/HFCs through a Special Purpose Vehicle (SPV) to avoid any potential systemic risks to the financial sector.

The Scheme has received a very positive response. As on 23rd July, 2020, five (5) proposals involving an amount of Rs. 3090 crores have already been sanctioned. Further, 35 more applications have been received seeking financing upto Rs. 13776 crores, which are under process.

The Scheme is being implemented by SLS Trust, the SPV set up by SBI Capital Markets Limited (SBICAP). Any NBFC including Microfinance Institutions registered with RBI under the Reserve Bank of India Act, 1934 (excluding those registered as Core Investment Companies) and any HFC registered with the National Housing Bank (NHB) under the National Housing Bank Act, 1987 which is complying with certain specified conditions are eligible to raise funding from this facility. The Scheme will remain open for 3 months for making subscriptions by the Trust. The Scheme permits both primary and secondary market purchases of debt and seeks to address the short-term liquidity issues of NBFCs/HFCs. Therefore, those market participants who are looking to exit their standard investments with a residual maturity of 90 days may also approach the SLS Trust.

Government of India
Ministry of Finance
Department of Economic Affairs
FS&CS Division

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