**EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs**

**(Setup by Ministry of Commerce, Government of India)**

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**Dy. Director General**  May 26, 2020

**EPCES CIRCULAR NO.344 DATED 26.05.2020**

**Government notified Rs 3 lakh crore Emergency Credit Line Guarantee Scheme for MSMEs under the Atma Nirbhar Bharat Abhiyan.**

To boost the MSMEs of India and economy of India, Prime Minister of India, on 12th May 2020, had announced an economic package of Rs. 20 lakh crores package under ‘Atmanirbhar Bharat Abhiyan’. Next day i.e. on 13th May, 2020, Union Finance Minister of India had announced the first tranche of relief package out of which benefits given to MSMEs are Rs. 3 lakh crores collateral-free loans, Rs. 20,000 crores subordinate debt, Rs. 50,000 crores equity infusion, revised MSME definition, global tenders disallowed up to Rs. 200 crores and e- linkage to the market are provided to MSMEs.

The government today (26.5.2020) notified the Rs 3 lakh crore Emergency Credit Line Guarantee Scheme for Medium, Small and Micro Enterprises (MSMEs) under the Atma Nirbhar Bharat Abhiyan to help MSMEs tide over the economic distress being faced due to the COVID-19 pandemic

Under this scheme, MSMEs borrowers with upto Rs 25 crores of total borrowing can avail an additional 20 percent of the loan outstanding from banks, NBFCs and other financial institutions (FI). This incremental lending by banks and financial institutions of upto Rs 3 lakh crore in total will be 100 percent guaranteed by the Government of India.

Borrowers will have a one-year moratorium of repayment, and the interest rate charged by banks/FIs will be capped 9.25 percent, and at 14 percent in the case of NBFCs.

The Scheme would be applicable to all loans sanctioned under GECL during the period from May 23, 2020, to October 31, 2020, or till an amount of Rs 3 lakh crore is sanctioned under GECL, whichever is earlier.

A copy of the Emergency Credit Line Guarantee Scheme, giving detailed procedure, is attached for kind information of the members. The same is also available at the link below:-

<https://www.ncgtc.in/sites/default/files/eclgs_-_operational_guidelines.pdf>

This is for kind information of the members.

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