

## **Emergency Line of Credit Guarantee Scheme**

After the outbreak of COVID and the subsequent lockdown, the banks extended emergency line of credit amounting to 10% of fund based limit besides allowing reduction of Margin for assessment of Drawing Power along with restructuring in eligible cases. Repayment of the instalments has also been deferred by way of moratorium for 6 months to provide relief to the entrepreneurs in MSME where cash flow has virtually stopped due to lockdown.

Meanwhile Govt of India under Atmanirbhar Bharat Abhiyan has announced the Emergency Credit Line Guarantee Scheme (ECLGS) for MSME and small business borrower who are facing stress due to the pandemic. Rs. 3 lakh crore scheme aims to provide relief to the entrepreneurs by way of additional working capital term loan upto 20% of their outstanding fund based limit as on 29-02-2020 and will be collateral free. Detailed guidelines have been issued and the banks have started from June, 2020 for disposal of proposals under ECLGS which are guaranteed upto 100% by NCGTC.

NCGTC introduced ECLGS 3.0 in Hospitality, Travel & Tourism, leisure & sporting and civil aviation sectors and ECLGS 4.0 in Hospitals, Nursing Homes, Clinics, medical colleges and units engaged in manufacturing of oxygen.