

MSME ECLGS Scheme Further Extended till 31.03.2023

2 Comments / COMPANY LAW / By CS LALIT RAJPUT / March 20, 2022

The Finance Ministry of India launched the Emergency Credit Line Guarantee Scheme (ECLGS) in May 2020 (13.05.2020) to help the pandemic hit economy. EMERGENCY CREDIT LINE GUARANTEE SCHEME (ECLGS) launched by Government of India as a special scheme in view of COVID-19 crisis to provide 100% guarantee coverage to Banks and NBFCs to enable them to extend emergency credit facilities to Business Enterprises / MSMEs in view of COVID-19 to meet their additional term loan/additional working capital requirements. This scheme aimed to provide Rs.3 lakh crore of unsecured loans to MSMEs and business enterprises to mitigate the distress caused by the coronavirus-induced lockdown.

The Government of India, on 13.05.2020, had announced the launch of the 'Distressed Assets Fund—Subordinate Debt for Stressed MSMEs' as part of the Aatma Nirbhar Bharat Package.

The Government had earlier extended this scheme upto 31.03.2022. Now, on the basis of the requests received from the stakeholders of the scheme, the Government has decided to further extend this scheme till 31.03.2023, in order to keep the avenues of assistance to stressed MSME Units open.

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