

COVID-19 RELIEF PACKAGE FOR MSMEs

VINAY & KESHAVA LLP
CHARTERED ACCOUNTANTS

Batgach
& Affiliates
A Network Approved by ICAI

COVID-19 RECOVERY MODE



NEW DEFINITION OF MSME



DISTINCTION BETWEEN
MANUFACTURING AND SERVICES
REMOVED

SMALL ENTERPRISES
INVESTMENT < INR 10 CR AND
TURNOVER < INR 50 CR

MICRO ENTERPRISES
INVESTMENT < INR 1 CR AND
TURNOVER < INR 5 CR

MEDIUM ENTERPRISES
INVESTMENT < INR 20 CR AND
TURNOVER < INR 100 CR

COLLATERAL FREE LOANS



NATURE OF ASSISTANCE

- ❑ Credit guarantee for loans upto INR 2 crore, without collateral and third party guarantee;
- ❑ The extent of guarantee cover is 50% of the sanctioned amount of the credit facility;
- ❑ Rs. 10 lakh to Rs. 100 lakhs per MSE borrower for retail trade activity;
- ❑ In case of default, CGTMSE settles the claim with the lending institutions

WHO CAN APPLY

- ❑ Existing Micro, small and service Entrepreneurs & Aspiring Entrepreneur all are eligible.

ADDITIONAL COLLATERAL FREE LOANS



INR 3 LAKH CRORES LOANS TO MSMEs

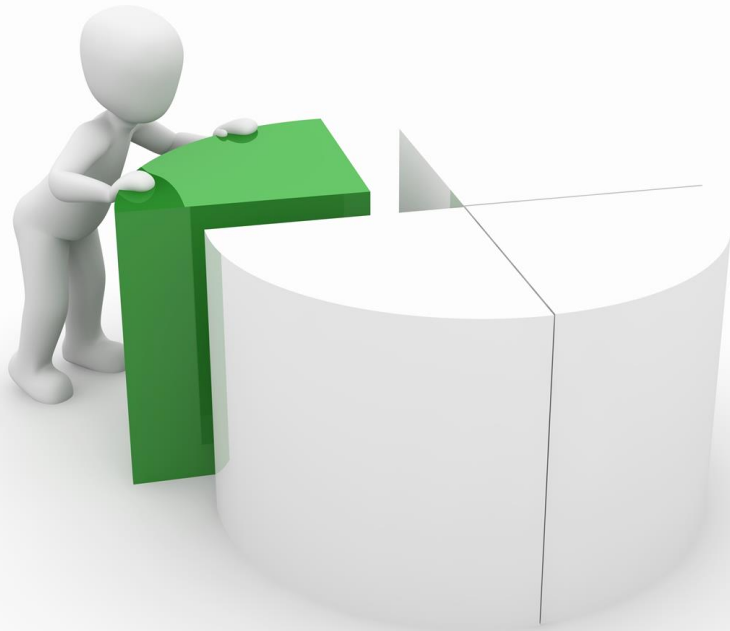
NATURE OF ASSISTANCE

- ☐ Loan Up to 20% of entire Outstanding credit as on 29.02.2020
- ☐ 12 months moratorium on Principal repayment
- ☐ No guarantee fee, no fresh collateral
- ☐ 100% credit guarantee cover to Banks and NBFCs on principal
- ☐ Scheme can be availed till 31st Oct 2020

WHO CAN APPLY

- ☐ All MSMEs (*Loans up to INR 25 crores Outstanding and units up to INR 100 crores turnover eligible*)

SUBORDINATE DEBT SCHEME FOR MSMES



NATURE OF ASSISTANCE

- ☐ Guarantee for fund raising for Revival: GOI will provide guarantee coverage of 85% of loans upto INR 5 lakh and 75% of loans beyond INR 5 lakh to MSMEs, for them to raise funds from Financial Institutions.

WHO CAN APPLY

- ☐ Functioning MSMEs which are NPA or Stressed will be eligible
- ☐ Promoter(s) of such units can apply

EQUITY INFUSION FOR MSMEs

EQUITY INFUSION FOR MSMEs THROUGH FUND OF FUNDS

NATURE OF ASSISTANCE

☐ Growth Funding to MSMEs through equity financing:

GOI will support VC/PE firms in investing in commercially viable MSMEs in meeting their growth requirements.

☐ Private funding leverage

Fund of Funds aim to achieve private funding leverage through the use of professional fund managers with access to funding and strategic performance oversight.

WHO CAN APPLY

- ☐ All MSMEs are eligible

OTHER SUPPORTING INITIATIVES FOR MSMEs

- ✓ Global tenders will be disallowed in Government procurement tenders upto INR 200 crores;
- ✓ **E-market linkage** for MSMEs to be promoted to act as a replacement for trade fairs and exhibitions;
- ✓ Fintech will be used to **enhance transaction based lending** using the data generated by the e-market place;
- ✓ Government has been continuously monitoring settlement of dues to MSME vendors from Government and Central Public Sector Undertakings (CPSUs).
- ✓ **MSME receivables from Government and CPSUs to be released in 45 days**

VINAY & KESHAHA LLP

CHARTERED ACCOUNTANTS

We Look Forward to help you to achieve your business goals.

VK Commerce

#8, 3rd Floor, 3rd Main Road, Opp. Rajajinagar IT Park, KSSIDC,
Rajajinagar Industrial Estate, Bengaluru - 560 010

Ph.: 080 2316 7561 / 74 E: info@vkca.com / rashmi@vkca.com

Affiliate Offices

Delhi | Mumbai | Kolkata | Chennai | Hyderabad | Jaipur | Ahmedabad | Guwahati | Cochin

www.vkca.com