

This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBEC and Department of Revenue. If a handicraft exporter has question[s] to ask on Foreign Trade Policy, he/she may please write / e-mail to EPCH at policy@epch.com

Impex # 1 Bad news for those exporters of agarbattis in the manufacture of which imported bamboos are used

Department of Revenue issues custom notification raising the custom duty on bamboos from 10% (concessional) to 25%.

Department of Revenue has issued a Custom Notification No. 27/2020-Custom Dt. 09.06.2020 by which the concessional custom duty of 10% on bamboos for manufacture of a agarbattis has been withdrawn. The same has been raised to uniform rate of 25% in the above referred notification (copy reproduced below).

(Copy)

Custom Notification No. 27/2020-Customs, New Delhi, the 9th June, 2020

Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit-Extension

G.S.R..... (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 50/2017- Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 20 1, namely:

In the said notification, in the Table, for serial number 55 and the entries relating thereto, the following serial number and entries shall be substituted, namely:

(1)	(2)	(3)	(4)	(5)	(6)
"55	1401 10 00	Bamboos	25%	-	".

Note: The principal notification No.50/2017-Customs, dated the 30th June, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 785(E), dated the 30th June, 2017 and last amended by notification No. 26/2020-Customs, dated the 2nd June, 2020, published vide number G.S.R. 341(E), dated the 2nd June, 2020.

Impex # 2 DGFT advisory on fake Email Ids/ Websites/ Persons

DGFT issues Trade Notice on fake Email Ids/ Websites/ Persons claiming to be government officers/ official responsible for DGFT/GSTN refunds or providing the services for issuance of IEC and other services of DGFT.

The use of technology for communication like e-mails & websites have greatly facilitated the ease of doing business and reduced transaction cost in terms of time and money. But many deceitful persons who are technology savvy use their knowledge to dupe persons.

Since the above malpractice has happened in DGFT office also, DGFT has issued a Trade Notice No. 14/2020-21 Dt 11.06.2020 containing therein some of the malpractices and cautioning the importers & exporters to be careful about them (copy reproduced below)

(Copy)

DGFT Trade Notice No. 14/2020-21 Dt 11.06.2020

Subject: Advisory on fake Email Ms/Websites/Persons claiming to be government officer/official responsible for DGFT/GSTN refunds or providing the services for issuance of MC and other services of DGFT

It has been brought to the notice of Directorate General of Foreign Trade (DGFT) that certain vested interests/ persons are using multiple websites and email IDs mimicking/resembling official DGFT website and email for misleading and duping exporters/importers.

2. These vested interests/persons claiming to be the officials responsible for DGFT refunds have been sending communication to trade stakeholders. Further, through such websites they have been allegedly misleading trade stakeholders by falsely claiming to provide services rendered by DGFT including claiming to help in issuance of the Import and Export Code (IEC) These websites appear to charge large sums as fee from applicants besides collecting their confidential data despite the process of IEC number being completely online and contactless.

3. Some of these fake websites are registered in the domain names of *.org, *.in, *.com such as iceregistration.org. Exporters/Importers have reported to be receiving mails from (mails ID such as "dgft-email.nic.in", contact@dgft-in.email, iml@dgftcom-in.icu, dgft3@mail-govt.email, Si2@ic-gov.email etc. These email IDs being similar to Government IDs may potentially result in misleading and duping of the applicants.

4. With the furtherance of digital mode of services delivery by DGFT and its Regional Authorities, the proliferation of impersonation/fake website, platforms, providers etc. needs to be continuously checked and reported. Engaging with/on such platforms by the Importer/exporter may result in possible frauds, exposure to misleading information, confusion among trade stakeholders, and stealing of confidential information etc. among others. In order to contain these issues, trade stakeholders are advised to avoid accessing and engagement with such websites and platforms. Trade stakeholders are also requested to avoid sharing any information and making payments on these platforms.

5. DGFT has initiated systematic changes to establish secure communication with its The contact information provided by the Exporters/Importers is used/will be used by DGFT for communication. Exporters/Importers are requested to avoid sharing their details with private/unrelated/unknown persons/entities etc. which may have a potential for misuse and fraud.

6. The official website of the DGFT for applying for IEC and other services is <https://dgft.gov.in> or <http://dgft.gov.in>. The stakeholders are advised to access these two official websites for availing services and for addressing their various requirements.

7. Trade stakeholders are requested to bring to notice cases of such persons/websites/ platforms/providers to the DGFT Helpdesk at the toll free number 1800-111-550 or by sending details via email at dgftedi@nic.in.

8. DGFT RAs are directed to spread awareness among the Exporters/Importers about these On receipt of information regarding such cases these should be informed to the E-Governance & Trade Facilitation (EG&TF) Division, DGFT (HQ), at the earliest.

Impex # 3 Reform of paperless (electronic) shipping bill & e-gate passes introduced by customs

CBIC issues custom circular 'introducing' Paperless Customs-Electronic Communication of PDF based copies of Shipping bill & e-Gatepass to custom Brokers/Exporters.

community. These copies will be digitally signed and QR code enabled which will replace the need for paper copy printouts and physical submissions and will help the EXIM community to conduct their business seamlessly, in a paperless and faceless environment.

In its continuing efforts towards a paperless, contactless and faceless office environment CBIC has taken yet another step in this direction. It has rolled out the electronic PDF based final eLEO (electronic Let Export Order), copy of shipping bill and eGatepass for the benefit of the export

The above facilitation measure is contained in CBIC Circular No. 30/2020-Customs Dt. 22nd June 2020. The salient feature of the reform also given in the above custom circular (reproduce below)

(Copy)

CBIC Circular No. 30/2020-Customs Dt. 22nd June 2020

Subject : Paperless Customs - Electronic Communication of PDF Based Copies of Shipping Bill & e-Gatepass to Custom Brokers/Exporters - Reg.

In its continuing endeavor to promote 'Faceless, Contactless, Paperless Customs' Board has decided to rely upon digital copies of the Shipping Bill and do away with the requirement of taking bulky printouts from the Service Centre or maintenance of voluminous physical dockets in the Custom Houses. This reform will yield immense benefits in terms of saving the time and cost of compliance for the trade, thereby enhancing the ease of doing business, while providing enhanced security features for verification of authenticity and validity of the electronic document.

2. Board directs that w.e.f. 22.06.2020 only the digital copy of the Shipping Bill bearing the Final LEO would be electronically transmitted to the exporter and the present practice of printing copies of the said document for the exporters and also for maintaining a docket in the Customs House would stand discontinued. This reform complements the introduction of a digital pdf Outof-Charge (OOC) copy of the Bill of Entry and Gatepass w.e.f. 15.04.2020 and launch of the 1 st Phase of Faceless Assessment at Chennai and Bengaluru w.e.f. 08.06.2020.

3. The salient features of the secure electronic communication of the Final LEO copy of the Shipping Bill and the Gatepass copy of Shipping Bill are as follows:

3.1. Final Let Export Order (LEO) Copy of Shipping Bill:

3.1.1 After the review of the matter of taking printouts of Shipping Bills in 2016, Board vide Circular No. 55/2016-Customs dated 23.11.2016, had done away with Exchange Control copy of the Shipping Bill and made printing of the Export Promotion copy of the Shipping Bill optional.

3.1.2 Currently, the Shipping Bill is being printed in duplicate, namely Customs Copy and Exporter Copy. Further, it is ascertained that, the Export Promotion copy is also being printed in many instances, based on the request of the exporters. This necessitates the exporter/Customs Broker to take physical printouts in the Service Center and present it to the Customs Officer. In many locations, physical signing of the printouts is also insisted upon.

3.1.3 To promote a paperless environment, Board has decided to do away with the taking the printouts referred to in para 3.1.2 above. Instead, Directorate General of Systems has enabled a functionality of communicating by email, the PDF version of the Final LEO copy of the Shipping Bill to the Customs Broker and exporter, if registered. This electronic Final LEO copy can serve multiple purposes such as being shared with DGFT, Banks etc. This Final LEO copy of the Shipping Bill will have the following features.

a. The PDF version will bear a digitally signed and encrypted QR code which can be scanned to verify the authenticity of the document using Mobile App ICETRAK. The QR code is tamper proof, which is digitally signed by CBIC to ensure the authenticity. Key details like SB No., SB Date, FOB value, Package Details are available in the secured QR Code.

b. A version number is also embedded in the QR code which can be used to ascertain whether the document is indeed the latest version (in case of cancellation of LEO etc.). The same would be verifiable at ICEGATE Enquiry.

3.1.4 Let Export Order (LEO) message shall also be sent to custodians who are integrated with ICEGATE. In this connection, it may be noted that the SB LEO message is not being received electronically by those custodians who are NOT connected via MFTP. Field formations are urged to immediately ensure the registration of all custodians with the ICEGATE system. Directorate General of Systems' advisory No.14/2019 dated 06.12.2019 in this regard may be followed.

3.2 e-Gatepass Copy of Shipping Bill:

3.2.1 It is a well-known fact that, the Shipping Bill printout is also being used extensively by the logistics operators during the movement of export goods, including transshipment, by road or rail or during the loading of cargo into vessels, aircrafts etc. as a proof of export. This is despite the electronic information existing in the Customs Automated System and Board having made printing and use of Transference copies of Shipping Bill optional. Therefore, taking cognizance of the logistics needs, the Directorate General of Systems would henceforth communicate through email, the eGatepass PDF copy of the Shipping Bill to the Customs Broker and the Exporter, if registered. Accordingly, Board has decided to do away with the printing of Transference copies of Shipping Bill. The following are the features of eGatepass copy of the Shipping Bill :

- a. The electronic document provides key summary details like Container/Packages related to logistics movement and facilitates authentic, easy and quick verification by the Custodian, at the point of Entry/Exit.
 - b. There will be two types of QR codes (i) for entire eGatepass document, and (ii) for each container/package covered under the eGatepass. This will ensure that only those containers/package move out which are covered under the Gatepass document.
 - c. In case of packaged and other bulk cargos, the eGatepass copy of the Shipping Bill will be generated during LEO.
 - d. In case of containerised cargo, the eGatepass copy of the Shipping Bill will be generated after the receipt of the container stuffing information for the SB.
4. It is re-iterated that for the purposes of exports, all the supporting documents should mandatorily be uploaded in eSanchit and collection of physical dockets shall be dispensed with.
5. It is possible that there may be scenarios other than those mentioned above, where printouts of Shipping Bills are required. Board desires that such scenarios shall be immediately informed. The respective Principal Commissioners/ Commissioners of Customs would take a decision on allowing printouts only in such exceptional situations.
6. Suitable Trade Notice/ Standing Order may be issued to guide the trade and industry. Difficulty, if any, faced in implementation of this Circular may be brought to the notice of Board immediately.

Impex # 4

Custom introduces faceless assessment of custom duty

Department of revenue issue circular introducing faceless assessment of custom duty for speedy clearance, transparency in decision making and ease of doing business.

It is a constant endeavour of DGFT and CBIC that more and more facilitation measures be adopted in imports and exports with a view to reduce 'transaction costs' and increase 'ease doing business' in both the activities.

Another measure in the above objective has been taken by CBIC by the way of 'faceless assessment of custom duty' as detailed in its Custom Circular No. 28/2020 - Custom Dt 5th June 2020.

As stated in this circular the measure will result in a speedy clearance of import goods through customs, neutral a neutrality and fairness in determination of custom duty and such ease of doing business will increase. Copy of circular referred to above is reproduced below:

(Copy)

Custom Circular No. 28/2020 - Custom Dt 5th June 2020

Subject: **1st phase of All India roll-out of Faceless Assessment - reg.**

Kind reference is invited to Circular No.09/2019-Customs, dated 28th February 2019, which communicated Board's decision to implement the next generation reforms in the Customs clearance process under the umbrella of Turant Customs with the objectives of speedy clearance, transparency in decision making, and ease of doing business.

Subsequently, Board rolled out numerous changes to the Customs clearance process, which combine together support Turant Customs. These initiatives include the self-registration of goods by importers, automated clearances of bills of entry, digitisation of customs documents, paperless clearance, etc. The stages are now set for the roll out of the most critical reform under the Turant Customs viz., Faceless Assessment.

2. The first pilot programme of Faceless Assessment (at times also referred commonly to as anonymised assessment or virtual assessment) covering articles primarily falling under Chapter 84 of the Customs Tariff Act, 1975 was begun in Chennai on 14th August, 2019. Similar pilot programmes were subsequently begun in Customs formations in Delhi, Bengaluru, Gujarat and Visakhapatnam for articles primarily falling under other varied chapters such as chapters 85, 86 to 92, 39, 50 to 71 and 72 to 83 of the Customs Tariff Act, 1975. Taking into account the lessons learned from these pilots, a consultation paper was placed in the public domain on 18th February 2020 for further comments and feedback. A large number of useful inputs were received in response and these have been taken on board for revising the process flow and modalities for implementing Faceless Assessment. Thus, Board is now ready to launch Faceless Assessment pan India. At the same time, noting that Faceless Assessment is a complete departure from the existing manner of Customs assessment, there is a need to introduce the changes in phases which would give the trade and other stakeholders (including the Customs officers) time to adapt to the changed scenario without any disruption of work. Thus, Board has decided to begin Faceless Assessment in phases beginning with Customs stations which already have the experience of the pilot programmes. Therefore, the first phase would begin from 8th June 2020 at Bengaluru and Chennai for items of imports primarily covered by Chapters 84 and 85 of the Customs Tariff Act, 1975. The phased rollout plan envisages that Faceless Assessment shall be the norm pan India by 31st December 2020.

3. In order to introduce Phase 1 of Faceless Assessment at Bengaluru and Chennai from 8th June 2020 for imports primarily made under Chapters 84 and 85 of the Customs Tariff Act, 1975 at these Customs stations, Board has issued two notifications, as follows:

I. Notification No.50/2020-Customs (N.T.) dated 05.06.2020 implements Faceless Assessment across different Principal Chief Commissioner/Chief Commissioner Zones. This notification enables an assessing officer (proper officer under Sections 17 and 18 of the Customs Act, 1962), who is physically located in a particular jurisdiction to assess a Bill of Entry pertaining to imports made at a different Customs station, whenever such a Bill of Entry has been assigned to him in the Customs Automated system. However, it is clarified that in the first phase of the roll-out, this notification will be applied only for inter-linking of Bengaluru and Chennai Customs zones for the purpose of Faceless Assessment. Thus, w.e.f. 8th June, 2020 the Customs Automated System will assign the non-facilitated Bills of Entry filed for imports of articles primarily falling under Chapters 84 and 85 of the Customs Tariff Act, 1975, at any of the Customs stations at Bengaluru and Chennai to the officers of the concerned Faceless Assessment group on a first-cum-first basis for assessment. In other words, irrespective of whether the goods are imported at any Customs station falling under the jurisdiction of Bengaluru or Chennai Customs Zone, the Bills of Entry pertaining primarily to the said two chapters will be marked by the Customs Automated System to the nominated Faceless Assessment group for assessment.

II. Notification No.51/2020-Customs (N.T.) dated 05.06.2020 is issued for the purpose of empowering the jurisdictional Commissioners of Customs (Appeals) at Bengaluru and Chennai to take up appeals filed in respect of Faceless Assessments pertaining to imports made in their jurisdictions even though the assessing officer may be located at the other Customs station. To illustrate, Commissioners of Customs (Appeals) at Bengaluru would decide appeals filed for imports at Bengaluru though the assessing officer is located at Chennai. This has been done to ensure the trade is not put to any hardship and can get their appeals heard locally, as at present.

4. Further, as one of the main objectives of Faceless Assessment is speedy and uniform assessment practices, in Phase 1 of Faceless Assessment, Board hereby nominates Principal Commissioner/Commissioner of Customs, Bengaluru

City, Bengaluru, Principal Commissioner/Commissioner of Customs, Airport and Air Cargo Complex, Bengaluru, Principal Commissioner/Commissioner of Customs (II), Chennai and Principal Commissioner/Commissioner of Customs (VII), Air Cargo Complex Chennai to act as nodal Commissioners for the purpose of administratively monitoring the assessment practice in respect of imported goods which are assigned in the Customs Automated System to the officers of the Faceless Assessment Groups in Bengaluru and Chennai, for articles primarily falling under Chapters 84 and 85, of the Customs Tariff Act, 1975. The said nodal Commissioners would work in a coordinated manner. This arrangement would pave the path to establish National Assessment Commissionerates (NACs) with the mandate to examine the assessment practices of imported articles across Customs stations and suggest measures to bring about uniformity and enhanced quality of assessments. The NACs would be put in place as and when Faceless Assessment is rolled out in phases across the country.

5. The Principal Chief Commissioners/ Chief Commissioners concerned shall set up dedicated cells called Turant Suvidha Kendras, in every Customs station manned by custom officers to cater to varied functions and roles which are clarified in Instruction No.09/2020 dated 05.06.2020. The Turant Suvidha Kendra is for facilitation of the trade in completing various formalities relating to the Customs procedures in the new regime of Faceless Assessment. The details of functions, roles, location and timing of the Turant Suvidha Kendras shall be intimated by the local Customs administration to all stakeholders.

5.1. Turant Suvidha Kendra would be a dedicated cell in every Customs port of import and will be manned by Custom officers to cater to functions and roles such as :

- I. Accept Bond or Bank Guarantee;
- II. Carry out any other verifications that may be referred by Faceless Assessment Groups;
- III. Defacing of documents/ permits licences, wherever required;
- IV. Debit of documents/ permits/ licences, wherever required; and
- V. Other functions determined by Commissioner to facilitate trade.

6. Principal Chief Commissioner of Customs, Chennai and Chief Commissioner of Customs, Bengaluru are requested to issue Public Notices and guide the trade suitably to ensure the smooth roll out of Phase 1 of Faceless Assessment. In this regard reference may also be made to the detailed instructions issued vide Board's Instruction No.09/2020 Customs dated 05.06.2020.

Impex # 5

Questions & Answers

Question : Can I get the unutilized ITC on exports of goods which are subject to exports duty?

Answer : Refund of unutilized input tax credit is not allowed in cases where the goods exported out of India are subjected to export duty as per the second proviso to Section 54(3) of CGST/SGST Act.

Question : Can we claim ITC refund without realizing the payment of exports and issuance of e-BRC?

Answer : In case of refund on account of export of goods, the refund rules do not prescribe e-BRC as a necessary document for filing of refund claim. But for export of services, details of e-BRC are required to be submitted along with the application for refund. However, as per the recent change, exporters are required to realize the exports payment in the prescribed time or obtain extension from the bank or RBI else the refund with interest needs to be paid back to issuing authority.

Question : What in case if an exporter misses shipping and invoice bill in a month, can he add the details in subsequent month and get a refund?

Answer : Yes, a taxpayer can add the details in subsequent month and can get the refund.

Question : We are merchant exporters and procured some goods on payment of 18% GST in February 2020 which could not be exported by March 2020 due to lockdown. We are being told by tax consultant that we cannot claim ITC refund as ITC was paid in one financial year while exports took place in subsequent financial year. What should we do now?

Answer : The tax consultant may have skipped the circular issued by CBIC dated 31st March, 2020 which has removed restriction on clubbing of tax period across financial years. You can now claim ITC refund for exports in FY 2020-21 wherein ITC was paid in FY 2019-20.

Question : Who will get the ITC where goods have been delivered to a person other than the taxable person ('Bill to' - 'Ship to' scenarios)?

Answer : In such cases, for the purpose of receiving the goods, it would be deemed that the taxable person has received the goods when the goods have been delivered to a third party at the direction of such taxable person. So ITC will be available to the person on whose order the goods are delivered to the third person.

News from 'Print Media'

India's first B2B virtual trade fair kicks off, catalyses ₹153-crore business

BANIKINKAR PATTANAYAK
New Delhi, June 8

AMID VARIOUS LOCKDOWN-RELATED curbs and a demand slump, India's first virtual business-to-business trade fair kicked off this week to a somewhat promising start. Constrained by various Covid-induced lockdown measures to hold a physical fair, an annual ritual for over a decade, the Export Promotion Council for Handicrafts (EPCH) used its database of overseas buyers and domestic sellers to design a virtual platform as an alternative marketing strategy to pro-

mote outbound shipments. This platform hosted stalls of around 200 Indian exporters of fashion jewellery and accessories, to be accessed by importers in key markets like the US and Europe, and elsewhere.

The four-day fair, which got over on Thursday, generated business opportunities of ₹153 crore, down from the usual ₹300-350 crore, but greater than initial expectations. Importantly, each seller got a virtual stall to showcase their product for just about ₹10,000, against the ₹1.5-2 lakh they would pay for obtaining a physical stall earlier, Rakesh Kumar, director general at EPCH,



told FE. The concept is expected to be replicated by some other export councils too. The low-fee enabled small exporters, whose cash flow has been battered by the

pandemic, to participate in the virtual fair and get some orders, he added. Of course, the EPCH's own revenue flow, in this process, got dented, Kumar added.

Typically, once an overseas buyer clicks on a particular stall, he would get to see photographs and videos of the entire product range of that seller. If he is interested in a product and has queries, there would be links for immediate interactions with the seller via Skype or Zoom. Once an order is placed, the seller would deliver the products through courier.

Around 1,200 buyers from 83 countries,

apart from 500 buying agents, wholesalers and retailers, also participated in the virtual fair. The EPCH now wants to scale it up and have a much larger virtual export fair, covering products across textiles, home, lifestyle, fashion and furniture, from July 13, Kumar said. About 3,000 exhibitors and 50,000 buyers are expected to take part in this virtual fair, he added.

Having exceeded official targets in recent years, India's handicraft exports dropped to \$3.53 billion in FY20, against \$3.65 billion a year before, as shipments in March were washed out due to the Covid-19 outbreak.

Financial Express 6th June 2020

Economic Times 25th June 2020

19L MSMEs benefitted from ₹3-lakh-cr scheme

FE BUREAU
New Delhi, June 23

The finance ministry on Tuesday said the loans being extended to MSMEs under the ₹3-lakh-crore Emergency Credit Line Guarantee Scheme (ECLGS) have helped as many as 19 lakh businesses resume operations after lockdown curbs were eased, barely three weeks into its implementation.

It also said Sidbi has sanctioned over ₹10,220 crore to NBFCs, micro-finance institutions (MFIs) and banks for lending to small businesses and the National Housing Bank (NHB) has sanctioned its ₹10,000 crore to housing finance companies under RBI's special liquidity facility announced recently.

This refinance by Sidbi & NHB, the ministry says, is in addition to ongoing schemes through which over ₹30,000 crore has been sanctioned. NBFCs & MFIs are being further helped under an Extended Partial Guarantee Scheme where approvals have

crossed ₹5,500 crore. Transactions for another ₹5,000 crore are under process while certain other deals are currently under negotiation, the ministry said in a statement. RBI had in April declared a special refinance facility of ₹50,000 crore for financial institutions. Of this, Sidbi was allocated ₹15,000 crore for on-lending or refinancing and NHB ₹10,000 crore.

Similarly, banks have sanctioned working capital loans of over ₹79,000 crore as of June 20 under the ECLGS. Of this, more than ₹35,000 crore has been disbursed, the ministry said.

The scheme, under which the government offers full guarantee on up to 20% additional and col-

lateral-free working capital loans, was rolled out from June 1 to soften the blow to MSMEs battered by the Covid-19 outbreak. Bankers say disbursement is picking up, as the lockdown curbs on the resumption of businesses have been eased substantially over the past three weeks.

Get ITC Accumulated on Imports via Refunds Now



NEW DELHI In a move to provide relief to industry, the Central Board of Indirect Taxes and Customs has said input tax credit accumulated on imports can now

be availed through refunds. The clarification was issued after trade flagged that input tax credit claims were being rejected by tax authorities since invoice details of the unused credit in several cases were not getting reflected in the return form - GSTR 2A - which has details of all inward supplies.

Financial Express 23rd June 2020

Gadkari Launches MSME Distressed Asset Fund



NEW DELHI Union minister Nitin Gadkari on Wednesday launched the distressed asset fund for micro, small and medium enterprises (MSMEs), which provides for ₹20,000 crore as guarantee cover to stressed businesses. The scheme seeks to extend support to the promoters of operational MSMEs that are stressed and have become non-performing assets as on April 30, 2020. Around 200,000 MSMEs are expected to benefit, as per a government estimate. The fund was unveiled last month as part of the government's 'Atmanirbhar' package for the MSME sector. After completion of formalities including approval of CCEA and consultation with the firms, SIDBI and RBI, the scheme was launched on Wednesday. Promoters of MSMEs availing this scheme will be given credit equal to 15% of their stake (equity plus debt) or ₹75 lakh, whichever is lower, which is to be infused as equity. -Our Bureau

Economic Times 12th June 2020