

FIDC

Finance Industry Development Council

(A Representative Body of Assets and Loan Financing NBFCs)

101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077

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October 31, 2020

Smt. Nirmala Sitharaman ji,
Hon'ble Minister of Finance,
Ministry of Finance,
Government of India,
North Block,
New Delhi 110 001

Hon'ble Finance Minister Madam,

SUB: EMERGENCY CREDIT LINE GUARANTEE SCHEME (ECLGS)

The ECLGS scheme announced by the Govt. of India to provide financial assistance to small and medium borrowers to help them emerge out of financial difficulties and business disruptions caused by the Covid – 19 pandemic has been very successful in its objective. Several lakhs of MSMEs, self-employed persons and others have been able to resume their commercial activity and recover at least partially from the effects of lockdown.

We at FIDC place on record our sincere appreciation of the efforts made by the Govt. in formulation and administration of the unique and well-timed scheme.

The scheme is officially closing today in terms of loan sanctions. We understand from our members that estimated 4-500,000 customers are still being contacted by them and educated on the benefits of the scheme and the process of getting the necessary documentation done may take some more time. You may recall that categories of borrowers such as individuals and societies were included in the scheme a few weeks later and hence the time available to cover all eligible customers was short.



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In the best interest of these small and marginal borrowers, we request the Govt. of India to kindly extend the operation of the ECLGS scheme by another two months i.e., allow guarantee cover on eligible loans sanctioned till December 31, 2020 and also request that the time to complete disbursement of such loans till March 31, 2020. Of course, the guarantees provided under the scheme would be subject to the limit of Rs. 3,00,000 crores as announced earlier.

We sincerely appeal for a kind consideration of the extension which would benefit several lakhs of deserving borrowers to help restore their businesses to the pre-pandemic levels and in the process help in the recovery of the economy at large.

Yours faithfully,

For FINANCE INDUSTRY DEVELOPMENT COUNCIL

**MAHESH THAKKAR
DIRECTOR GENERAL
98200 35553**



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