

POLICY FRAMEWORK
FOR CREDIT ASSISTANCE FOR E-COMMERCE EXPORTERS

1. Objective

- a. The objective of the initiative is to enhance access to working capital for MSMEs, involved in international value chains through e-commerce, allowing them to procure goods ahead of anticipated demand and scale their presence in international markets.
- b. By providing flexible repayment options suited to the variable cash flow patterns of MSMEs, involved in international value chains through e-commerce, this intervention seeks to achieve scale by boosting of trade conducted through e-commerce channels.

2. Scope and Coverage

- a. Support under this intervention shall be available in the form of credit guarantee cover for Cash Credit, Overdraft or other Working Capital facilities extended by eligible banks and financial institutions.
- b. Financing under the intervention shall also be eligible for interest subvention support, in accordance with the rates notified.
- c. It shall be available exclusively to eligible MSMEs, involved in international value chains through e-commerce, subject to notified ceilings, conditions, and safeguards.
- d. The detailed operational framework—including eligibility conditions, application and claim procedures, reporting and monitoring requirements, and verification mechanisms -- are prescribed under **ANNEXURE-II** enclosed.

OPERATIONAL AND PROCEDURAL GUIDELINES
FOR CREDIT ASSISTANCE FOR E-COMMERCE EXPORTERS

1. Eligibility, Scope, and Coverage

- a. MSMEs (involved in international value chains through e-commerce) holding a active Importer-Exporter Code (IEC) (not in the Denied Entity List (DEL)) and a valid MSME Udyam Registration Number shall be eligible to receive credit assistance under the intervention.
- b. New MSMEs, involved in international value chains through e-commerce with prior domestic e-commerce experience shall also be eligible, subject to a minimum of one year of regular domestic e-commerce operations
- c. Support shall be available to the exporters as per above eligibility with:
 - i. Proven track record of at least six months in exporting through postal or courier.
 - ii. Current Inventory placed in overseas warehouses for e-commerce export fulfilment.
 - iii. Current stock placed in warehouses set up under E-Commerce Export Hub (ECEH) facility.

2. Instruments Supported

2.1. Direct E-Commerce Credit Facility: Credit facility shall be extended by banks/financial institutions as Cash Credit/ Overdraft facilities, subject to the following eligibility conditions:

- a. MSME engaged in direct e-commerce exports through postal or courier or holding inventory in ECEHs for the purpose of exports.
- b. MSME borrower credit account shall be a standard asset, not overdue beyond the period permitted under applicable prudential norms and shall not be classified as stressed or non-performing by the lending institution.
- c. Also, the account shall not have been classified as a Special Mention Account–2 (SMA-2) or a Non-Performing Asset (NPA) at any time during the two years

immediately preceding the date of application for the credit facility.

- d. The name of company and/or its directors/ partners/ proprietors/ promoters shall not be appearing in the lending institution's defaulter list and in any of this Negative lists.
- e. Credit facility under this intervention may be extended only through Scheduled Commercial Banks .

2.2. Overseas Inventory E-Commerce Credit Facility: Working capital financing shall

be extended by banks/financial institutions, subject to the following eligibility conditions:

- a. MSMEs involved in international value chains through e-commerce and holding inventory in overseas warehouses for e-commerce sales.
- b. MSME borrower credit account shall be a standard asset, not overdue beyond the period permitted under applicable prudential norms and shall not be classified as stressed or non-performing by the lending institution.
- c. Also, the account shall not have been classified as a Special Mention Account–2 (SMA-2) or a Non-Performing Asset (NPA) at any time during the two years immediately preceding the date of application for the credit facility.
- d. The name of company and/or its directors/ partners/ proprietors/ promoters shall not be appearing in the lending institution's defaulter list and in any of this Negative lists.
- e. Credit facility under this intervention may be extended only through Scheduled Commercial Banks/ All India Financial Institutions.

3. Implementing Framework

- a. Exim Bank, along with the National Credit Guarantee Trustee Company (NCGTC), shall be the implementing agency for the intervention.
- b. Credit facility under Direct E-Commerce Credit Facility and Overseas Inventory E-Commerce Credit Guarantee Facility shall continue to be sanctioned by eligible entities in accordance with their own due diligence procedures.
- c. The subvention shall be provided at the applicable rate, on interest cost element.
- d. The MSME shall be provided an upfront subvention on the applicable interest rate provided, along with the sanction of the credit facility.

- e. The entities will be eligible to request for a claim for guarantee, which will be the applicable percentage of dues (including principal and interest, but excluding penal interest/ charges), after 90 days but no later than 360 days of the borrower account turning NPA.
- f. Any amendments, operational instructions, or clarifications relating to the obligations of eligible entities shall be advised suitably from time to time through notification/circular/FAQs.

4. Nature and Extent of Assistance

- a. Subvention rate shall be notified separately, after appropriate benchmarking with prevailing risk-free or reference rates in comparable economies.
- b. Two different levels of Guarantee coverage for Direct E-Commerce Credit Facility and Overseas Inventory E-Commerce Credit Facility respectively shall be notified separately.
- c. The notified subvention rate and guarantee coverage shall be reviewed on a bi-annual basis and revised, where necessary, preferably in the last week of March and September of each financial year with effect from 1st April and 1st October.
- d. An annual ceiling shall apply to the total subvention amount, and available credit facility that a beneficiary MSME (involved in international value chains through e-commerce) may receive in a given financial year.
- e. Given Support shall not be admissible in respect of deemed exports, as defined under Chapter 7 of the Foreign Trade Policy or for exports to Special Economic Zones (SEZs).
- f. Revised interest subvention rates, guarantee coverage as notified/advised from time to time, shall be applicable only to credit facility sanctioned and disbursed on or after the date of such notification/advice.
- g. The responsibility for ensuring that the aggregate subvention and credit facility availed remains within the prescribed annual ceiling shall rest with the beneficiary. Any excess claims above the admissible limit shall be liable to recovery and commensurate action.

- h. Beneficiaries graduating out of their existing MSME category during the financial year, due to an upward change in investment or turnover, shall continue to remain eligible for support for a period of three years from the date of such re-classification, in accordance with Ministry of MSME Notification S.O. 4926(E) dated 18.10.2022, and subject to fulfilment of all other prescribed conditions.
- i. For FY 2025-26, the annual ceiling on subvention shall apply in full and shall not be subject to pro-rata adjustment, irrespective of the date of sanction during this financial year.
- j. Given Support shall be admissible only in respect of credit facility sanctioned on or after 6th March 2026.
- k. The procedure to claim assistance under this intervention is in the guidelines at **ANNEXURE-IV**.

5. Level of Assistance:

- a. The eligible MSMEs, involved in international value chains through e-commerce shall be eligible for the following assistance under the intervention:

Sub-Intervention	Credit Limit	Guarantee Cover	Maximum Period	Guarantee Fees
Direct E-Commerce Credit Facility	₹50 lakh	Up to 90%	Up to 365 days	0.5% p.a.
Overseas Inventory E-Commerce Credit Facility	₹5 crore	Up to 75%	Up to 365 days	1.0% p.a.

- b. Partner banks shall offer an upfront **interest subvention of 2.75%** on eligible financing provided to MSMEs (involved in international value chains through e-commerce) under the Intervention.

- c. The annual subvention amount in a given financial year shall be capped at **₹15 lakh** per beneficiary MSME involved in international value chains through e-commerce.

6. Process Flow for submission of Proposals/Applications and issue of guarantee cover

- a. Scheduled commercial banks/ All India Financial Institutions will register with National Credit Guarantee Trustee Company Limited (NCGTC) as partner lending institution (MLI) for coverage under the Intervention.
- b. The beneficiary shall apply on the DGFT portal upon which it will be issued a Unique Identity Number (UIN). The beneficiary shall then refer to the UIN obtained and apply to the MLIs for financial assistance under the intervention.
- c. MLI interested in supporting the borrower shall make an assessment of the proposal and consider sanction of a facility to the borrower. It shall then submit the application for credit guarantee to Exim Bank, along with information including firm details, exports data for last three years, account status, and financial information, through a digital application.
- d. Exim Bank shall assess the application based on a risk model, verify the identity, eligibility and limits, and determine whether guarantee cover can be extended for the credit facility extended to the borrower under the Scheme. Upon satisfactory assessment, Exim Bank shall advise in-principle approval to the MLI under intimation to NCGTC within three business days. NCGTC shall review the in-principle approval for conformity with the scheme guidelines, and convey approval within one business day.
- e. Accordingly, advice shall flow from NCGTC to the MLI regarding the guarantee fee payable on the guarantee cover issued under the Scheme. Thereafter, the MLI shall pay the guarantee fee and obtain guarantee cover number from NCGTC.

GOVERNANCE STRUCTURE
FOR CREDIT ASSISTANCE FOR E-COMMERCE EXPORTERS

1. Sub-Committee on Trade Finance

- a. Sub-Committee on Trade Finance (hereafter referred to as the 'Sub-Committee') shall be constituted for advising, recommending activities and stakeholder coordination for implementation of Credit Assistance for E-Commerce Exporters. The Sub-Committee shall advise on regulatory, procedural, or policy-related bottlenecks impacting implementation and recommend suitable remedial measures; support development of performance indicators, outcome metrics, and monitoring mechanisms to assess the impact of interventions and provide inputs for capacity building, awareness programs, and stakeholder outreach initiatives.
- b. The composition of the Sub-Committee shall be as follows:

S. No.	Officer Concerned	Position
1.	Development Commissioner, Ministry of MSME	Co-Chair
2	Joint Secretary or Equivalent, Trade Finance Division, DoC	Co-Chair
3	Joint Secretary or Equivalent, EPM Section, DGFT	Member
4.	Joint DGFT, EPM Section, DGFT	Convenor
5.	Representative of IFD, Department of Commerce	Member
6.	Representative of the Department of Financial Services, Ministry of Finance (not below the rank of Deputy Secretary)	Member
7.	Representative of the Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)	Invitee
8.	Representative of Exim Bank	Invitee

9.	Representative of Export Credit Guarantee Corporation of India (ECGC)	Invitee
10.	Representative from National Credit Guarantee Trustee Company (NCGTC)	Invitee
11.	Representative of the India Banks Association (IBA)	Invitee
12.	Representative of the International Financial Services Centres Authority (IFSCA)	Invitee
13.	Representatives of Factoring NBFCs	Invitee

- c. The Sub-Committee may co-opt members or invite any other participants as and when required. Domain experts or industry representatives with demonstrated experience in trade finance may be associated for technical appraisal.
- d. The Sub-Committee shall, inter alia, recommend –
- i. level of interest subvention support,
 - ii. annual beneficiary level cap on subvention support to be provided,
 - iii. level of credit guarantee coverage.

2. Operationalisation of the Credit Assistance for E-Commerce Exporters

The Export Promotion Mission (EPM) section, DGFT(HQ) shall be responsible for operationalisation of Credit Assistance for E-Commerce Exporters including convening meetings of the Sub-Committee, implementation of required online systems, disbursement of funds.

3. Implementing Agency for Credit Assistance for E-Commerce Exporters

- a. Export-Import Bank of India (Exim Bank), along with National Credit Guarantee Trustee Company (NCGTC), will be the implementing agency on behalf of the Department of Commerce. A dedicated trust fund, to be termed 'E-Commerce Credit Trust' shall be seeded by the Government of India and managed by NCGTC.
- b. The corpus will be invested in liquid assets as per the guidelines of NCGTC, and the interest earned on the corpus and fees received from MLIs will be added back to the corpus. Exim Bank will receive 5% of the guarantee fee earned by the Fund in each financial year.
- c. NCGTC will receive an administration fee of 2% of the guarantee fee earned by the Fund in each financial year.

Guidelines for Member Lending Institutions

(Given annexure shall not be part of the Trade Notice. This shall be issued by Exim bank separately as circular to all lending institutions)

1. Definitions

- a. **“Amount in Default”** means the amount of outstanding Credit Facility (including interest accrued up to the date of Non-Performing Asset [NPA]), as on the date of the account becoming NPA as per extant RBI guidelines, or the date of lodgement of claim application, whichever is lower.
- b. **“Collateral Security”** means the security provided in addition to the primary security, in connection with the credit facility extended by a Member Lending Institution to an Eligible Borrower.
- c. **“Credit Facility”** means any financial assistance by way of Cash Credit, Overdraft or Working Capital facilities extended by the Member Lending Institution to the eligible micro, small and medium enterprises (MSMEs) under the Intervention. The financial assistance provided as part of the Intervention is to be operated as a separate loan account/ sub limit.
- d. **“MSME”** means a business entity as per the definitions of MSME by Ministry of MSME (as amended from time to time) that are engaged in cross-border trade of goods through e-commerce marketplaces or non-platform-based e-commerce channels, E-Commerce Export Hubs, courier or postal routes, or overseas warehouses.
- e. **“Eligible Borrower”** means MSMEs engaged in cross-border trade of goods through recognised e-commerce platforms and that meet the eligibility norms under the Intervention and to which credit facility has been provided by the Member Lending Institution.
- f. **“Exim Bank”** means the Export-Import Bank of India, established under the Export-Import Bank of India Act, 1981.
- g. **“Export Obligations”** means the level of exports to be achieved by the borrower in the preceding year, to remain eligible for support under the Intervention.

- h. **“Guarantee Cover”** means maximum cover available in respect of the credit facility extended by the Member Lending Institution.
- i. **“Non-Performing Assets”** means an asset classified as non-performing based on the instructions and guidelines issued by the Reserve Bank of India from time to time.
- j. **“Member Lending Institution (MLI)”** means a Scheduled Commercial Bank/ All India Financial Institution as defined in sub-clause (i) of clause (c) of Section 45-I of RBI Act, 1934.
- k. **“Primary Security”** in respect of a credit facility shall mean the assets created out of the credit facility so extended.
- l. **“Intervention”** means the Credit Assistance for e-Commerce Exporters.
- m. **“Tenure of Guarantee cover”** means the maximum period for which the Guarantee cover shall be valid.
- n. **“NCGTC”** means National Credit Guarantee Trustee Company Limited set up on March 28, 2014 by the Government of India to act as the Trustee to operate various Credit Guarantee Funds/Trusts, set up/to be set up by the Government of India from time to time.
- o. **“Trust”** means the E-Commerce Credit Guarantee Trust set up/to be set up by the Government of India with the purpose of guaranteeing credit facility(s), extended by the Member Lending Institution(s) to the Eligible Borrowers under this Intervention.

2. Examination of Proposals/Applications

- a. Identity validation, financial and non-financial assessments would be undertaken by the MLIs for MSMEs (involved in international value chains through e-commerce) as per their regular assessment.
- b. In case of Direct e-Commerce Credit Facility, the sanction limit shall be the lower of the Credit Limit calculated based on ECEH data and past e-commerce track record through postal/courier route; and the limit determined through the MLI’s own credit assessment process.

- c. In case of Direct e-Commerce Credit Facility for exporters storing their inventory in ECEHs, Credit Limit shall be defined based on a risk model, considering the following parameters—
 - i. Turnover for sales through ECEH/ e-commerce in the preceding year
 - ii. Projected revenue estimates based on market trends.
 - iii. Daily Average Stock Value for stock-based cap on limit
 - iv. Return Ratio Adjustment: Deductions based on the proportion of returned goods
 - v. Sectoral Risk Adjustment: Based on seasonality, perishability, high-risk [SR%- 0-5% based on Exim Bank's sectoral risk matrix].
- d. In case of Direct e-Commerce Credit Facility for exporters engaged in direct exports through postal/ courier route, Credit Limit shall be set at 20% of average e-commerce exports sales in the past two years.
- e. In case of Overseas Inventory E-Commerce Credit Facility, Credit Limit shall be assessed up to a maximum of 50% of the cost of inventory.
- f. No collateral, other than primary security (warehouse receipt/ hypothecation of stocks/ charge over receivables), shall be stipulated in case of direct e-commerce credit facility.
- g. Exim Bank will verify the identity, eligibility and limits based on the documents submitted by the MLI, as well as independent data sources.
- h. Any request for consideration and in-principal approval shall be disposed by Exim Bank within 3 working days. NCGTC will provide approval within one working day.

3. Claim Settlement and Recovery

- a. The MLI will be eligible to request for a claim for dues, including principal and interest but excluding penal interest/ charges, after 90 days but no later than 360 days of the borrower account turning NPA.
- b. The MLI shall submit the following details/documents to NCGTC while submitting the claim, without which the claim shall not be entertained:
 - i. Recall Letter;
 - ii. Copy of Ledger of facility under the Scheme;
 - iii. Management Certificate with regard to the claim.

- c. The Trust will make payment within 30 working days of receipt of all prescribed documents supporting the claim.
- d. The Trust will make 80% of the payment within 30 working days of receipt of all prescribed documents supporting the claim. In case of Direct e-Commerce Credit Facility, the remaining 20% of the payment shall be made after completion of 1 year from the settlement of first claim or completion of recovery proceedings, whichever is earlier. In case of Overseas Inventory E-Commerce Credit Facility, the remaining 20% of the payment shall be made after completion of 2 years from the settlement of first claim or completion of recovery proceedings, whichever is earlier.
- e. The MLI will take necessary steps for recovery of the loan as an agent of the Trust. The MLI shall first utilise the recovery proceeds to repay the Trust pro-rata to its exposure within 5 working days of effecting recovery.

4. Guarantees Under the Intervention

- a. Subject to the other provisions the Guarantees under the Intervention shall be provided by the Trust to MLI which has entered into the necessary agreement for this purpose with the Trust, in relation to credit facilities extended to an Eligible Borrower.

5. Credit Facilities Not Eligible

The following credit facilities shall not be eligible for being guaranteed under the Intervention:

- a. Any credit facility in respect of which risks are additionally covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered.
- b. Entities shall not be eligible for support under this Intervention if credit facility has been covered for guarantee through any other Scheme.
- c. Any credit facility, which does not conform to, or is in any way inconsistent with, the provisions of any law, or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being in force will not be eligible for support under this Intervention.

- d. A borrower shall not be eligible if, in respect of any credit facility covered under this Intervention or under the schemes mentioned in clauses above, the lending institution has invoked a guarantee due to the borrower's default and any amount payable to the Trust under such guarantee remains unpaid.

6. Documentation to be Executed by the Lending Institutions

- a. A lending institution shall enter requisite documentation with the Trust in such form as may be required by the Trust for seeking guarantee coverage for all the eligible credit facilities granted by the lending institution, for which provision has been made in the Intervention.
- b. All Scheduled Commercial Banks/ All India Financial Institutions are eligible for registration under the Intervention. Eligible institutions will have to register for the Intervention with the Trust as a MLI by submitting an undertaking on stamp paper of the requisite value (to be stamped as an Agreement under the local Stamp Act where the document is executed) to office of NCGTC. The undertaking is to be executed by an official authorised by appropriate authority of the lending institution.

7. Loan Sanction and Guarantee Coverage

- a. The following guidelines pertain to sanctions/ credit limits under Direct E-Commerce Credit Facility for exporters engaged in direct exports through courier/ postal route. The guidelines for Direct E-Commerce Credit Facility for exporters storing their inventory in ECEHs and Overseas Inventory E-Commerce Credit Facility shall be separately notified by Exim bank.
- b. Applicants shall approach one of the MLIs with the Unique Identification Number (UIN) generated online to apply for support under the Intervention.
- c. The MLI shall assess the applicant's creditworthiness using its internal evaluation mechanism and the guidelines defined by Exim Bank.
- d. On sanctioning the loan, the MLI shall apply for credit guarantee support to Exim Bank. Under the Direct E-Commerce Credit Facility for exporters engaged in direct exports through courier/ postal route, the guideline for MLIs is that they should obtain and provide a certificate from an independent CA confirming the exports

made by the borrower through the postal or courier route during the previous two years, along with supporting documents, in the prescribed format. The credit limit may be up to 20% of the applicant's cross-border e-commerce sales (via postal or courier channels) in the previous two years, subject to a maximum cap of ₹50 lakh.

- e. On receipt of application from MLI, the guarantee application will be reviewed by Exim Bank by validating UIN issued on the online portal, and assessing the application based on a risk model. Exim Bank will verify the identity, eligibility and limits. Upon satisfactory review, Exim Bank will advise in-principal approval to the MLI under intimation to NCGTC, within three business days. NCGTC shall review the in-principle approval for conformity with the scheme guidelines, and convey approval within one business day.
- f. NCGTC shall advise the MLI on the guarantee fee payable on the guarantee cover issued under the Scheme.
- g. NCGTC shall issue credit guarantee to the MLI upon receipt of the applicable fee from the MLI.
- h. At the time of renewal, Exim Bank shall verify the export obligations that are required to be fulfilled by the beneficiaries in the previous year for continuation of the guarantee support. In the Direct E-Commerce Credit Facility for exporters engaged in direct exports through courier/ postal route, export obligation is defined as at least 50% of the arithmetic mean of export performance in the previous two years through postal and courier route, and in any case, not lower than the value of the credit facility.

8. Responsibilities of Lending Institutions

- a. The MLI shall evaluate credit applications by using prudent banking judgement and shall use their business discretion / due diligence in selecting commercially viable proposals and conduct the account(s) of the borrowers with normal banking prudence, as it might have exercised in the normal course if no guarantee had been furnished by the Trust.
- b. The MLI shall closely monitor the borrower account.

- c. The MLI shall safeguard the primary securities taken from the borrower in respect of the credit facility in good and enforceable condition under Direct E-Commerce Credit Guarantee Facility.
- d. The MLI shall ensure that in case of default, the guarantee claim in respect of the credit facility and borrower is lodged with NCGTC in the form and manner and within such time as may be specified. There shall not be any delay on MLIs part to notify the default in the borrowers account which shall result in the Trust facing higher guarantee claims.
- e. The payment of guarantee claim by the Trust to the MLI does not in any way take away the responsibility of the lending institution to recover the entire outstanding amount of the credit from the borrower. The lending institution shall exercise all the necessary precautions and maintain its recourse to the borrower for entire amount of credit facility owed by it and initiate such necessary actions for recovery of the outstanding amount, including such action as may be advised by the Trust.
- f. The MLI shall comply with such directions as may be issued by the Trust, from time to time, for facilitating recoveries in the guaranteed account, or safeguarding the interest of the Trust as a guarantor, as the Trust may deem fit and the lending institution shall be bound to comply with such directions.
- g. The MLI shall, in respect of any guaranteed account, exercise the same diligence in recovering the dues, and safeguarding the interest of the Trust in all the ways open to it as it might have exercised in the normal course if no guarantee had been furnished by the Trust. The MLI shall refrain from any act of omission or commission, either before or after invocation of guarantee, which may adversely affect the interest of the Trust as the guarantor. The MLI should intimate the Trust while entering any compromise or arrangement, which may have effect of discharge or waiver of personal guarantee(s) or security.
- h. The MLI shall also ensure either through a stipulation in an agreement with the borrower or otherwise, that it shall not create any charge on the security held in the account covered by the guarantee for the benefit of any account not covered by the guarantee, with itself or in favour of any other creditor(s) without prior written permission of the Trust. Further the MLI shall secure for the Trust or its appointed

agency, through a stipulation in an agreement with the borrower or otherwise, the right to list the defaulted borrowers' names and particulars on the Website of the Trust.

9. Annual Guarantee Fee

- a. The annual guarantee fee shall be charged on the guaranteed amount for the first year and on every renewal thereafter. The Guarantee Fee to be charged under the various Interventions is given in the Table below.

Sub - Intervention	Guarantee Fee
Direct E-Commerce Credit Facility	0.5% p.a.
Overseas Inventory E-Commerce Credit Facility	1.0% p.a.

- b. Annual guarantee fee shall be paid to the Trust by the MLI availing of the guarantee within 15 days from the date of Performa Invoice of guarantee fee by the Trust. In case of delay in payment, the Trust will accept the guarantee fee with late payment charges till 30 days from the date of Performa Invoice. In case the guarantee fee is not received within the stipulated timelines, the guarantee cover shall lapse.
- c. If the guaranteed account gets closed due to non-payment of annual guarantee fee, the guarantee under the Intervention shall not be available and request for revival of accounts/ delayed payment will be considered as a fresh sanction for guarantee support.

10. Extent of Guarantee Coverage

- a. The Guarantee cover under the various sub-Interventions is given in the Table below. The Guarantee amount will be net off the value of collateral security.

Sub - Intervention	Guarantee Cover
Direct E-Commerce Credit Facility	Up to 90%
Overseas Inventory E-Commerce Credit Facility	Up to 75%

11. Claims – Invocation of Guarantee

- a. The MLIs are required to inform the Trust the date on which the account was classified as NPA in a particular quarter, within 45 days from end of the quarter.
- b. The MLI may invoke the guarantee in respect of credit facility not earlier than 90 days and within a maximum period of 360 days of the borrower account turning NPA, if the following conditions are satisfied.
 - i) The guarantee in respect of that credit facility was in force at the time of account turning NPA.
 - ii) The amount due and payable to the MLI in respect of the credit facility has not been paid and the dues have been classified by the MLI as Non-Performing Assets. Provided that the MLI shall not make or be entitled to make any claim on the Trust in respect of the said credit facility if the loss in respect of the said credit facility had occurred owing to actions / decisions taken contrary to or in contravention of the guidelines issued by the Trust.
 - iii) The credit facility has been recalled and the recovery proceedings have been initiated under due process of law. The MLI must furnish evidence to the Trust that substantive recovery steps have been taken prior to filing the claim.
- c. The accounts classified by the MLI as Fraud / Wilful defaulter shall not be considered eligible for Claim Settlement.
- d. While online lodgement of the claim, MLIs have to submit the Declaration & Undertaking electronically along with the checklist displayed in the system.
- e. The account slipping into NPA within 90 days from the date of issuance of first guarantee cover shall not be considered eligible for Claim Settlement.
- f. The claim invocation shall be received by the Trust, along with the prescribed documents supporting the claim. These documents shall include, but not limited to, records demonstrating the efforts made by the MLI for recovery of the dues, to the satisfaction of the Trust. The Trust will settle 80% of the payment against the valid claim within 30 working days of receipt of all prescribed documents supporting the claim. In case of Direct e-Commerce Credit Facility, the remaining 20% of the

payment shall be made after completion of 1 year from the settlement of first claim or completion of recovery proceedings, whichever is earlier. In case of Overseas Inventory E-Commerce Credit Facility, the remaining 20% of the payment shall be made after completion of 2 years from the settlement of first claim or completion of recovery proceedings, whichever is earlier.

- g. The MLI shall be liable to refund the claim released by the Trust together with penal interest at the rate of 4% p.a. above the prevailing Bank Rate, if such a recall is made by the Trust in the event of serious deficiencies having existed in the matter of appraisal / renewal / follow-up / conduct of the credit facility or where lodgement of the claim was more than once or where there existed suppression of any material information on part of the MLIs for the settlement of claims. The MLI shall pay such penal interest, when demanded by the Trust, from the date of the initial release of the claim by the Trust to the date of refund of the claim.

12. Subrogation of rights and recoveries on account of claims paid

- a. The MLI will take necessary steps for recovery of the loan as an agent of the Trust until all recovery proceedings are concluded. The MLI shall first utilise the recovery proceeds to repay the Trust pro-rata to its exposure within 5 working days of effecting recovery.
- b. The MLI shall furnish to the Trust, the details of its efforts for recovery, realizations and such other information on quarterly basis. The MLI will hold lien on assets created out of the credit facility extended to the borrower, on its own behalf and on behalf of the Trust. The Trust shall not exercise any subrogation rights and that the responsibility of the recovery of dues including takeover of assets, sale of assets, etc., shall rest with the MLI.
- c. In the event of a borrower owing several distinct and separate debts to the MLI and making payments towards any one or more of the same, after the account turning into NPA, whether the account towards which the payment is made is covered by the guarantee of the Trust or not, such payments shall, for the purpose of this clause, be deemed to have been appropriated on proportionate basis by the MLI based on total outstanding amount (including principal and accrued interest but excluding penal

charges) as on the date of NPA or recovery, whichever is lower, to the debt covered by the guarantee and in respect of which a claim has been preferred and paid, irrespective of the manner of appropriation indicated by such borrower or manner in which such payments are actually appropriated. The same will be applicable for OTS settlement of such accounts.

- d. MLIs are required to provide an annual certificate from their Statutory Auditors in respect of remittance of recoveries made, post settlement of claims. In addition, MLIs are required to consolidate and report the actions taken for recovery and recoveries effected under the claim-settled accounts, on a quarterly basis. The report must be duly signed by an authorized official not below the rank of General Manager.

13. Miscellaneous

- a. Trust's liability to be terminated if a borrower becomes ineligible for being granted any credit facilities under the Intervention, by reason of cessation of his activity or his undertaking ceasing to come within the definition of a MSME unit, the liability of the Trust in respect of any credit facilities granted to him by a MLI under the Intervention shall be limited to the liability of the borrower to the MLI as on the date on which the borrower becomes so ineligible, subject, however, to the limits on the liability of the Trust fixed under this Intervention.
- b. However, notwithstanding the death or retirement of a partner where the borrower is a partnership firm or the death of one of the joint borrowers, if the MLI is entitled to continue the credit facilities to the surviving partner or partners or the surviving borrower or borrowers, as the case may be and if the credit facilities have not already become non-performing asset, the guarantee in respect of such credit facilities shall not to be deemed to be terminated as provided in this paragraph.
- c. The MLI shall submit such statements and furnish such information as the Trust may require in connection with any credit facility supported under this Intervention.
 - i. The MLI shall also furnish to the Trust all such documents, receipts, certificates and other writings as the latter may require and shall be deemed to have affirmed

that the contents of such documents, receipts, certificates and other writings are true.

- ii. The Trust shall, insofar as it may be necessary for the purposes of the Intervention, have the right to inspect or call for copies of the books of account and other records (including any book of instructions or manual or circulars covering general instructions regarding conduct of advances) of the MLI, and of any borrower from the MLI. Such inspection may be carried out either through the officers of the Trust or any other person appointed by the Trust for the purpose of inspection. Every officer or other employee of the MLI or the borrower, who can do so, shall make available to the officers of the Trust or the person appointed for the inspection, the books of account and other records and information which are in his possession.
- d. Conditions imposed under the Intervention to be binding on the MLI
- i. Any guarantee given by the Trust shall be governed by the provisions of the Intervention as if the same had been written in the documents evidencing such guarantee.
 - ii. The MLI shall as far as possible ensure that the conditions of any contract relating to an account guaranteed under the Intervention are not in conflict with the provisions of the Intervention but notwithstanding any provision in any other document or contract, the MLI shall in relation to the Trust be bound by the conditions imposed under the Intervention.
- e. Modifications and exemptions
- i. The Sub-Committee on Trade Finance reserves to itself the right to modify, cancel or replace the Intervention so, however, that the rights or obligations arising out of, or accruing under a guarantee issued under the Intervention up to the date on which such modification, cancellation or replacement comes into effect, shall not be affected.
 - ii. Notwithstanding anything contained herein, the Sub-Committee on Trade Finance shall have a right to alter the terms and conditions of the Intervention regarding an account in respect of which guarantee has not been issued as on the date of such alteration.

iii. In the event of the Intervention being cancelled, no claim shall lie against the Trust in respect of facilities covered by the Intervention, unless the provisions contained in Clause XI (2) and (3) of the Intervention are complied with by the MLI prior to the date on which the cancellation comes into force.

f. Interpretation

If any question arises regarding the interpretation of any of the provisions of the Intervention or of any directions or instructions or clarifications given in connection therewith, the decision of the Sub-Committee on Trade Finance shall be final.

g. Supplementary and general provisions

In respect of any matter not specifically provided for in this Intervention, Exim Bank or the Trust may make such supplementary or additional provisions or issue such instructions or clarifications as may be necessary for the purpose of the Intervention.

APPLICATION PROCEDURE FOR CREDIT ASSISTANCE FOR E-COMMERCE
EXPORTERS

- a. Applicants shall submit an online application indicating their intent to avail support prior to applying for the export credit facility, via the online portal of DGFT.
- b. The application shall include details of the firm, export products, and the preferred lending institutions for availing the export credit facility. Upon submission, a Unique Identification Number (UIN) shall be generated.
- c. The following documents are required for intent submission:
 - i. Valid IEC (not suspended, cancelled or under Denied Entity List)
 - ii. Valid UDYAM Registration linked to IEC
 - iii. CA certificate validating the applicant's annual revenue and export turnover for the past three financial years.
- d. Each declaration of intent shall remain valid until the end of the financial year.
- e. Applicants shall approach one of the eligible lending institutions linked to the generated UIN number.

Intent to Claim Form for Credit Assistance for E-Commerce Exporters

PART A: BASIC DETAILS *(Auto-populated from IEC; non-editable)*

1. IEC Number
2. Name of Entity
3. PAN
4. Registered Address
5. Contact Details
6. Nature of Entity

(MSME / EPC / Commodity Board / DEPC / SEPC / Government Entity)

PART B: EXPORT & INSTRUMENT DETAILS

7. Product(s)
 - a. Description
 - b. HS Code(s)
8. Target Export Market(s)
9. Value of exports in past three financial years (in INR)
10. Value of inventory stored in overseas warehouses in past three financial years (*if applicable*) (in INR)
11. Instrument
(Direct E-Commerce Credit Guarantee Facility/ Niryat E-Commerce Financing for Overseas Inventory)

PART D: LOAN DETAILS

12. Loan Amount (in INR)
13. Estimated interest rate (in %)
14. Tenure (in days)

PART C: BANK DETAILS

15. Bank Name (Select from Eligible banks and financial institutions)
16. Account Number
17. IFSC Code

DECLARATION

I/We hereby declare that:

1. The applicant entity is not under investigation, charged, prosecuted, debarred, or blacklisted under the Foreign Trade (Development and Regulation) Act, 1992, or under any other applicable law relating to international trade, including the Customs Act, 1962; the Central Excise Act, 1944; the Foreign Exchange Management Act, 1999; and the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, as amended from time to time. The applicant entity has no outstanding penalties or dues under the aforesaid Acts. Any material change in such status shall be promptly disclosed, failing which the application may be rendered ineligible and appropriate action may be initiated.

2. Neither the registered office nor the head office, nor any branch, unit, or division of the applicant entity, has been declared a defaulter or otherwise rendered ineligible to undertake import or export activities under the Foreign Trade Policy or any provision thereof.
3. I/We undertake to abide by the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders framed thereunder, the Foreign Trade Policy, the Handbook of Procedures, as amended from time to time.
4. I/We understand that if any information furnished in this application is found to be incorrect, false, or misleading, the applicant shall be liable to penal action or such other consequences as may be prescribed under law.
5. I/We declare that the particulars and statements furnished in this application are true and correct to the best of my/our knowledge and belief and that no material information has been concealed or withheld.
6. The assistance sought under Credit Assistance for E-Commerce Exporters has not been availed or applied for under any other scheme of the Government of India or State Government for the same activity.
7. I hereby certify that I am duly authorised to verify and sign this declaration in accordance with paragraph 11.06 of the Foreign Trade Policy.

EXCLUSION LIST

FOR CREDIT ASSISTANCE FOR E-COMMERCE EXPORTERS

1. Goods and services that are prohibited for exports under Schedule-II (Export Policy) of ITC(HS), 2022
2. Transactions involving countries under sanctions such as those under the FATF Blacklist and United Nation sanctions, read with Para 2.16 to para 2.20 of the Foreign Trade Policy 2023.
3. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
4. Trade in wildlife or wildlife products regulated under CITES, Production or trade in radioactive materials, Production or trade in pesticides/herbicides subject to international phase outs or bans, Production or trade in ozone depleting substances subject to international phase out., Production or trade in wood or other forestry products, Production or trade in weapons and munitions, or other Restricted Export Categories shall be permitted subject to the requisite Conditions as defined under the Export Policy, ITC(HS) 2022 and other related Acts and Rules.