

Emergency Credit Line Guarantee Scheme (ECLGS)

(Policy Guidelines)

Name of the Scheme

The Scheme named as 'Emergency Credit Line Guarantee Scheme (ECLGS)

Purpose of the Scheme

The Government of India has launched Emergency Credit Line Guarantee Scheme (ECLGS) for Medium, Small and Micro Enterprises (MSMEs) under the Atma Nirbhar Bharat Abhiyan to help them tide over the economic distress being faced due to the COVID-19 pandemic. The additional funding is offered for the purpose of working capital facility to resume business and safeguard jobs.

Basic Norms

Particulars	ECLGS 1.0	ECLGS 2.0	ECLGS 3.0	ECLGS 4.0
Eligible Borrowers	All Existing customers (Business Enterprises / MSMEs/ Individuals) with total credit outstanding (fund based only) of up to Rs. 50 crores as on February 29, 2020, across all Member Lending Institutions.	All Existing customers (Business Enterprises /MSMEs) with total credit outstanding (fund based only) above Rs.50 crore & not exceeding Rs.500 crore as on February 29, 2020, across all Member Lending Institutions & are having operations in the 26 sectors identified by the Kamath Committee on Resolution Framework and Healthcare sector.	All Existing customers (Business Enterprises /MSMEs) whose days past due are upto 60 days as on February 29, 2020 & are operational in the Hospitality, Travel & Tourism , Leisure & Sporting or Civil Aviation sectors.	All Existing customers (Hospitals/nursing homes/clinics/medical colleges / units engaged in manufacturing of liquid oxygen, oxygen cylinders etc) having fund-based credit facility with a lending institution with days past due upto 90 days as on March 31, 2021 and requiring assistance for setting up on-site oxygen producing plants.
Loan Amount	The maximum amount of EGECL funding to eligible borrowers in the form of additional working capital term loan facility would be up to 20% of their total credit outstanding (fund based only) as on February 29, 2020	The maximum amount of EGECL funding to eligible borrowers in the form of additional working capital term loan facility and / or non-Fund based facility or a mix of the two would be up to 20% of their total credit outstanding (fund based only) up to Rs. 500 crores as on February 29, 2020. Credit facility under	The maximum amount of EGECL funding to eligible borrowers in the form of additional working capital term loan facility would be up to 40% of their total credit outstanding (fund based only), subject to a cap of Rs. 200 crore per borrower. Such of the eligible borrowers, who are eligible under ECLGS 3.0 and have	The amount of EGECL funding to eligible borrowers would be in the form of fund based (term loan) or non-fund based (LC for import of capital goods) facility and would be limited to Rs. 2 crore per borrower for setting up onsite oxygen producing plant.

Particulars	ECLGS 1.0	ECLGS 2.0	ECLGS 3.0	ECLGS 4.0
		ECLGS 2.0 could be in the form of Fund based or Non-Fund based facility or a mix of the two.	already availed benefit under ECLGS 1.0 or ECLGS 2.0 shall be eligible for additional credit upto 20% of their total credit outstanding as on February 29, 2020	
Moratorium (On Principal Repayment for Fund Based facility)	12 Mths	12 Mths	24 Mths	6 Mths
Repayment Tenure (for fund-based facility, excluding moratorium period)	36 mths	48 mths	48 mths	54 mths

Other Norms

Loan amount

- Total Outstanding amount would comprise of the on-balance sheet exposure such as outstanding amount across WC loans, term loans and WCTL loans. Off-balance sheet and non-fund based exposures will be excluded.
- In case a borrower has existing limits with multiple lenders, the scheme may be availed either through the Bank or multiple lenders depending upon the agreement between the borrower and the Bank.
- In case the borrower wishes to take from any lender an amount more than the proportional 20% of the outstanding credit that the borrower has with that particular lender, a No Objection Certificate (NOC) would be required from all other lenders.
- A separate loan account shall be opened for facility extended under the scheme.

Security

- The additional WCTL or non fund based facility granted under ECLGS 1.0 or 2.0 or 3.0 or 4.0 shall rank *second charge* with the existing credit facilities in terms of cash flows (including repayments) and security, with charge on the assets financed under the Scheme to be created on or before December 31, 2021 or date of NPA, whichever is earlier.
- No additional collateral required for additional funding under EGECL.
- Borrowers availing assistance under ECLGS 4.0 shall open ESCROW A/c on which bank shall have its charge.

Interest Rate of Credit under the Scheme

- Lending rate shall be applicable as per interest rate on advance policy of the Bank and govern by the ECLGS guideline rolled out from time to time, Interest rate shall be reviewed on monthly basis and reset shall be done on quarterly basis subject to a maximum of 9.25% per annum.
- No additional processing fee
- No Guarantee Fee shall be charged for the Credit facilities provided under the Scheme
- No pre-payment penalty
- Applicable Stamp duty shall be borne by the borrower as per stamp act of the state

Duration

The Scheme would be applicable to all loans sanctioned under EGECL till 30th September 2021 or till guarantees for an amount of Rs 3,00,000 crore are issued (taking into account ECLGS 1.0, 2.0 3.0 & 4.0), whichever is earlier.

Definition of Default

The definition of default for borrowers shall be as per the instructions and guidelines issued by the Reserve Bank of India from time to time under extant norms on income recognition, asset classification and provisioning.

Modifications in the Scheme

- All the norms of ECLGS shall be governed by the operational guideline issued and modification from time to time by National Credit Guarantee Trustee Company Limited (NCGTC).
- Any changes to the current structure of the Scheme, including (but not limited to) the eligibility criteria, guarantee fee, rate of interest and tenor of ECLGS under the Scheme, can be modify from time-to-time.