

Emergency Credit Line Guarantee Scheme (ECLGS)

ECLGS is a scheme announced by the Central Government to provide support to MSMEs / Business entities / Individuals impacted by the pandemic. Under the scheme, Banks, Financial Institutions, NBFCs and HFCs are allowed to provide additional term loans / working capital loans to their existing borrowers for helping them restart their business / meet working capital requirements. The loans provided under the scheme are 100% guaranteed by National Credit Guarantee Trustee Company (NCGTC)

Key Features of the Scheme

Name of the Scheme	Emergency Credit Line Guarantee Scheme
Name of the Product	Guaranteed Emergency Credit Line
Facility Type	Fund Based Term Loan
Eligible Borrowers	<p>All Business Enterprises / MSMEs / Individuals who have availed loans for business purposes and whose total outstanding exposure across Lending Institutions is upto Rs. 50 crores as on 29.02.2020 are eligible for the facility under ECLGS 1.0.</p> <p>Business Enterprises / MSMEs in the 26 Sectors identified by Kamath Committee on Resolution Framework and Healthcare Sector and who have availed loans for business purposes with outstanding exposure above Rs.50 crores and upto Rs.500 crores as on 29.02.2020 are eligible for the facility under ECLGS 2.0.</p> <p>The scheme is valid for customers who are existing on the books of Sundaram Home as on 29.02.2020.</p> <p>Borrower accounts should be less than or equal to 60 days past due as on 29.02.2020 across Lending Institutions</p> <p>Business Enterprises / MSME borrowers must be GST registered in all cases where it is mandatory. This condition will not apply to Business Enterprises / MSMEs that are not required to obtain GST registration.</p>
Credit Limit	As per the scheme guidelines, Credit facility under GECL shall be upto 20% of the outstanding credit (fund based only) as on 29.02.2020, subject to the borrower meeting all the eligibility criteria. Actual loan extended by SHFL may be lower than 20% based on various factors relevant to our business operations.
Nature of account & Tenor of Credit	<p>A separate loan account shall be opened for the facility.</p> <p>Under ECLGS 1.0, the tenor shall be 4 years from the date of first disbursement with moratorium of one year on principal amount.</p> <p>Under ECLGS 2.0, the tenor shall be 5 years from the date of first</p>

	<p>disbursement with moratorium of one year on principal amount.</p> <p>Interest is payable for moratorium period. The principal shall be paid in equal instalments after moratorium period.</p>
Interest Rate	<p>The cap on interest rates for NBFCs is 14%.</p> <p>Please contact your branch to know the rate applicable for your loan.</p>
Security / Collateral	<p>No additional collateral security is required for this facility.</p> <p>However, the additional credit facility under this scheme shall rank second charge with the existing credit facilities in terms of cash flows and securities, with charge on the assets financed under the Scheme to be created within a period of 3 months from the date of disbursal.</p>
Validity of the Scheme	<p>The scheme is valid for loans sanctioned upto 30.09.2021 or until guarantees are exhausted for the amount earmarked for the scheme by NCGTC whichever is earlier. Disbursement can be availed upto 31.12.2021.</p>
Processing fee, Guarantee Fee & Prepayment charges	<p>Nil</p>
NCGTC Guidelines	<p>Please visit https://www.ncgtc.in</p>