

DETAILED FEATURES OF “GUARANTEED EMERGENCY CREDIT LINE”

PARAMETERS	DESCRIPTIONS
Name of the Product	Guaranteed Emergency Credit Line (GECL)
Type of facility	<ul style="list-style-type: none"> ✓ Working Capital Term Loan ✓ A separate loan account shall be opened for the borrower, distinct from the existing loan account(s)
Purpose	<ul style="list-style-type: none"> ✓ To facilitate MSMEs to meet their operational liabilities and restart their business.
Eligible Borrowers	<ul style="list-style-type: none"> ✓ All Business Enterprises/MSME borrower accounts with combined outstanding loans across all Banks/ FIs of up to ₹ 25.00 Crore as on 29.02.2020 and annual turnover of up to ₹ 100.00 Crore for FY 2019-20 are eligible under the Scheme. ✓ In case accounts for the FY 2019-20 are yet to be audited/finalized, declaration of turnover from the borrower shall be obtained ✓ Loans covered under Pradhan Mantri Mudra Yojana (PMMY) extended on or before 29.02.2020 and reported on the MUDRA portal are also eligible. ✓ Respective sanctioning authorities are required to check with credit bureau for assessing overall outstanding of the borrower across the all Banks/FIs to assess the eligibility of the borrower. ✓ The Scheme is valid for existing customers. Borrower accounts should be less than or equal to 60 days past due as on 29th February, 2020 in order to be eligible under the Scheme i.e. all borrowers which have not been classified as SMA 2 or NPA by any of the Banks/FIs as on 29th February, 2020 are eligible under the Scheme. Days Past Due status as on 29.02.2020 to be checked by the sanctioning authority from Credit Bureau. ✓ Business Enterprises / MSME borrowers must be GST registered in all cases where such registration is mandatory. However, this condition will not apply to Business Enterprises / MSMEs which are exempted from GST registration. ✓ For loans having co-applicant, only those existing loans where entity is the primary co-applicant are covered under the Scheme for additional emergency

	<p>funding.</p>
Eligible Entity	<ul style="list-style-type: none"> ✓ Proprietorship, Partnership, Registered Company, Trusts and Limited Liability Partnerships (LLPs) & PMMY borrowers.
Borrowers not Eligible	<ul style="list-style-type: none"> ✓ Loans provided in individual capacity are not covered under the Scheme. For example, any existing loan such as Commercial Vehicle Loan (CV loan) taken by an entity shall be covered but CV loan taken by promoter or director in personal capacity shall not be covered. ✓ Business Enterprises / MSME borrower accounts which had NPA or SMA-2 status as on 29.02.2020 are not eligible.
Loan Amount	<ul style="list-style-type: none"> ✓ Pre-approved loan upto 20% of the total outstanding loans of eligible borrowers up to ₹ 25.00 Crore as on 29th February, 2020 i.e. loan amount maximum of ₹5.00 Crore, subject to the borrower meeting all the eligibility criteria. However, the amount of loan may be decided in consultation with the borrower as per his requirement. ✓ Total Outstanding Amount would comprise of the on-balance sheet exposure such as outstanding amount across Working Capital Loan, Term Loan and WCTL loans. Off-balance sheet and non-fund based exposures will be excluded while arriving at total outstanding amount.
Tenor of loan, Moratorium & Repayment	<ul style="list-style-type: none"> ✓ The period of loan tenor is four years from the date of disbursement. ✓ Moratorium period of one year on the principal amount shall be provided to the borrowers during which interest is to be payable. ✓ Loan shall be repaid in 36 installments after the moratorium period is over.
Interest Rate	RLLR + 1.00% subject to maximum of 9.25%
Loan Disbursement	<ul style="list-style-type: none"> ✓ The disbursement of loan shall be made only after approval of guarantee coverage from NCGTC. ✓ The disbursement of facility may be done in bullet or in tranches as per request of the borrower.
Security Guarantee /	<ul style="list-style-type: none"> ✓ Extension of Charge on entire present and future current assets of the firm/ company shall be done. ✓ The additional WCTL granted shall rank pari passu with the existing credit facilities in terms of cash flows and security, with charge on the assets financed under the Scheme to be created within a period of three months from the date of disbursement.

	<ul style="list-style-type: none"> ✓ No additional collateral shall be obtained for additional funding under the scheme. However, additional funding under the scheme will be secured through Guarantee Coverage from NCGTC.
Guarantee Coverage	<ul style="list-style-type: none"> ✓ WCTL facility extended under the scheme shall be covered under guarantee coverage provided by NCGTC. No Guarantee Fee shall be charged from the borrower for the Credit facilities provided under the Scheme. ✓ NCGTC shall provide 100% Guarantee coverage on the outstanding amount for the credit facility provided under the Scheme as on the date of NPA. However, it is required to inform the date on which the account was classified as NPA within 90 days of the account being classified as NPA. ✓ The NCGTC shall pay 75% of the guaranteed amount within 30 days of preferring of eligible claim by the Bank, subject to the claim being otherwise found in order and complete in all respects. The balance 25% of the guaranteed amount will be paid on conclusion of recovery proceedings or till the decree gets time barred, whichever is earlier. ✓ Post invocation of the guarantee claim, if any recoveries are made in the account, Bank shall first adjust such recoveries towards the legal costs incurred by them for recovery of the amount and shall thereafter remit to NCGTC the balance recoveries.
Processing Fee/ Documentation Fee	NIL
Sanctioning Authority	Sanctioning authority shall be the same in whose powers the existing exposure falls, even if it exceeds his/ her vested loaning powers due to sanction of this additional WCTL facility.
Validity of Scheme	The Scheme would be applicable to all loans sanctioned under GECL during the period from the date of issue of these guidelines by NCGTC to 31.10.2020, or till an amount of Rs 3,00,000 crore is sanctioned under the GECL, whichever is earlier.

