



Emergency Credit Line Guarantee Scheme (ECLGS)

The Emergency Credit Line Guarantee Scheme (ECLGS) was unveiled as part of the Rs 20 lakh crore comprehensive package announced by Finance Ministry on 13/05/2020, to aid Micro, Small and Medium Enterprises (MSMEs) sector in view of the economic distress caused by the COVID-19 pandemic. The key highlights of the scheme are as follows:

Name of the Scheme	Emergency Credit Line Guarantee Scheme (ECLGS). (Under the aegis of the GOI, through the Ministry of Finance, Dept. of Financial Services)
Name of the Product	Guaranteed Emergency Credit Line (GECL).
Facility Type	Fund Based- Term Loan.
Eligibility	<p><u>A. Total Outstanding:</u></p> <ul style="list-style-type: none">• There are two facilities: ECLGS 1.0 and ECLGS 2.0. The former applies to cases, where total outstanding across all MLIs as on February 29, 2020, is up to Rs.50 crore. In case of the latter, the corresponding value is Rs.50 crore to Rs.500 crore.• Total Outstanding Amount would comprise of the on-balance sheet exposure (fund-based principal outstanding). Off-balance sheet and non-fund-based exposures will be excluded. <p><u>B. Constitution:</u></p> <ul style="list-style-type: none">• The Scheme is valid for customers existing on the books of Sundaram Finance as on February 29, 2020.• Loans provided to (i) Business Enterprises/ MSMEs (including loans covered under Pradhan Mantri Mudra Yojana) constituted as Proprietorship, Partnership, registered company, trusts and Limited Liability Partnerships (LLPs), and (ii) individuals, where the loan is given for business purposes, shall be eligible under the ECLGS 1.0 Scheme.• Loans provided to Business Enterprises/ MSMEs constituted as Proprietorship, Partnership, registered company, trusts and Limited Liability Partnerships (LLPs), and operating in



	<p>specified 27 sectors shall be eligible under the ECLGS 2.0 Scheme.</p> <p><u>C. Days Past Due (DPD):</u></p> <ul style="list-style-type: none">• Borrower accounts should be less than or equal to 60 days past due as on February 29, 2020, in order to be eligible under ECLGS 1.0 Scheme. In case of ECLGS 2.0, the corresponding value is less than or equal to 30 days past due. DPD as on disbursement date should not be beyond 90. <p><u>D. GST Registration:</u></p> <ul style="list-style-type: none">• Business Enterprises/ MSME borrower must be GST registered in all cases where such registration is mandatory. This condition will not apply to Business Enterprises/ MSMEs that are not required to obtain GST registration <p><u>E. Annual Turnover</u></p> <ul style="list-style-type: none">• There is no limit prescribed on Annual Turnover.
Credit Limit	Credit under GECL would be up to 20% of the borrower's total outstanding credit, excluding off-balance sheet and non-fund-based exposures, as on February 29, 2020, subject to the borrower meeting all the eligibility criteria.
Interest Rate	Please contact your nearest branch to know more details. Maximum interest rate allowed for NBFCs is 14% p.a.
Government Guarantee	The entire funding provided under GECL shall be provided with a maximum of 100% credit guarantee coverage by NCGTC under the Scheme.
Repayment	<ul style="list-style-type: none">• Maximum 4 years from the date of disbursement in case of ECLGS 1.0 and 5 years in case of ECLGS 2.0.• Moratorium period of one year on the principal amount. Interest shall, however, be payable during the moratorium period.• The principal shall be repaid in equal instalments after the moratorium period is over.



Security /collateral	<ul style="list-style-type: none">• No additional collateral to be obtained for the loan under GECL.• However, the additional credit facilities being covered under this scheme shall rank second charge 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 disbursal.
Validity of Scheme	The scheme is valid till 31.03.2021 or till an amount of Rs.3,00,000 crore is sanctioned under the GECL Scheme by all banks/ NBFCs (as notified by NCGTC), whichever is earlier.
Processing fee/ Pre-payment penalty	Nil
Guarantee Fee payable to credit guarantee trust	Nil
NCGTC Guidelines	Please visit https://www.eclgs.com/

For further details on the GECL product, please contact your Branch.