

Date last updated: 22.10.2021

SCHEME GUIDELINES OF Emergency Credit Line Guarantee Scheme 3.0 (ECLGS 3.0)		
1	Title	Emergency Credit Line Guarantee Scheme 3.0 (ECLGS 3.0)
2	Purpose	To build up current assets and to meet operational liabilities and restart the business.
3	Target Group	Our existing borrowers in the Hospitality, Travel & Tourism and Leisure & sporting and Civil Aviation sectors.
4	Eligibility	<p>a) Existing customers whose limits are in force as on date of sanction, irrespective of risk rating.</p> <p>b) All Business Enterprises /MSMEs in the Hospitality (hotels, restaurants, marriage halls, canteens etc.), Travel & Tourism and Leisure & Sporting and Civil Aviation (scheduled and non-scheduled airlines, chartered flight operators, air ambulances, airports and ground handling units) sectors whose days past due are up to 60 days as on 29.02.2020.</p> <p>c) The MSME borrower must be GST registered in all cases where such registration is mandatory. This condition will not apply to MSMEs that are not required to obtain GST registration.</p> <p>d) Days Past Due status as on 29.2.2020 to be checked across all lending institutions from credit bureau.</p> <p>e) Loans provided to Business Enterprises / MSMEs constituted as Proprietorship, Partnership, registered company, trusts and Limited Liability Partnerships (LLPs) or any other legal entity shall be eligible.</p> <p>f) Business Enterprises / MSME borrower accounts which have been classified as SMA 2 or NPA by any of the lender as on 29.02.2020 shall not be eligible. However, exception has been allowed for overdues of the borrower in respect of their credit card/savings account/current account provided the said overdues did not exceed 1% of the loan amount (i.e. GECL amount) extended under ECLGS facility and that the overdue amount was regularized prior to assistance being extended under ECLGS and provided further that the member lending institutions ensure that the overdues were covered by the materiality concept being followed by the MLIs.</p> <p>g) For the purpose of this Scheme it is not necessary that the existing loans of the borrowers should be covered under the existing NCGTC or CGTMSE Scheme.</p> <p>h) Facility under GECL 3.0, shall be on 'Opt-in' basis.</p>
5	Nature of facility	Working Capital Term Loan (Fund based facility only)

6	Quantum	<p>a) The amount of GECL 3.0 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) or Rs.200 Crore whichever is lower. Such of the eligible borrowers, who are eligible under ECLGS 3.0 and have already availed benefit under ECLGS 1.0 or ECLGS 2.0 shall be eligible for additional credit up to 20% of their total credit outstanding as on 29.02.2020.</p> <p>b) 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.</p> <p>c) Branches/Offices are expected to check with credit bureau the overall outstanding of the borrower to assess the overall additional loan amount eligible for sanction under the Scheme.</p> <p>d) WCTL facility granted under ECLGC 3.0 Scheme shall be over and above the existing loan and shall be opened in system as a separate credit facility.</p> <p>e) Branches/Offices to evaluate credit proposals by using prudent banking judgment and use their business discretion / due diligence in selecting commercially viable proposals and conduct the account(s) of the borrowers with normal banking prudence under this scheme also.</p>
7	Margin	NIL
8	Interest	<p>MSME - RLLR + 0.60% per annum. Other than MSME – 1 year MCLR + 0.60% per annum Subject to a maximum of 9.25% per annum.</p>
9	Repayment	<p>a) The tenor of facilities provided under GECL shall be for a period of 6 years from the date of first disbursement of fund based facility including moratorium of 2 years.</p> <p>b) The last date for sanction of loans under GECL 3.0 shall be 31.03.2022 or till guarantees for an amount of Rs.4,50,000 Crore are issued (taking into account all components of ECLGS), whichever is earlier. The last date of disbursement under ECLGS 3.0 shall be June 30, 2022.</p>

		<p>c) Moratorium period of two years on the principal amount shall be provided to borrowers for GECL facility (only fund based is allowed), during which interest shall be payable.</p> <p>d) The principal shall be repaid in 48 instalments after the moratorium period is over.</p> <p>e) No pre-payment penalty to be charged in case of early repayment.</p> <p>f) The account may be operated in combination with applicable Interest Subvention Scheme(s) as far as feasible.</p>
10	Processing charges	NIL
11	Security	<p>Primary: Assets created out of the credit facility.</p> <p>Collateral: No fresh collateral security to be obtained. However, the additional WCTL granted under GECL 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 September 30, 2021 or date of NPA, whichever is earlier. Charge on assets financed under the scheme to be created on or before June 30, 2022.</p>
12	Guarantee Scheme	Emergency Credit Line Guarantee Scheme (ECLGS) under ECLGS 3.0 Administered by National Credit Guarantee Trustee Company (NCGTC) Limited.
13	Guarantee Fee	NIL
14	Validity of the Scheme	<p>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 31.03.2022 or till guarantees for an amount of Rs.4,50,000 Crore is sanctioned under the GECL (taking into account all components of ECLGS), whichever is earlier.</p> <p>The last date of disbursement for fund based facility under the scheme (ECLGS 1.0, ECLGS 2.0 and ECLGS 3.0) shall be June 30, 2022.</p>

Conditions apply. The information provided above is only illustrative and not exhaustive.

Contact: For more details, please contact your nearest Canara Bank Branch or E-mail to: hosbu@canarabank.com

