

CIRCULAR No. 56 /2021/BC/CD - 15

13th April, 2021

**Guaranteed Emergency Credit Line Scheme - Extension of the scheme upto
30th June 2021/ Other Modifications**

(Ref: HO Cir. No. 73/2020 dt. 20.06.2020; No. 1/2021 dt.07.01.2021)

The Emergency Credit Line Guarantee Scheme (ECLGS) was introduced by the Govt. of India to aid Business Enterprises/ Micro, Small and Medium Enterprises (MSMEs)/ individuals in view of the economic distress caused by COVID 19 pandemic. Bank had adopted the scheme with approval of the Board and implemented the same vide HO Circular No.73/ 2020 dt. 20.06.2020 and subsequent modifications in the scheme guidelines were communicated through various HO circulars.

As per the original scheme, the benefits were extended to MSME/ other business enterprises/ individuals whose accounts are not classified as SMA 2/ NPA as on 29.02.2020 and enjoying funded credit outstanding of Rs 50 crore. Subsequently, Govt. had extended the scope of the scheme by dividing it into two parts namely ECLGS 1.0 and ECLGS 2.0. A particular borrower can avail either under ECLGS 1.0 or ECLGS 2.0 at a time and cannot enjoy under both. Now the Govt. has decided to extend the validity period of the existing scheme from 31.03.2021 to 30.06.2021 (or till guarantees for an amount of Rs 3,00,000 crore are issued under the scheme).

Scope of the scheme has been further widened by introducing a third part namely ECLGS 3.0 to cover certain specific business sectors with funded credit outstanding as on 29.02.2020 from all banks/ financial institutions upto and including Rs 500 crore as under, subject to compliance of the following conditions.

- a) All Business Enterprises/ MSMEs in the hospitality, travel & tourism and leisure & sporting sectors with overdue upto 60 days only (i.e. not classified as SMA 2/ NPA) as on 29.02.2020, will be eligible.
- b) Such borrowers will be eligible for funding under ECLGS 3.0 upto 40% of total fund based outstanding as on 29.02.2020, provided the borrower has not availed facility under ECLGS 1.0 or ECLGS 2.0. If the borrower has already availed facility under ECLGS 1.0 or ECLGS 2.0, such borrower will be eligible for the balance 20% of total fund based outstanding as on 29.02.2020 under ECLGS 3.0.
- c) Validity of the scheme will be till 30.06.2021.
- d) Facility can be sanctioned as additional working capital term loan only, with a tenure of 72 months including initial holiday period of 24 months for principal amount of fund based facility. However, loan eligibility will be assessed based on funded outstanding as on 29.02.2020 only.

CSB Bank Ltd

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- e) For a particular borrower, moratorium and repayment period of loans sanctioned under ECLGS 1.0/ ECLGS 2.0 will remain the same, irrespective of facilities sanctioned under ECLGS 3.0 to the same borrower.
- f) Last date of sanction and disbursement of loan will be 30.06.2021 and 30.09.2021 respectively.
- g) Facility will be considered only on specific request of the borrower and not as a pre-approved loan.

Extension of validity period of the existing scheme along with the introduction of ECLGS 3.0 will provide a bigger opportunity to entail the benefit under the scheme to more borrowers.

Under the circumstances Relationship Managers, Cluster Heads and other functionaries are requested to take advantage of the extension of the scheme upto 30.06.2021 and cover specific business sectors viz. hospitality, travel & tourism and leisure & sporting sectors with higher entitlement and extend the benefit of the scheme to all eligible borrowers.

All other guidelines of the scheme remain unchanged. All are instructed to be guided by the above.

Product features are attached as Annexure I. Operational guidelines and FAQ issued by NCGTC are attached as Annexure IV and Annexure V respectively.



(B K Divakara)
CFO & CCO (Additional Charge)

Authority : B-CR- 01 of the Financial Year 2021-22

Encl: Annexure I - Annexure I – Details of Modified Product Features
Annexure II - Sectors identified by the Kamath Committee on Resolution Framework
Annexure III - Draft of undertaking to be Furnished by The Borrower
Annexure IV - Operational guidelines issued by NCGTC
Annexure V - FAQ issued by NCGTC

To: All Offices

Annexure - I to HO Cir. No. 56/ 2021 dt. 13.04.2021 - Details of Modified Product Features

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| 1 | Name of the facility | ECLGS 1.0 | ECLGS 2.0 | ECLGS 3.0 |
| 2 | Facility type | Term Loan | Term Loan or Non fund based facility or mix of two. Once sanctioned, the facilities will not be fungible between funded and non-funded. | Term Loan |
| 3 | Validity of Scheme | Scheme is valid upto 30.06.2021 or on reaching the threshold of Rs 3,00,000 crore stipulated as per scheme under the GECL, whichever is earlier | | |
| 4 | Purpose | Relief to all business enterprises/ MSME sector by providing additional working capital term loan to meet operational liabilities and restart businesses in the unprecedented situation COVID-19. Individuals who have availed loans for business purposes can avail loan under ECLGS 1.0. | | |
| 5 | Eligibility * | <p>Fund Based – Working Capital Term Loan</p> <p>Maximum up to 20% of the entire fund based outstanding as on 29.02.2020.</p> <p>As on 29.02.2020, the account shall not be classified as SMA -2 or NPA with any lending institutions & total credit outstanding (fund based only) across all lending institutions shall be less than Rs 50 crore.</p> | <p>Fund Based – Working Capital Term Loan & Non Fund Based Facility</p> <p>Maximum up to 20% of the entire fund based outstanding as on 29.02.2020, to borrowers in the 26 sectors identified by Kamath Committee on Resolution Framework in its report of 04.09.2020 and the Healthcare sector.</p> <p>As on 29.02.2020, the account shall not be classified as SMA 1, SMA -2 or NPA with any lending institutions & total credit outstanding (fund based only) across all lending institutions shall be above Rs 50 crore and upto and including Rs 500 crore.</p> | <p>Fund Based – Working Capital Term Loan</p> <p>Maximum up to 40% of the entire fund based outstanding as on 29.02.2020, to borrowers in the hospitality, travel & tourism and leisure & sporting sectors.</p> <p>Such entities who have availed benefit under ECLGS 1.0 or ECLGS 2.0 will be eligible only upto 20% of the fund based outstanding as on 29.02.2020.</p> <p>As on 29.02.2020, the account shall not be classified as SMA 2 or NPA with any lending institutions & total credit outstanding (fund based only) across all lending institutions shall be above upto and including Rs 500 crore.</p> |

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| 6 | Loan Amount | Maximum is Rs 10 crore | Maximum is Rs 100 crore | Maximum is Rs 200 crore Maximum amount will be restricted to Rs 100 crore, if the borrower already availed facility under ECLGS 1.0 or ECLGS 2.0 |
| 7 | Disbursement | <p>Maximum in four tranches for term loan.</p> <p>Sanction under the scheme is valid upto 30.06.2021 and disbursement out of fund based facility can be availed upto 30.09.2021.</p> <p>For ELCGS 2, facility under non-fund based portion can be availed during the 5 year tenor of facility sanctioned provided the first tranche has been utilized on or before 30.09.2021. However guarantee cover for non fund based facility under the scheme, for a particular borrower shall expire on completion of 5 years from the first date of utilization by the borrower or 30.09.2026, whichever is earlier.</p> | | |
| 8 | Sanctioning Authority | Respective sanctioning authority as per the present delegation matrix based on the aggregate group exposure of the borrower. Deviations if any, shall be sanctioned by the empowered authorities, as per loan policy of the Bank. | | |
| 9 | Repayment | <p>Tenor: Maximum 4 years from the date of first disbursement</p> <p>Moratorium: 12 months for principal only, interest is payable at monthly intervals</p> <p>The principal shall be repaid in 36 equal instalments after the moratorium period is over.</p> <p>Interest to be serviced as and when applied.</p> <p>Pre-payment of facilities to be allowed at no additional charge to the borrower</p> | <p>Tenor: Maximum 5 years from the date of first disbursement</p> <p>Moratorium: 12 months for principal only, interest is payable at monthly intervals</p> <p>The principal shall be repaid in 48 equal instalments after the moratorium period is over.</p> <p>Interest to be serviced as and when applied.</p> <p>Pre-payment of facilities to be allowed at no additional charge to the borrower</p> | <p>Tenor: Maximum 6 years from the date of first disbursement.</p> <p>Moratorium: 24 months for principal only, interest is payable at monthly intervals</p> <p>The principal shall be repaid in 48 equal instalments after the moratorium period is over.</p> <p>Interest to be serviced as and when applied.</p> <p>Pre-payment of facilities to be allowed at no additional charge to the borrower</p> |

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| 10 | Margin | Nil | No margin for funded facility For non-fund based facilities cash margin shall be applicable as per extant guidelines in this regard. | Nil |
| 11 | Interest rate (For funded facilities) | MSME Borrower: Repo Rate linked rate of interest applicable to term loans of 4 year tenor, subject to a cap of 9.25% p.a. Non MSME Borrowers : Six Months MCLR+1%, subject a cap of 9.25% p.a. | MSME Borrower: Repo Rate linked rate of interest applicable to term loans of 5 year tenor, subject to a cap of 9.25% p.a. Non MSME Borrowers : Six Months MCLR+1%, subject a cap of 9.25% p.a. | MSME Borrower: Repo Rate linked rate of interest applicable to term loans of 6 year tenor, subject to a cap of 9.25% p.a. Non MSME Borrowers : Six Months MCLR+1%, subject a cap of 9.25% p.a. |
| 12 | Security | The additional WCTL facility or non-fund based facility shall rank second charge with the existing credit facilities, in respect of underlying security as well as cash flows for repayment, with charge on the assets financed under the scheme to be created within a period of three months from the date of disbursal/ before 30.09.2021/ date of NPA whichever is earlier. Stipulation of second charge has been waived for in respect of all loans upo Rs 25 lakh (outstanding as on 29.02.2020 plus loan sanctioned under the scheme). An undertaking (attached as annexure III) shall be obtained from such borrowers. No additional collateral for funding under GECL. | | |
| 13 | Processing fee/ Pre-payment penalty/ Penal interest | Nil | | |
| 14 | Guarantee Fee payable to credit guarantee trust | Nil | | |
| 15 | Declaration | A declaration cum undertaking as per format specified in HO Cir. No. 73/2020 dt. 20.06.2020 shall be obtained from the borrower | | |
| 16 | Extent of guarantee Coverage | National Credit Guarantee Trustee Company Ltd (NCGTC) shall provide 100% Guarantee coverage on the outstanding amount for the credit facility provided under the scheme as on the date of NPA. | | |

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| 17 | Opt in/ Opt Out option | It is a pre-approved loan and offer shall go out from the bank to the eligible borrowers. Customers have an option to choose 'opt-out' from the scheme. | Facility shall be on 'opt- in' basis only. Facility will be considered only on specific request from borrower. | Facility shall be on 'opt- in' basis only. Facility will be considered only on specific request from borrower. |
| 18 | Turn over criteria | Turnover of the borrower will not be considered as a criteria for sanctioning credit facility under ECLGS scheme. | | |

* In cases where all the loan accounts are less than 30/60 days past due (not classified as SMA - 1, SMA -2 or NPA) but small overdue exceeding 30/ 60 days past due are there in respect of credit card/ savings account/ current account as on 29.02.2020; such cases can be considered eligible under ECLGS, if overdue in credit card/ savings account/ current account as on 29.02.2020 does not exceed 1% of the loan amount (loan amount under the scheme) extended under ECLGS facility. These overdues shall be regularized before disbursal of GECL facility.

Annexure II to HO Cir. No. 56/ 2021 dt. 13.04.2021 - Sectors identified by the Kamath Committee on Resolution Framework.

| Sectors |
|--------------------------------|
| Auto Components |
| Auto Dealership |
| Automobile Manufacturing |
| Aviation |
| Building Materials - Tiles |
| Cement |
| Chemicals |
| Construction |
| Consumer Durables / FMCG |
| Corporate Retails Outlets |
| Gems & Jewellery |
| Hotel, Restaurants, Tourism |
| Iron & Steel Manufacturing |
| Logistics |
| Mining |
| Non Ferrous Metals |
| Pharmaceuticals Manufacturing |
| Plastic Products Manufacturing |
| Port & Port Services |
| Power |
| - Generation |
| - Transmission |
| - Distribution |
| Real Estate |
| - Residential |
| - Commercial |
| Roads |
| Shipping |
| Sugar |
| Textiles |
| Trading – Wholesale |

Annexure III to HO Cir. No. 56/ 2021 dt.13.04.2021 - Draft of Undertaking to be Furnished by the Borrower (loans upto Rs 25 lakh outstanding as on 29.02.2020 plus loan sanctioned under the scheme).

Name and address of bank

Dear Sirs,

Re: Credit Facility provided under the Emergency Credit Line Guaranteed Scheme

1. _____ ("**Borrower**") has availed credit facilities aggregating _____ ("**Existing Facilities**") from _____ ("**Bank/NBFC**"), inter-alia secured by security interest created over the moveable and immoveable properties, of the Borrower. The Borrower has also provided collateral security for the Existing Facilities owned by the sole or joint owner, apart from furnishing the personal / corporate guarantee* by the guarantor(s) as listed below (collectively referred to as "**Security Providers**"), more particularly described about the details of Security created for the Existing Facilities in the Annexure hereto ("**Securities**").
2. , In pursuance to the launch of the Emergency Credit Line Guarantee Scheme dated May 23, 2020 by the Government of India for 100% guarantee against additional credit facilities to eligible Individuals/Business Enterprises/Micro, Small and Medium Enterprises ("**Scheme**"), the Bank/NBFC has sanctioned additional credit facility aggregating _____ ("**additional Facility**") to the Borrower, on ----- . In accordance with the terms and condition of the Scheme, the additional Facility shall be guaranteed by a 100% guarantee provided by the National Credit Guarantee Trustee Company (**NCGTC**) ("**NCGTC/ Guarantor**").
3. In consideration of the Bank/NBFC having agreed to grant the Borrower the additional Facility in terms of the Loan Agreement / documents dated -----
-----, the Borrower hereby undertakes, agree and confirm that
 - (i) the security as provided for the Existing Facility will be considered as extended to secure the obligations under the additional Facility and shall be in full force and effect till all monies due under the Facility are repaid and shall not be affected or discharged by death, insolvency or winding up of the Borrower.
 - (ii) the Borrower will ensure that the Borrower / Security Providers, except for the extension of the security created for the additional Facility after creation of securities for the Existing Facilities, shall not sell, transfer, assign, cede, dispose of, mortgage, charge, pledge or create any lien or in any way encumber the Securities without the prior written consent of the Bank/NBFC, till the Borrower's obligations are duly paid to the satisfaction of the Bank/NBFC towards the Existing / additional Facility under the scheme.
 - (iii) The Borrower/ Security Provider shall ensure that security extended for the additional facilities after creation of the security for the existing facilities, the

