

ECLGS SCHEME



PREFACE

The Emergency Credit Line Guarantee Scheme (ECLGS) was launched by Finance Ministry of India, as a part of the Rs 20 lakhs crores comprehensive package. The Purpose of the ECLGS is to provide an additional credit to the eligible Micro business enterprises, Small & Medium Enterprises (MSME) borrowers by way of additional term loan, to meet their operational liabilities and kick start their businesses again which have been obstructed due to the COVID-19 pandemic crisis.

KEY FEATURES

- No additional collateral requirement
- 12 months principal moratorium
- 48 months tenure from the date of disbursement
- Zero processing fee
- Nil Pre-Closure & Pre-Payment charges
- Interest rate charged is capped at 14%

KEY HIGHLIGHTS

- ECLGS scheme is accessible up to October 31, 2020 or on reaching the threshold stipulated by the Government of India under Emergency Credit Line Guarantee Scheme (ECLGS).
- All MSME borrower accounts with combined outstanding loans across all MLIs of up to Rs. 50 crores as on 29.2.2020, and annual turnover of up to Rs. 250 crores in FY 2019-20. In case accounts for FY 2019-20 are yet to be audited/finalized, the MLI may rely upon the borrower's declaration of turnover.
- The Scheme is valid only for Existing Customers on the books.
- Loans sanctioned under this scheme would be up to 20% of the borrower's total outstanding credit as on 29 February 2020 Subject to Internal assessment by MLI basis simple and enabling assessment criteria.
- Loans provided to Business Enterprises/MSMEs constituted as Proprietorship, Partnership, registered company, trusts and Limited Liability Partnerships (LLPs) shall be eligible under the Scheme. Loans provided in individual capacity also covered under the Scheme subject to end use of funds being for business needs.
- DPD/Past Dues status of the borrower accounts should be less than or equal to 60 Days across MLIs as on 29th Feb 2020.
- The additional Term loan facility granted under ECLGS scheme 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 this Scheme to be created within a period of three months from the date of disbursal.

If you still have any concerns/queries, reach out to your relationship manager /contact us at 07949137777.

For detailed guidelines and FAQs on Emergency Credit Line Guarantee Scheme (ECLGS), please visit: <https://www.eclgs.com/>

Below attachments contain Operational guidelines and FAQs.

- 1) [Operational_Guidelines_ECLGS_Updated_as_on_August_04_2020](#)
- 2) [FAQ](#)

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