

SCHEME INTRODUCTION:

The Emergency Credit Line Guarantee Scheme (ECLGS) was launched by the Government of India, as a part of the Rs 20 lakhs crores comprehensive package. Objective is to provide relief to the MSME sector in the current unprecedented Covid-19 situation by incentivising Lending Institutions to provide additional credit at low cost, thereby enabling MSMEs to meet their operational liabilities and restart their businesses.

A Guaranteed Emergency Credit Line (GECL) by way of a pre- approved sanction limit of up to 20% of loan outstanding as on 29th Feb 2020 shall be offered to all eligible borrowers. The GECL offered shall be in form of Working Capital Term Loan/TL facility and shall be 100% guaranteed by National Credit Guarantee Trustee Company (NCGTC).

SALIENT FEATURES:

- 12 months principal moratorium
- 48 months tenure from the date of disbursement
- No additional collateral requirement
- Loan 100% Guaranteed by NCGTC
- Zero processing fee
- Nil Pre-Closure & Pre-Payment charges
- Interest rate charged is capped at 14%

HIGHLIGHTS OF THE SCHEME:

- 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 Business Enterprises/MSME borrower accounts with combined outstanding loans across all Banks/ FIs of up to ₹ 50.00 Crore as on 29.02.2020 and annual turnover of up to ₹ 250.00 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.
- The Scheme is valid only for existing Ashv 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.

- Loans sanctioned under this scheme would be up to 20% of the borrower's total outstanding credit as on 29 February 2020.
- 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.
- 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 are not covered under the Scheme.
- For loans having co-applicant, only those existing loans where entity is the primary co-applicant are covered under the Scheme for additional emergency funding.
- 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 have any concerns/queries, reach out to your relationship manager/or drop an email on customersupport@ashvfinance.com

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