

CENT Guaranteed Emergency Credit Line (CGECL)

1. At present the entire world is reeling under COVID-19 crisis which is declared as Global Pandemic by World Health Organization. Due to outbreak of COVID-19, though human beings are the most sufferers but the economy of entire world has also been impacted adversely and there is drastic decline in cash flow. Our constituents whom we have financed Working Capital/ Term Loan etc. to run their business are not also isolated and they are facing liquidity crunch.
2. Bank has introduced an Emergency Credit Line Guarantee Scheme (ECLGS) for providing 100% guarantee coverage for additional working capital term loans sanctioned to Business Enterprises /MSMEs, up to 20% of their entire outstanding credit up to Rs.25 crore i.e. upto Rs.5 crore, as on February 29, 2020, subject to the account being less than or equal to 60 days past due as on that date.
3. The details of the proposed product are as under:

1	Name of the product	CENT GUARANTEED EMERGENCY CREDIT LINE
2	Purpose	Additional working capital requirements due to liquidity mismatch arising out of COVID 19. The amount can be utilised for any working capital purposes such as purchase of inputs, payment of wages, salary, other operational expenses and statutory dues etc
3	Nature of facility	Additional Working Capital Term Loan
4	Quantum of finance	Up to 20% of the Combined Fund Based outstanding as on 29/02/2020 with all the Lending Institutions – Maximum amount Rs 5 Crore
5	Eligible Borrowers	<ol style="list-style-type: none"> 1) Business Enterprises / MSME institution borrowers with combined outstanding with all the Member Lending Institutions up to Rs. 25 crore as on 29.2.2020, and annual turnover of up to Rs. 100 crore in FY 2019-20. In case accounts for FY 2019-20 are yet to be audited/finalized, Bank shall rely upon the borrower's declaration of turnover. Credit bureau/ CRILC checks shall be done to assess total outstanding across all MLIs 2) Business Enterprises / MSMEs constituted as Proprietorship, Partnership, registered company, trusts and Limited Liability Partnerships (LLPs) shall be eligible under the Scheme. 3) Loans provided in individual capacity are not covered under the Scheme. However, loan availed in individual capacity under PMMY on or before 29.02.2020 are eligible. 4) 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. 5) The Scheme is valid for existing customers of the Bank as on 29/02/2020. 6) Borrower accounts should be less than 60 days past due as on 29th February, 2020 with all the Lending Institutions. All borrowers which have not been classified as SMA 2 or NPA by any of the MLIs as on 29th February, 2020

		<p>7) For the purpose of this Scheme, Business Enterprises / MSMEs would also include loans covered under Pradhan Mantri Mudra Yojana (PMMY).</p> <p>8) 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> <p>9) It is not necessary that the existing loans of the borrowers should be covered under the existing NCGTC or CGTMSE Scheme.</p> <p>10) Advances given under Cent Trade / Cent Mortgage / Cent Business Loan and any other loan product provided for business purpose etc are covered, subject to fulfilling other eligibility criteria of the scheme and the funds being disbursed are utilised for additional working capital requirement.</p>
6	Period of Loan (door to door tenure)	4 years from the date of first disbursement
7	Moratorium period	12 months from the date of first disbursement- Interest during the moratorium period need to be paid as and when due
8	Repayment period and installment	Repayable in 36 EMI commencing one year after first disbursement
9	Rate of interest	RBLR linked Rate of interest applicable for working capital loans of the respective category (Micro/ Small / Medium) plus the tenor premium applicable for 4 years with a cap of 7.50%
10	Duration / Validity of the scheme	The scheme is valid till 31.10.2020 or till an amount of Rs 3,00,000 crore is sanctioned under the GECL by all the Member Lending Institutions (MLI) opted for the scheme, whichever is earlier.
11	Security	<p>“Primary security” in respect of a credit facility shall mean the assets created out of the credit facility so extended</p> <p>The additional WCTL facility granted under GECL shall rank <i>pari passu</i> with the existing credit facilities in terms of cash flows and security, with charge on the assets financed under the Scheme to be created. Recoveries effected should be appropriated in all term loans, including in the additional WCTL on <i>pari passu</i> basis.</p> <p>No additional collateral shall be asked for additional funding under this scheme.</p> <p>All the existing securities including the assets financed under the scheme shall be extended to the proposed scheme as well.</p> <p>Wherever possible the charge on the security has to be created before disbursement of the loan. In case of any difficulty in creation of security before disbursement (in accounts under MBA/ Consortium/ etc)the charges shall be created within a period of three months from the date of first disbursement.</p>
12	Guarantors	No guarantors
13	Disbursement	The amount will be disbursed as per business requirement.
14	Internal/External Credit Rating	<p>No Minimum level of Internal Credit Rating is stipulated.</p> <p>However, in case of exposures of Rs 5 crore and above the external credit rating should be “BBB” or above OR there has not been downgrade in external credit rating since last sanction.</p>

		In case the existing exposure is below Rs 5 crore and consequent upon sanction of the additional WCTL under this scheme, total exposure sums up to Rs 5 crore & above, the borrower would have to obtain external rating which should be equivalent to “BBB”, or better.
15	Processing Charges	No Processing Charges
16	Penal Interest	No penal interest due to any non-compliance of the already accepted covenants on the existing credit facilities may be charged on additional loans during the sanction time. However, penal interest may be charged for non-compliance of the accepted covenants of the additional working capital term loan extended under the scheme
17	Pre-payment charges	No pre-payment charges
18	Borrowers under MBA/ Consortium	In case a borrower has existing limits with multiple lenders, GECL may be availed either through one lender or multiple lenders depending upon the agreement between the borrower and the Bank. In case the borrower wishes to take from any lender an amount more than the proportional 20% of the outstanding credit that the borrower has with that particular lender, a No Objection Certificate (NOC) would be required from all other lenders. No NOC will, however, be required if the GECL availed from a particular lender is limited to the proportional 20% of the outstanding credit that the borrower has with that lender

4. For further details customers may contact our branches.