

# Emergency Credit Line Guarantee Scheme (ECLGS)



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## Overview

We are glad to inform you that RattanIndia Finance Private Limited (RFPL) is a registered Member Lending Institution (MLI) with National Credit Guarantee Trustee Company (NCGTC) to extend **Term Loan** to our existing Borrowers who meets the primary eligibility criteria under this scheme known as 'Emergency Credit Line Guarantee Scheme (ECLGS)'.

### About 'Emergency Credit Line Guarantee Scheme (ECLGS)'.

To Provide 100% guarantee coverage to Banks and NBFCs to enable them to extend emergency credit facilities to Business Enterprises / MSMEs in view of COVID-19 to meet their additional term loan/additional working capital requirements.

### Salient Features of the Scheme

- **Emergency Credit line:** The amount of Emergency Credit line to be extended to Business Enterprises / MSMEs would be up to 20% of total outstanding as on Feb 29,2020.
- **100% Guarantee Coverage:** 100% Guarantee Coverage for the additional funds sanctioned under the Emergency Credit Line Scheme.
- **Eligible Borrower:** Business Enterprises / MSMEs with outstanding loan of up to Rs. 50 crore as on February 29, 2020 and turnover of up to Rs. 250 crore in FY 2019-20.
- **Interest Rate:** Interest rate charged is capped at 9.25% for banks and 14% for NBFCs.
- **Tenure:** Maximum tenure of 4 years from the date of disbursement.
- **Moratorium:** Moratorium period on Principal amount is 12 months.
- **Charges:** No charges / guarantee fees to be charged by MLIs/NCGTC.



### What is National Credit Guarantee Trustee Company (NCGTC)?

National Credit Guarantee Trustee Company Ltd (NCGTC) is a private limited company which was incorporated in 2014 by the Ministry of Finance as a wholly owned company of Government of India for acting as a common trustee for various credit guarantee schemes.

Through the ECLGS scheme, the NCGTC provides a 100% guarantee coverage in the form of a guaranteed emergency credit line (GECL) facility for an additional funding up to Rs 3 lakh crore to eligible borrowers.

Source ECLGS and NCGTC

## Frequently Asked Question's

**Q. I am existing customer, am I eligible to avail benefit under this scheme?**

**A.** Our existing customer live on books as on date having Small Business Loan, Business Loan and Loan against Property our eligible to apply under said scheme.

**Q. Will loans under the Scheme be automatically given without any application or solicitation from the borrower?**

**A.**

- This is a pre-approved loan subjected to Borrower/s eligible under the scheme and at the discretion of RFPL.
- Borrower will be contacted by RattanIndia Finance Private Limited Employee or by Empanelled channel partners.
- Borrower do have option to directly contact us through our Helpline no 18602581000 during business working hours and days or write us at [wecare@rattanindia.in](mailto:wecare@rattanindia.in). Our team would be happy to assist or contact you within 3 business working days.

**Q. What are the documents and details should I keep ready when I am been contacted by RFPL employee or by its empanelled channel partner?**

**A.**

- a. Application Form duly filled and Signed and Stamped by all applicants
- b. Latest colour Photograph of all Individual borrower / co borrower
- c. Latest KYC as per RBI norms of all borrower and co borrowers
- d. Banking – Latest month of business account
- e. GST certificate / Returns, wherever applicable
- f. Audited & Filed Financials or CA certified Provisional Financials for FY 2019-20, if available.
- g. Undertaking from borrower confirming FY 2019-20 Turnover and total o/s loans as on 29<sup>th</sup> Feb 2020.
- h. Udyog Aadhar Membership Certificate
- i. Loan Agreement as per Product with applicable stamp duty
- j. Any other document as needed during processing of Loan

Point a & i will be provided by our employee or empanelled channel partners

**Q. I am your existing borrower, why do I have to submit the documents again?**

**A.** A new Loan account would be generated for the said scheme hence basic documents would be required to open / start the Loan account as per the RBI KYC Norms.

**Q. I am your existing customer run a business enterprise or have a retail shop; I have a GST registration. However, I am not registered as an MSME nor do I have Udyog Aadhar. I have also not classified me as an MSME borrower by RFPL or any other Finance institution. Am I eligible under the scheme?**

**A.** You are eligible if

- (i) you have total credit outstanding of Rs. 50 Crore or less as on 29th Feb 2020
  - (ii) your turnover for 2019-20 was up to Rs. 250 Cr. (inclusive of all taxes along with GST)
  - (iii) You have a GST registration or were not required to obtain such GST registration
- Udyog Aadhar or recognition as MSME is not required under this Scheme
- (IV) Meets eligible criteria as defined under the said scheme

**Q. What are the eligibility parameters to be eligible under this scheme?**

**A.** Below are the parameters which should be met to avail the scheme benefits

- The Scheme is valid only for existing customers live on books.
- Annual turnover of the entity for the Financial year 2019-20 is not greater than Rs. 250 Cr(inclusive of all taxes along with GST).
- Overall fund based outstanding credit with all banks/NBFCs/FI's as on 29th Feb 2020 is not greater than Rs. 50 Cr.
- No overdues beyond 60 days, across all banks/NBFCs/FI's as on 29.2.2020. Accounts classified as NPA or SMA-2 as on 29.2.2020 will not be eligible under the Scheme.
- GST Registration certificate is Mandatory / Wherever applicable.
- Udyog Aadhar or recognition as MSME is not required under this Scheme
- Loans provided to individuals for own business purposes will be covered under the Scheme.

**Q. How much Loan Am I eligible for under this scheme?**

**A. Loan Up to 20%** of the outstanding principle loan amount as on 29.02.2020

**Q. As per the scheme will I get 20% of the outstanding principle loan amount as on 20.02.2020?**

**A.** RFPL can approve **Loan Up to 20%**, hence the actual amount disbursed can be less than mentioned in the scheme

**Q. What are the other features of this scheme?**

**A.** Below are the features of the Term Loan under this scheme

- Type of Loan: Term Loan
- Tenure of Loan: 48 Months (Maximum)
- Rate of Interest: Attractive interest rate under the said scheme, however final interest rate offered to you will depend on several factors, including RFPL policy at the time of application.
- Processing Fees: Nil
- Pre-Payment / Foreclosure charges: Nil
- Moratorium Offer: Yes
  - 12 months from date of disbursement and Interest shall be payable during the Moratorium
  - The principal shall be repaid in 36 instalments after the moratorium period is over

**Q. What would be the procedure followed in case a borrower has loan accounts with multiple lenders?**

**A.**

- In case a borrower has existing limits with multiple lenders, GECL may be availed either through one lender or each of the current lenders in proportion depending upon the agreement between the borrower and the MLI
- 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 lender, a No Objection Certificate (NOC) would be required from such lenders whose share of loan under ECLGS is being proposed to be taken from the specific lender. However, it would be necessary for the specific lender to agree to provide loan under ECLGS on behalf of such 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.

To know more details and guidelineS on Emergency Credit Line Guarantee Scheme please click to **I Agree**, to open the Link or write us on [wecare@rattanindia.in](mailto:wecare@rattanindia.in). our team would be happy to assist you.

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