



eCircular

Department: CREDIT POLICY AND
PROCEDURES DEPARTMENT

Sl.No.: 1752/2019 - 20

Circular No.: CCO/CPD-ADV/192/2019 - 20

Date: Fri 20 Mar 2020

The Chief General Manager
State Bank of India
LHOs / CAG/ CCG/ SME/ IBG/ SARG

CPP/SS/

Date: 20.03.2020

Madam/ Dear Sir,

COVID 19 EMERGENCY CREDIT LINE (CECL) SANCTION OF AD-HOC LIMITS TO TIDE OVER IMPACT OF COVID-19

With a view to provide some degree of relief to the borrowers whose operations are impacted by Covid 19, it is decided by the Bank to make available additional credit facilities to the eligible existing borrowers by way of ad-hoc facilities i.e COVID 19 EMERGENCY CREDIT LINE (CECL) to tide over the current crisis situation. CECL will be in force upto 30.06.2020.

The detailed product features are as under:

Sr. No.	Parameter	Details
1	Name of the facility	Covid 19 Emergency Credit Line (CECL) by way of SLC
2	Facility Type	Demand Loan. Tenor: 12 months
3	Validity of Scheme	Scheme will be in force upto 30.06.2020.
4	Purpose	To meet the temporary liquidity mismatch arising out of Covid-19.
5	Eligibility	All standard accounts which have not been classified as SMA 1 or 2 as on 16.03.2020 and till the date of sanction are eligible.
6	Loan Amount	a. Limit: Max. 10% of the existing Fund Based Working Capital Limits (FBWC). Max: Rs 200 crs. Existing customers who have availed special loan products like "SME Assist", "SLC for MSME" and "SLC for GST Input Credit"etc are also eligible for the

		<p>facility.</p> <p>However, total additional exposure including the present facility should not exceed 25% of the FBWC exposure.</p> <p>b. Disbursal: The borrower can avail the sanctioned amount in one go.</p> <p>c. The facility will be considered as an exposure on the borrower and guidelines stipulated under the RBI Prudential Norms and market mechanism shall be adhered to.</p> <p>d. The facility shall be made available as Fund Based Limits only.</p>								
7	Repayment	<p>Repayable in 06 equated monthly instalments after a moratorium period of 06 months from the date of disbursement of the loan.</p> <p>Interest to be served as and when applied.</p>								
8	Margin	<p>NIL</p> <p>However, the proposed ad-hoc limits should be covered by the market value of the stocks and receivables as per the Stock statement.</p> <p>Cover period of receivables may be extended by maximum period of three months till closure of the facility.</p>								
9	Interest Rate	7.25% p.a. (fixed)								
10	Security	Extension of charges on the Primary Security / Collateral Security.								
11	Documentation/ ROC Charge	<p>a. As per the extant instructions to be executed before disbursal.</p> <p>b. ROC formalities to be completed within a week time after disbursement.</p>								
12	Processing Fee	NIL								
13	Prepayment Penalty	NIL								
14	Sanctioning Authority	<p>For exposure under the scheme:</p> <p>For R&DB:</p> <table border="1"> <tr> <td>Regional Manager and Scale V Branch Heads, AGMs of SMEC</td> <td>Upto Rs 3.00 cr</td> </tr> <tr> <td>DGMs (B&O)</td> <td>Upto Rs 5.00 cr</td> </tr> <tr> <td>GM (Network)</td> <td>Upto Rs 25.00 cr</td> </tr> <tr> <td>CGM (Circle)</td> <td>Above Rs 25.00 cr</td> </tr> </table>	Regional Manager and Scale V Branch Heads, AGMs of SMEC	Upto Rs 3.00 cr	DGMs (B&O)	Upto Rs 5.00 cr	GM (Network)	Upto Rs 25.00 cr	CGM (Circle)	Above Rs 25.00 cr
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		For CCG & CAG:						
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		The exposure under this scheme to be reported to appropriate authority at the time of next renewal/ review as per extant scheme of delegation of financial powers.						
15	Others	<p>a. The limit will be over and above the ABF.</p> <p>b. The facilities to be made available at the specific request of the borrower, stating that the business has been adversely effected by COVID 19.</p> <p>c. IRAC norms as stipulated to Demand Loan shall be applicable.</p>						

The appraisal for sanction of CECL shall be made in the attached format devised for this specific facility.

Rational: To tide over the liquidity mismatch in our existing borrowers, arising out of Covid 19.

Yours faithfully,

For Deputy Managing Director &
Chief Credit Officer