

Ref. No. CGTMSE /44/

January 19, 2022

All Member Lending Institutions (MLIs) of CGTMSE

Circular No.192 / 2021 – 22

Madam / Dear Sir,

Clarification on updating Outstanding for Working Capital Accounts

Please refer to earlier Circular No 190/ 2021 – 22 dated January 03, 2022 clarifying the fee generation based on outstanding amount. In this regard, we clarify that in case of Working Capital, the maximum outstanding will be restricted at guarantee amount. Frequently asked queries with respect to updation of outstanding for Working capital are suitably modified as per Annexure.

The clarification may please be brought to the notice of all your offices.

Yours faithfully,

Sd/-

(Promod Bakshi)
Deputy General Manager



S No	General Query	Guideline / Clarification
Working Capital (WC) account		
1	What Outstanding is to be updated?	Present / Expected Outstanding is to be updated (subject to maximum of guarantee amount). Updated Outstanding will be treated as Guarantee amount and Fee shall be charged on such Outstanding only.
2	What in case outstanding is negligible / NIL?	No fee will be charged for NIL outstanding and the account will be closed.
3	What in case MLI missed to update outstanding?	Fee shall be charged on last year's outstanding / Guarantee Amount.
4	What outstanding to be updated where WC is not availed in last FY?	Expected Maximum Outstanding may be updated for calculation of fee amount. (subject to maximum of guarantee amount)
5	Maximum Claim Limit	Maximum eligible limit for claim shall be the outstanding on which fee is paid.
6	In case of Hybrid Model, what outstanding amount is to be updated?	Present / expected outstanding without deducting collateral value (as the collateral value will be deducted by our system from the updated outstanding for calculation of guarantee fee). It is subject to maximum of guarantee amount.
7	In case of Hybrid Model, how is the fee calculated?	<p>Fee is calculated on derived outstanding by netting off collateral value (as provided by MLI) from the updated outstanding. It is subject to maximum of guarantee amount.</p> <p>Derived O/s for fee generation = Present / expected outstanding less collateral value mentioned at the time of guarantee coverage.</p>

8	What if the Outstanding updated / derived is greater than Guarantee amount?	Fee will be charged on Guarantee amount. In case MLI need to avail higher guarantee, it can be done so by enhancing the guarantee limit
9	Can Outstanding amount be Higher than amount provided last year?	Yes. Claim and fee will subject to maximum of guarantee amount.
Term Loan (TL) account		
10	What Outstanding is to be updated?	Principal outstanding amount as on 31st December.
11	What in case outstanding is negligible / NIL?	No fee will be charged for NIL outstanding and the account will be closed.
12	What in case MLI missed to update outstanding?	Fee shall be charged on last year's outstanding / Guarantee Amount.
13	Maximum Claim Limit	Maximum eligible limit for claim shall be the outstanding on which fee is paid.
14	If the TL is undisbursed/ partially disbursed, how is the AGF calculated?	In case of undisbursed/ partially disbursed TL, fee shall be generated on Guarantee amount (including Hybrid case).
15	Can Outstanding amount be Higher than amount provided last year?	No, in case of fully disbursed TL, the outstanding cannot be higher than outstanding updated last year. However, in case of undisbursed/ partially disbursed Term Loans, system will allow feeding higher o/s amount as compared to last year.
16	In case of Hybrid Model, what outstanding amount is to be updated?	Actual principal outstanding as on 31st December without deducting the collateral value.
17	In case of Hybrid Model, how is the fee calculated?	Fee is calculated on derived outstanding by netting off collateral value from the outstanding as provided by MLI. Derived outstanding for fee

		generation = Actual principal outstanding as on 31st December less collateral value as mentioned at the time of guarantee coverage.
18	What if the Outstanding updated / derived is greater than Guarantee amount?	Fee will be charged on Outstanding or Guarantee Amount whichever is low.
General		
19	Data Collection frequency	MLIs are required to update outstanding data every year on CGTMSE portal by January 15 th or any such date as prescribed by the Trust for calculation of AGF.
20	Can Outstanding be updated or modified after generation of AGF?	<p>In case of Working Capital, MLI can apply for enhancement of limit/ outstanding by paying additional guarantee fee for the enhanced limit.</p> <p>In case of Term Loan, System will not allow any modification in Outstanding data after Jan 15 or any such date prescribed by the Trust or after generation of AGF.</p>