

CREDIT GUARANTEE SCHEME FOR EXPORTERS
(Addendum to Corporate Credit Policy and Retail Lending and Payments Policy)

A. BACKGROUND AND REFERENCE:

The Govt. of India has on November 19, 2025, announced the 'Credit Guarantee Scheme for Exporters (CGSE)' along with the formation of a Trust/Fund to manage the Scheme (viz. the Credit Guarantee Fund for Exporters (CGFE)). The CGFE has been formed by Department of Financial Services, Ministry of Finance and shall be managed by National Credit Guarantee Trustee Company Limited (NCGTC).

The CGSE has been announced to provide support to businesses whose exports have been impacted by the enhanced US Tariffs announced earlier this year. The support would be in the form of guarantee coverage for credit assistance to eligible exporters (both direct and indirect), including eligible Micro, Small and Medium Enterprise (MSME) exporters.

Details of the Proposed Policy

Date of commencement of the CGSE	The guidelines have come into force from November 19, 2025 which is the date of issue of these guidelines by NCGTC. All eligible loans sanctioned on or after the date of announcement shall be eligible for coverage under the Scheme
Duration of the CGSE	The scheme is being made available from November 19, 2025 till issue of guarantees for loans amounting to Rs. 20,000 crore or March 31, 2026, whichever is earlier.
Member Lending Institution (MLI)	Axis Bank as a Scheduled Commercial Bank (SCB) is eligible to register as a MLI under the CGSE. Registration has been completed under the CGSE Scheme.
Borrowers eligible to seek support under the CGSE	<p>The CGSE Scheme would be only for existing borrowers of the Bank as on September 30, 2025</p> <ol style="list-style-type: none"> Direct exporters <ul style="list-style-type: none"> MSME units with at least 5 per cent of their turnover through exports Other units (Non-MSME), with at least 20 per cent of their turnover through exports <p>Sectors and countries that will be considered to assess the above-mentioned percentage of turnover is defined below</p> Indirect exporters. MSME units who supply at least 30 per cent of their total turnover to the units mentioned in (1) above <p>The borrower account, otherwise eligible under the scheme, should not be an NPA with any lender as on the date of sanction / disbursement of loan under the Scheme.</p> <p>Note:</p> <ul style="list-style-type: none"> Condition mentioned in point (i) & (ii) above may be satisfied with respect to either of the previous two financial years viz. FY24 and FY25. In case of MSME, they should have a valid Udhyam Registration Number;

	<ul style="list-style-type: none"> The borrower classified under the direct exporter category must have active export working capital limits and those classified under indirect category should have active working capital limits with the Bank at the time of sanction/disbursement of this loan. The accounts of the eligible borrowers should be in Standard category (excluding SMA-2 accounts), i.e. not exceeding 60 days overdue across all lenders, as verified through Credit Bureau report) as on September 30, 2025 and not an NPA as on the date of sanction/disbursement of facility. Bank will evaluate proposals based on past track record, information provided, credit due diligence, business model risk and bureau information
Export criteria w.r.t sectors and countries	<p>The eligibility criteria for direct exporters will be based on the proportion of their turnover attributable to exports to the US market in the under mentioned sectors:</p> <ol style="list-style-type: none"> 1. Carpet 2. Marine Products 3. Ready-made garments of all textiles 4. Gems And Jewellery 5. Handicrafts Excl. Hand Made Carpet 6. Cotton Yarn / Fabs. / Madeups, Handloom Products Etc. 7. Jute Mfg. Including Floor Covering 8. Leather And Leather Manufactures 9. Plastic And Linoleum 10. Cereal Preparations and Miscellaneous Processed Item 11. Man-Made Yarn/Fabs./Madeups Etc. 12. Engineering Goods 13. Ceramic Products and Glassware 14. Spices 15. Organic and Inorganic Chemicals 16. Tea 17. Mica, Coal and Other Ores, Minerals Including Process 18. Fruits And Vegetables 19. Coffee 20. Oil Seeds 21. Tobacco 22. Meat, Dairy and Poultry Products 23. Rice 24. Cashew 25. Other Cereals 26. Oil Meals <p><i>Note:</i></p> <p><i>Exports in the Drugs & Pharmaceuticals, Electronics, and Petroleum sectors are not impacted by the recent US tariff hikes and are therefore excluded from CGSE eligibility. However, this list will be updated as and when US imposes tariffs on new sectors or withdraws tariffs from existing ones.</i></p>
Quantum of support	Quantum of Support, per borrower:

	<p>Direct exporters: Up to 20 per cent of sanctioned export working capital limits (fund based and non-fund based). (Note: This is being currently interpreted as 20% of sanctioned export fund-based facility plus 20% of total sanctioned non-fund facility as on September 30, 2025)</p> <p>Indirect exporters: Up to 20 per cent of the sanctioned working capital limits (fund based and non-fund based)</p> <p>Maximum Loan Amount: ₹50 crore per borrower (in rupee currency only). Working capital limits (i.e. Export working capital limits for Direct exporters; Domestic working capital limits for indirect exporters) existing on September 30, 2025 to be considered for the calculation of proposed facility.</p> <p>For indirect exporters, in case the outstanding is lower than the sanctioned amount in the existing fund based working capital account, the lender shall first utilize such available balances before extending credit under the Scheme</p> <p>Guarantee Cover-100%</p> <p>Tenor of the Loan – 4 years fixed, including 1 year moratorium. The loan shall be repayable in equal monthly instalments after the moratorium period;</p>
Security related features	<ul style="list-style-type: none"> • The Bank shall hold charge on the primary securities (existing and proposed under the Scheme) and on existing collateral securities on behalf of NCGTC and shall ensure that necessary documentation in this regard is done prior to the account turning NPA, failing which claim shall not be entertained; • No additional collateral may be sought for additional funding under the Scheme; • No fresh personal / corporate guarantees or extension of existing personal / corporate guarantee may be obtained. • The facility sanctioned under the Scheme would rank second charge with the existing credit facilities in terms of cash flows (including repayments) and security, with charge on assets to be created by the Bank before the account turns NPA; • The Bank shall ensure that the interest of NCGTC is safeguarded at all times. It shall ensure to take similar legal action on the existing credit facilities enjoyed by the borrower (other than loan sanctioned under CGSE) and facility under the Scheme, failing which claim shall not be entertained.
Invocation related features	<ul style="list-style-type: none"> • Lock in period for invocation of guarantee shall be 6 months from the date of commencement of guarantee cover. • Invocation of claim would be considered only if the conditions of the Scheme have been complied with and claim has been filed on the NCGTC's portal with requisite documents. • Subject to above-mentioned lock in period and the claim being found otherwise to be in order and complete in all respects, the Trust shall pay: <ul style="list-style-type: none"> a. Seventy Five percent (75%) of the eligible claim amount upon submission of proof of having the account turned NPA and subject to compliance of the other terms/conditions of the scheme;

	<p>b. Balance twenty five percent (25%) of the eligible claim amount upon conclusion of the legal proceedings / settlement under OTS or upon the legal case becoming time barred, whichever is earlier.</p> <ul style="list-style-type: none"> • It has been clarified that a mere issue of recall notice would not be construed as initiation of legal action. Legal action shall be considered as initiated upon filing of application in Lok Adalat, Civil Court, DRT or after action pursuant to the notice issued under Section 13(4) of SARFAESI Act, 2002 or after admission of application under NCLT or such other action as may be decided by NCGTC from time to time. • One Time Settlement, either directly or through Lok Adalat or otherwise, shall be allowed only after the Bank has initiated legal proceedings upon account turning NPA, 1 year has elapsed since commencement of legal proceedings, compliance is ensured with other terms of the Scheme guidelines and OTS is found eligible by the Bank as per its Board approved Compromise and Settlement policy. However, in all OTS cases, the guarantee cover shall reduce by 10% i.e. from the present 100% to 90% of the amount in default for settlement of claim.
Pricing and other commercial aspects	<ul style="list-style-type: none"> • No processing fee shall be charged for sanction of this facility. • Interest rate on facility under the Scheme – 1% below any of the existing fund based working capital facilities of the borrower with the Bank on date of issue of guidelines, capped at 10% p.a. (for Banks/FIs) and subject to extant RBI guidelines. • If Bank has sanctioned only foreign-currency working capital facilities to a borrower, it shall provide support under the Scheme at an interest rate that is 1% below the rate that would have been applicable for rupee export credit to the same borrower, as per pricing policy of respective segment and the borrower's credit rating (subject to the cap mentioned above). • No Guarantee Fee shall be charged from the Banks by NCGTC for the credit facilities provided under the Scheme.
Appropriation of amount realized by the Bank in respect of a credit facility after the guarantee has been invoked	<p>Post invocation of the guarantee claim, if any recoveries are made in the account, the Bank shall first adjust such recoveries towards default amount relating to first charge and the legal costs incurred for recovery of the amount and shall thereafter remit to NCGTC the balance recoveries.</p>
Subrogation of rights and recoveries on account of claims paid	<p>(i) The Bank shall furnish to the Trust/NCGTC, the details of its efforts for recovery, realizations and such other information as may be demanded or required from time to time. The Bank will hold lien on assets created out of the credit facility extended to the borrower, on its own behalf and on behalf of the Trust. The Trust shall not exercise any subrogation rights and that the responsibility of the recovery of dues including takeover of assets, sale of assets, etc., shall rest with the Bank.</p> <p>(ii) In the event of a borrower owing several distinct and separate debts to the Bank and making payments towards any one or more of the same, whether the account towards which the payment is made is covered by the guarantee of the Trust or not, such payments shall, for the purpose of this clause, be deemed to have been appropriated by the Bank to the debt covered by the guarantee and in respect of which a claim has</p>

		<p>been preferred and paid, irrespective of the manner of appropriation indicated by such borrower or the manner in which such payments are actually appropriated.</p> <p>(iii) Every amount recovered and due to be paid to the Trust shall be paid without delay, and if any amount due to the Trust remains unpaid beyond a period of 30 days from the date on which it was first recovered, interest shall be payable to the Trust by the Bank at the rate which is 4% above Repo Rate for the period for which payment remains outstanding after the expiry of the said period of 30 days.</p>
Returns & Inspections		<p>(i) The Bank shall submit such statements and furnish such information as the Fund may require in connection with guarantee under this Scheme.</p> <p>(ii) The Bank shall also furnish to NCGTC all such documents, receipts, certificates and other writings as the latter may require and shall be deemed to have affirmed that the contents of such documents, receipts, certificates and other writings are true, provided that no claim shall be rejected and no liability shall attach to the Bank or any officer thereof for anything done in good faith.</p> <p>(iii) The Fund shall, insofar as it may be necessary for the purposes of the Scheme, have the right to inspect or call for copies of the books of account and other records (including any book of instructions or manual or circulars covering general instructions regarding conduct of advances) of the Bank, and of any borrower from the Bank. Such inspection may be carried out through the officers of the Fund or any other person appointed by the Fund for the purpose of inspection. The Bank shall make available to the officers of the Fund or the person appointed for the inspection as the case may be, the books of account and other records and information which are in his possession.</p> <p>The SOP will specify the department which would be responsible for this process</p>
Credit facilities not eligible under the Scheme		<p>The Guarantee Cover under the Scheme shall not be eligible for credit facility:</p> <p>(i) in respect of which risks are additionally covered under a scheme operated / administered by Reserve Bank of India or by the Central Government or by any general insurer or any other person or Association of Persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered.</p> <p>(ii) which does not conform to, or is in any way inconsistent with the Scheme Guidelines or provisions of any law or any directives or instructions issued by the Central Government or the Reserve Bank of India which may, for the time being, be in force.</p>
Axis Bank's responsibilities under the CGSE Scheme		<p>(i) Enter the date of NPA, on the portal of NCGTC, within 90 days of account turning NPA;</p> <p>(ii) Enable communication of the Scheme to the eligible borrowers by highlighting the Scheme details on their website and linking to the Scheme webpage;</p> <p>(iii) Create awareness for the Scheme by enabling communication of the Scheme through SMS and e-mail campaigns;</p>

	<ul style="list-style-type: none"> (iv) Check and satisfy the borrower eligibility for facility under the Scheme. Guarantee shall be extended at the time of application based upon the Bank's certification. The Bank should retain the details of the eligibility which shall be checked at the time of claim settlement; (v) Closely monitor the borrower account, and shall put in all required efforts to ensure that the account is serviced regularly; (vi) Safeguard the primary and collateral securities in respect of the credit facility in good and enforceable condition; (vii) Take immediate necessary steps for recovery of its dues upon account turning NPA; (viii) Ensure that the guarantee claim in respect of the credit facility is lodged with the Trustee Company in the form and in the manner and within such time as may be specified by the Trustee Company in this behalf; (ix) Ensure that there are no delays on its part to notify the default in the borrowers account which shall result in the Trustee Company facing higher guarantee claims; (x) The payment of guarantee claim by the Trustee Company to the Bank does not in any way take away the responsibility of the Bank to recover the entire outstanding amount of the credit from the borrower. The Bank shall exercise all the necessary precautions and maintain its recourse to the borrower for entire amount of credit facility owed by it and initiate all necessary actions for recovery of the outstanding amount, including such action as may be advised by the Trustee Company; (xi) The Bank shall comply with such directions as may be issued by the Trustee Company from time to time for facilitating recoveries in the guaranteed account, or safeguarding its interest as a guarantor, as the Trustee Company may deem fit and the Bank shall be bound to comply with such directions; (xii) The Bank shall, in respect of any guaranteed account, exercise the same diligence in recovering the dues, and safeguarding the interest of the Trustee Company in all the ways open to it as it might have exercised in the normal course if no guarantee had been furnished by the Trustee Company; (xiii) The Bank shall, in particular, refrain from any act of omission or commission, either before or subsequent to invocation of guarantee, which may adversely affect the interest of the Trustee Company as the guarantor; (xiv) The Bank shall ensure either through a stipulation in an agreement and/or sanction letter with the borrower, that it shall not create any charge on the security held in the account covered by the guarantee for the benefit of any account not covered by the guarantee, with itself or in favour of any other creditor(s); (xv) Further the Bank shall secure for the Trustee Company or its appointed agency, through a stipulation in an agreement and/or sanction letter with the borrower, the right to list the defaulted borrowers' names and particulars on the website of the Trustee Company.
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