Emergency Credit Line Guarantee Scheme (ECLGS) 5.0

Government of India, through the National Credit Guarantee Trustee Company Ltd. (NCGTC), has introduced the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 vide Operational Guidelines dated 08.05.2026, with the objective of providing additional credit facility to tide over any short-term liquidity support to eligible borrowers affected by the prevailing West Asia crisis and the resultant economic disruptions.

Eligible borrower under ECLGS 5.0:

- All business enterprises including MSMEs having fund based working capital limits from DBIL as on 31.03.2026.
- The borrower's credit facilities should be categorized as 'standard' (excluding SMA-2) as on 31.03.2026 across all lenders.
- Borrowers who have availed additional credit facility under Credit Guarantee Scheme for Exporters (CGSE) are not eligible under the extant scheme upto the limit already availed under CGSE.
- Business enterprises in the scheduled airlines sector having outstanding credit facilities (fund based and non-fund based both) from DBIL as on 31.03.2026.
- Non-MSMEs in below sectors, will be excluded from the purview of the Scheme: -
    - Non-Banking Financial Companies
    - Power (Generation, transmission and distribution)
    - Telecom
    - Sugar & Ethanol
    - Information Technology
    - Paper & Paper products
    - Educational Institutions
    - Beverages (excluding Tea and Coffee) and Tobacco

Silent features of the ECLGS 5.0 scheme

Credit Guarantee coverage:

- MSME: 100% of default amount
- Non-MSME: 90% of default amount

Maximum Loan amount:

- **MSMEs/Non MSMEs (except Airline sector):** Up to 20% of the peak (highest level) fund-based working capital outstanding during the fourth quarter of FY 2025-26. (i.e., between 01.01.2026 and 31.03.2026 both days inclusive)
- **Airline Sector**: Up to 100% of the total peak credit outstanding (fund-based and non-fund based) during the fourth quarter of FY 2025-26. (i.e., between 01.01.2026 and 31.03.2026 both days inclusive)

Interest rate under the Scheme:

- MSME: EBLR +0.75% with a cap of 9% p.a.
- Non-MSME: MCLR +0.75% (capped at a maximum of 9% p.a.)

Fees and Charge:

- Guarantee Fees: Nil
- Processing Fees: Nil
- Pre-payment charge: Nil

Term of the loan:

- **For MSMEs/Non MSMEs (except Airline sector):** 5 years from the date of first disbursement including moratorium of 1 year.
- **For Airline sector** 7 years from the date of first disbursement including moratorium of 2 years.

Security: Charge to be created on existing securities (primary as well as collateral) and on assets created out of the loan under ECLGS 5.0.

Note:

- The ECLGS 5.0 scheme is applicable subject to borrower meeting eligibility criteria prescribed under the Scheme, satisfactory assessment by DBIL and compliance with applicable policy, guidelines and documentation.
- Applications under the scheme are to be routed through JanSamarth portal., self-declaring the required details in the application form
- For any further information/assistance required, please contact your Relationship Manager.