Frequently Asked Questions (FAQs)
on Emergency Credit Line Guarantee Scheme (ECLGS) 5.0
(Updated up to 07.07.2026)

1. **What is ECLGS 5.0?**

Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 is a scheme launched by the Government of India to provide credit guarantee coverage for MSMEs (100%) and non-MSMEs as well as scheduled passenger airline (referred hereinafter as airline sector (90%), to Member Lending Institutions (MLIs) for the amount in default under additional credit facility extended to the eligible borrowers to tide over any short-term liquidity mismatches in view of West Asia crisis.

The Scheme shall be managed by National Credit Guarantee Trustee Company Limited (NCGTC), a wholly owned company of Department of Financial Services (DFS), Ministry of Finance, Government of India, as a Trustee.

2. **What is the objective of the Scheme?**

The Scheme has been formulated as a targeted policy response to the exceptional circumstances arising from the West Asia crisis. It seeks to extend critical support to borrowers by incentivizing Member Lending Institutions (MLIs) to provide additional working capital term loan for business purposes, thereby enabling them to navigate the prevailing economic challenges more effectively.

3. **What is the duration of the scheme?**

The Scheme would be applicable to all loans sanctioned during the period from the date of issue of these guidelines by NCGTC up to 31.03.2027 or till guarantees for an amount of Rs.2,55,000 crore are issued, whichever is earlier. The credit facilities to be released in tranches of Rs 1,05,000 Crore (including Rs 5000 crore airline sector).Subsequent tranches up to overall limit of Rs 2,55,000 crore to be released based on assessing the situation as they arise.

4. **What is the maximum amount of loan eligible for support under the Scheme?**

MSMEs/Non MSMEs (except Airline sector)
Up to 20% of the peak 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), subject to maximum of Rs.100 crore per borrower across all MLIs

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), subject to maximum of Rs.1500 crore per borrower across all MLIs. (Of this, any amount beyond ₹1,000 crore and Up to ₹1,500 crore shall be permitted only with a equal amount of equity contribution from the promoters/owners).

5. **What is meant by “peak working capital utilization”?**

   It refers to the highest level of working capital usage by the borrower during Q4 FY 2025–26. This acts as the benchmark for calculating eligible additional funding.

6. **Can ad-hoc limits granted be used to inflate ECLGS 5.0 eligibility?**

   Only regular sanctioned credit exposure as per bank’s credit policy system should be considered under the scheme.

7. **What would be the guarantee coverage under the Scheme?**

   The entire funding provided under the scheme shall be provided with a **<u>100%</u>** guarantee coverage **<u>for MSMEs</u>** and **<u>90%</u>** guarantee coverage for **<u>Non MSME and Airlines Sector</u>**.

8. **Will MLIs ask for any additional collateral/personal/corporate guarantee under the scheme for MSME/Non-MSMEs (except Airlines Sector)?**

   No fresh collateral/personal/corporate guarantee shall be sought for credit facility under the Scheme for MSME/Non-MSMEs (except Airlines Sector).

9. **What will be the security on credit extended under the Scheme?**

   The facility sanctioned under the Scheme shall rank second charge with the existing credit facilities (primary and collateral) and the MLIs shall ensure to create charge on existing securities (primary as well as collateral) and on assets created out the loan under ECLGS 5.0, within 90 days from the date of first disbursement.

10. **Which are the specific industry sector not covered under the scheme**

    The scheme is admissible for all sectors if the borrower is an MSME. However, for non-MSME borrowers, the following sectors fall under the negative list:

    - NBFCs
    - Power (Generation, transmission and distribution)
    - Telecom Service Providers
    - Sugar & Ethanol
    - Information Technology Companies
    - Paper & Paper products
    - Educational Institutions
    - Beverages (excluding Tea and Coffee) and Tobacco

    If a borrower is operating under multiple sectors and if any ineligible sector is also part of their business, eligibility will be arrived by the bank based on their proportionate turnover in eligible sector for the FY ending 31.03.2026

11. **Will any guarantee fee be charged under the Scheme by NCGTC**

    No, NCGTC will not charge any guarantee fee under the Scheme

12. **Will there be any processing fee to be charged by MLIs for sanction of credit facility under ECLGS 5.0?**

    Since additional credit is to be provided to existing customers, no processing fee shall be charged by lenders for ECLGS facility.

13. **The borrower of loan under the Scheme proposes to pre-pay the loan anytime during the repayment period. Can the MLI charge pre-payment penalty?**

    No pre-payment penalty should be charged on early repayment of the loan under the Scheme.

14. **My MLI has offered me loan of 10% only though the scheme mentions 20% for MSME/Non-MSME (except for Airlines sector). Can the MLI do so?**

    Under the scheme, MLIs are to offer loans up to 20% of peak fund based working capital outstanding, as defined in the scheme, depending on the **assessed** requirement of the customer for working capital.

15. **Para 6(a) of the Guidelines provides that the quantum of support for MSMEs/Non-MSMEs (except the airline sector) shall be up to 20% of the peak fund-based working capital outstanding during Q4 of FY 2025–26 (i.e., from 01.01.2026 to 31.03.2026, both days inclusive). Which credit facilities are to be considered under fund-based working capital outstanding for this purpose?**

    For the purpose of calculating fund-based working capital outstanding, the credit facilities to be considered shall include Cash Credit (CC), Overdraft (OD), Working Capital Demand Loan (WCDL), Working Capital Term Loan (WCTL), Bills discounted, Packing Credit etc. Please note, these examples of credit facilities mentioned are indicative. Any Fund Based Working Capital (FBWC) credit facility irrespective of the product category shall be considered eligible, provided MLI has satisfied itself about the purpose of the facility as working capital and has classified it as FBWC in its books. However, it may be noted that these should be regular working capital facilities. Ad-hoc limits, temporary overdrafts or any FBWC in the nature of one-time limits are not to be considered for arriving at the eligibility.

16. **Can new borrowers get covered under the scheme?**

    The scheme is only for existing borrowers on the books of the MLIs as on reference date i.e; March 31,2026.

17. **As per Para 4(iii) of the guidelines, under "Eligible Borrower" for ECLGS 5.0, it is stipulated that "the borrower's credit facilities should be categorized as 'Standard' (excluding SMA-2) as on 31.03.2026." Whether the borrower is required to be classified as "Standard" (excluding SMA-2) across all Member Lending Institutions (MLIs) as on 31.03.2026?**

    Yes. The account has to be standard and not SMA-2 as on 31.03.2026 across all lenders.

18. **In case where the original loan is an unsecured loan (i.e. with no primary or**

collateral security), is it required to create a charge within a period of 3 months as applicable for ECLGS scheme?

If the underlying loan is unsecured in nature, no charge is required to be created/extended.

19. **Will the interest rate under ECLGS 5.0 be capped for MSMEs/Non MSMEs (except Airline sector)?**

    Yes, interest rates shall be capped as under:

    Banks/FIs:

    MSMEs – EBLR+0.75% with a cap of 9% p.a.
    Non-MSMEs – MCLR+0.75% with a cap of 9% p.a.

    (For MSMEs, if the bank uses any other nomenclature instead of EBLR for lending to MSMEs or any other standard or uniform benchmark as per their internal policy for pricing of MSMEs as per RBI guidelines, the same can be used as the benchmark for deciding the applicable interest rate).

    NBFCs: ROI shall not exceed 13% p.a.

    For Airline sector: To be decided as per the board approved policy of the lending institution.

    EBLR for the purpose will be the rate as defined by the bank in their credit policy / pricing policy as ***External Benchmark + Spread*** as applicable to MSME loans.

20. **How can a Member Lending Institution (MLI) be registered under this scheme?**

    All Member Lending Institutions may register itself under the said scheme by submitting a signed undertaking (format given on website www.ncgtc.in) along with certified copy of Board Resolution. Upon successful registration, the eligible lender shall be known as Member Lending Institution (MLI) and its login credentials shall be created and shared based on which it can apply for guarantee cover on loans sanctioned on NCGTC's portal.

21. **What are the steps to be followed for the issuance of guarantee cover under the ECLGS 5.0 Scheme on the JanSmarath portal?**

    In order to facilitate the borrowers, the JanSamarth Portal administered by PSB Alliance is identified as an exclusive platform for application of ECLGS 5.0 facility. The concerned stakeholders are advised to refer the below mentioned steps for the issuance of guarantee on the Portal :

    I. Borrower Application Process

    1. A borrower shall mandatorily apply on the JanSamarth portal, self-declaring the required details in the application form.
    2. The application will then be forwarded to the lender's branch as selected by the borrower during the loan application journey.
    3. The lender shall assess the borrower's eligibility under the Scheme and, upon satisfactory evaluation, sanction the credit facility.

4. The Sanction details updated by the lender on JanSamarth portal shall be shared on real-time basis with NCGTC.

II. For Lenders

1. Lenders that are already on-boarded with the JanSamarth Portal will receive borrower applications submitted through the portal to the respective branch, as selected by borrower during the application journey.
2. Lenders that are not yet onboarded onto JanSamarth portal, are required to partner with JanSamarth to participate in the scheme by sending an email request to "avp.projectmanager2@psballiance.com". (https://www.jansamarth.in/our-partners)
3. Upon completion of onboarding, lenders details shall be updated on JanSamarth portal and accordingly borrowers can apply by selecting the onboarded lenders.

III. Issue of Fresh Guarantee (Sanction Loan)

Automatic Approval : Guarantee needs to be lodged by the MLI as per template provided by NCGTC. The system would automatically validate the guarantee lodgement details along with loan application number and sanction details as received from Jan Samarth portal and generate a Credit Guarantee Permanent Account Number for the lender's future reference.

IV. Tranche Disbursement Details

Reporting Disbursements: For each tranche of the loan disbursed, the MLI must enter the disbursement details on the JanSamarth portal. The information will be transmitted automatically to NCGTC through JanSamarth.

22. I am an eligible borrower having availed loan under the scheme. Till which date can I avail disbursement?

The last date for sanction under the scheme is March 31, 2027. The entire disbursement under fund-based facilities must be completed on or before June 30, 2027. In the case of non-fund-based facilities, at least the first tranche must be utilized on or before June 30, 2027.

23. What would be the procedure for filing and settlement of claims under the scheme?

NPA Marking –

NPA marking module shall be available on the portal under Claim & Settlement, wherein provision shall be made for NPA marking. MLI needs to mark NPA within 90 days of the account being classified as NPA.

Interim Claim –

The MLI shall furnish the details of the NPA account while lodging interim claim along with following documents:

i. Sanction letter of facility under the Scheme;
ii. Loan ledger of the borrower's existing facility for the fourth quarter of FY 2025–26 (i.e., from 01.01.2026 to 31.03.2026, both days inclusive).
iii. Loan Ledger of facility under the Scheme till date of claim indicating date wise outstanding balance;
iv. Credit Bureau report/data evidencing status of account on reference date i.e.

March 31,2026

v. Document evidencing the Legal action taken

The MLI shall furnish the details of the NPA account which would include amount in default, status of legal action etc. in the claim lodgement page on the portal. The MLI would also be required to upload Management Certificate certifying certain details about the account. On submission of this claim, NCGTC would initiate action to approve the claim request and arrange to pay 75% of the amount in default within 30 days of the claim date, provided all requisite documents are submitted and the claim is found to be in order and complete in all respects. This shall be treated as Interim Claim.

The MLI shall also furnish details of the recoveries in the account and after adjusting such recoveries towards the legal costs incurred by them, remit the balance amount to NCGTC within 30 days, failing which MLI shall be required to pay the recovered amount along with interest at 4% over and above the prevailing repo rate for the period for which payment remains outstanding beyond the expiry of the said period of 30 days.

Final Claim-

The balance 25 per cent of the guaranteed amount will be paid on conclusion of recovery proceedings or three years from date of settlement of first claim, whichever is earlier.

24. When would recovery proceedings be considered as initiated on the part of lending institution, which is essential prior to lodging of interim claim?

Mere issue of recall notice shall 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.

25. I am an eligible MLI having extended assistance under scheme to an eligible borrower. The borrower has approached for release of existing full/partial security or replacement of security. Is it permitted?

Release of existing securities is not permitted under scheme. Replacement of security is permitted subject to the MLI ensuring that the new securities are clear/marketable and not below the value of existing securities till loan under scheme is extinguished.

26. I am an eligible MLI having extended facility to an eligible borrower. The borrower account had subsequently turned NPA, due to which claim was filed with NCGTC and interim claim amount has since been received. The account has now turned back Standard. Whether guarantee under scheme would continue to be available on the said account?

The MLI should refund the claim amount/recoveries immediately. Delay in refund of the amount may result in such other action as deemed fit by NCGTC.

As the claim (whether interim or final) has already been made, account gets closed in the system of live guarantees and, therefore, continuation of the guarantee on the said account is not possible. If, however, the claim has not been made and the account turns Standard, provision for continuation of the guarantee and reversal of NPA status has been made in the system.

27. **I am an eligible borrower, but my lender feels otherwise. Who shall decide my eligibility under the scheme?**

    The scheme parameters have been clearly defined in the Scheme guidelines and FAQs shall be issued from time to time for further clarification. It is the responsibility of the MLI to check the eligibility of the borrower and satisfy itself and sanctioning of credit facility should be based on the credit policy of the MLI.

28. **To avail ECLGS 5.0, will it be necessary for existing loans of the borrower to be covered under existing guarantee schemes such as CGFMU or CGTMSE**

    No.

29. **MLI 'A' has taken guarantee cover under ECLGS 5.0 for a loan provided to a specific borrower. MLI 'B' takes over the said loan from MLI 'A' anytime during the repayment period. How will the guarantee provided under ECLGS 5.0 be transferred from MLI 'A' to MLI 'B' and what would be the repayment schedule of the said loan under ECLGS 5.0 with MLI 'B'.**

    Suitable interface shall be created on the portal of NCGTC to enable the same. However, please note that there shall not be any change in repayment schedule, which should be as per scheme guidelines and original sanction terms of MLI 'A', even after the takeover.

30. **I am an eligible Borrower and had already availed facility under Credit Guarantee facility for Exporters- (CGSE). What will be the treatment of my eligibility under ECLGS 5.0 Scheme ?**

    Borrowers who have availed additional credit facility under Credit Guarantee Scheme for Exporters (CGSE) shall be eligible under the ECLGS 5.0 after netting off the limit already availed under CGSE.

31. **Whether NOC from existing charge holder lender is mandatory for creation of second charge under ECLGS 5.0? Can deemed NOC be considered?**

    Where the ECLGS 5.0 facility involves creation of second charge on existing securities charged to another lender, the lending institution may seek NOC from the existing charge holder. However, if no adverse communication is received from the existing lender within the stipulated period of 7 working days, the consent may be treated as "deemed NOC,"

32. **I am an eligible borrower banking with an eligible MLI. My loan accounts were less than 60 days past due, but small overdues exceeding 60 days past due were there in my (borrower's) credit card/savings account/current account as on**

31.03.2026 which were appearing in the Credit Bureau report and making the account ineligible for assistance under Emergency Credit Line Guarantee Scheme (ECLGS 5.0). Whether any exemption can be granted by the MLIs in such cases?

As an exception, such cases can be considered eligible for assistance under ECLGS 5.0, if overdues in respect of credit card/savings account/current account of the borrower does not exceed 1% of the loan amount extended under ECLGS5.0 facility, the overdue amounts are regularized prior to assistance being provided under ECLGS 5.0 and are within the materiality concept being followed by the MLI concerned.

33. **What will be the risk weight assigned to the credit extended under ECLGS 5.0?**

In case the credit facility is covered by any existing or future schemes/guarantees launched by NCGTC, becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding, in excess of the guaranteed portion, should be provided for as per the extant RBI guidelines on provisioning for non-performing assets.

Guarantee cover on non-fund-based facility shall reduce proportionately each year and hence the MLI should apply the risk weight on the outstanding facility accordingly.

34. **I had an outstanding with 'x' bank as on 31.03.2026. However, the limits have been moved to 'y' bank as on date. Whether I will be eligible?**

Yes. The borrower can avail the limits from 'Y' bank based on the peak FBWC outstanding with 'X' bank during Q4, FY 26. The same shall be verified by 'Y' bank based on the statement of account and documents received at the time of takeover of limits.

35. Kindly clarify whether UDYAM Registration is mandatory for MSME borrowers to avail assistance under ECLGS 5.0.

Yes. For MSME borrowers seeking assistance under ECLGS 5.0, **UDYAM Registration** is generally required as proof of MSME status. Without UDYAM registration, the borrower may not be treated as an MSME for eligibility purposes.

Further, **Udyam Assist Certificate (UAC)** issued by Ministry of Micro, Small and Medium Enterprises is also accepted as large number of borrowers from the Micro Enterprises category have Udyam Assist Certificate (UAC) as a unique identification proof of their business enterprises.

Accordingly, borrowers holding either a valid **UDYAM Registration** or **UAC** can be considered for ECLGS 5.0 assistance.

36. **In consortium or multiple banking arrangements, can any one lender sanction the entire eligible amount under the Scheme on behalf of the other lenders?**

Yes. In consortium or multiple banking arrangements, a borrower may avail funding under ECLGS 5.0 from a specific lender for an amount exceeding that lender's proportional 20% share of the total eligible assistance.

However, in such cases, a **No Objection Certificate (NOC)** must be obtained from the other lender(s) whose proportionate share under ECLGS is proposed to be availed from the specific lender.

The Member Lending Institution (MLI) sanctioning the enhanced amount must obtain and retain:

- The NOC(s) from the concerned lender(s), and
- The relevant loan ledger/documentation.

These documents will be required at the time of claim settlement.

37. Whether outstanding amounts under CGTMSE, ECLGS (1.0–4.0) and their extensions, or any other Central Government sponsored schemes are eligible to be reckoned for peak fund based working capital calculation / limit calculation under ECLGS 5.0?

Yes, subject to fulfilment of the prescribed eligibility criteria and other scheme conditions.

38. Kindly clarify whether borrower units engaged in Agriculture and Allied Activities, such as poultry, animal husbandry, dairy, fisheries, goatery, and similar activities, are eligible for coverage under ECLGS 5.0.

The scheme is applicable to all business enterprises including MSMEs having fund based working capital limits from the Member Lending Institutions (MLIs) as on 31.03.2026, subject to fulfilment of the prescribed eligibility criteria and other scheme conditions. If these borrowers are classified as MSME by banks, they should have URN / UAC

39. Whether Loan Against Property (LAP) facilities structured in the nature of an Overdraft (OD), where current assets are not charged as security, shall be eligible under ECLGS 5.0?

Such facilities shall be eligible if it was originally granted for working capital purpose and the end use verification has been undertaken by the MLI as per their internal processes and policies. Also, it should be ensured that the borrower was classified as MSME (through URN / UAC) at the time of availing the original working capital facility.

40. Certain business enterprises have availed Overdraft facilities against Fixed Deposits/Gold for business purpose. In such cases, there is lien on fixed deposits or pledge of gold but no charge on current assets of the business as security to Bank. Kindly clarify whether such credit facilities against Fixed Deposits/gold are eligible under ECLGS 5.0.

Gold loans and loan against Fixed Deposits are not eligible under ECLGS 5.0 facility as they are consumption loans and generally not given for working capital purpose.

41. I am having outstanding fund-based facilities in the nature of business loans availed from eligible MLI. However, the security for such business loans, though being used for working capital purpose, is not charged against current assets of the business. Whether I will be eligible for ECGLS loan under ECLGS 5.0

Such facilities shall be eligible if it was originally granted for working capital purpose and the end use verification has been undertaken by the MLI as per their internal processes and policies. Also, it should be ensured that the borrower was classified as MSME (through URN / UAC) at the time of availing the original working capital facility.

42. Whether interest rate on the loan extended under the Scheme shall be fixed or

floating?

The interest rate on the ECLGS 5.0 loan shall be floating subject to the maximum cap prescribed under the scheme.

43. **I am an eligible MLI having extended assistance under ECLGS to an eligible borrower. The borrower has subsequently approached for enhancement of facility/sanction of additional facility. Is it permitted?**

    Prior approval is not needed. Enhancement of credit facility / sanction of additional credit facility is a credit call to be taken by the MLI, subject to the condition that the interest of NCGTC continues as residual charge as per the scheme guidelines. However, it should be ensured that the account of ECLGS has not turned SMA 1/ SMA 2/ NPA during the past 12 months and there are no overdues in the ECLGS 5.0 account at the time of sanctioning / disbursing enhancement limits.

44. **Whether the Bank may extend ECLGS 5.0 facilities to non-MSME borrowers using an EBLR benchmark, instead of MCLR, while ensuring adherence to the overall interest rate cap of 9% p.a.**

    Maximum interest rate is capped at 9% per annum or MCLR+0.75% whichever is lower. However, by adhering to the above cap, the MLIs are free to fix any internal benchmark for interest rates, as per their board approved policy. In other words, even for a non-MSME, the benchmark can be EBLR or MIBOR or G-Sec or any other such rate. However, the rate so fixed should not be exceeding MCLR+0.75% or 9%, whichever is lower.

45. **I am an eligible borrower banking with MLI ‘A’ and MLI ‘B’. If MLI ‘A’ provides ECLGS facility on the outstanding amount of MLI ‘B’ also based on NOC received from MLI ‘B’, do I have to create second charge on securities available with MLI‘B’.**

    No, if the security is exclusively towards MLI ‘B’, the then MLI ‘A’ need not create second charge on security. Thus, second charge has to be created only on the securities available with the lender providing the ECLGS facility. Accordingly, NOC as referred in FAQ 31, will be limited to obtaining NOC from the other lender(s) whose proportionate share under ECLGS is proposed to be availed from the specific lender.

46. **Entity ‘A’ eligible under the scheme got merged into/taken over by another entity ‘B’ after March 31, 2026. Will entity ‘B’ be eligible for facility under ECLGS to the extent of 20% of peak fund based outstanding during Q4 of FY 2026 of entity ‘B’ alone or combined outstanding during Q4 of FY 2026 of entities ‘A’& ‘B’.**

    Entity ‘B’ shall be eligible for assistance of up to 20% of the combined peak fund-based outstanding of both Entity ‘A’ and Entity ‘B’ during Q4 of FY 2025–26, subject to fulfilment of the other eligibility criteria prescribed under the Scheme, if both And B were independently were eligible as on 31.03.2026. However, if entity ‘B’ was not eligible for ECLGS 5.0 facility as per its constitution on 31.03.2026, the same cannot be made eligible even if entity ‘A’ was eligible.

47. **As per Para 5(6)(d) of the Operational Guidelines, the interest rate for credit under the Scheme is prescribed as:**

For MSMEs: EBLR + 0.75%
For Non-MSMEs: MCLR + 0.75%
subject to a maximum cap of 9% per annum.
Is the spread of +0.75% mandatory and fixed in all cases, or can lending institutions charge a lower spread (i.e., less than +0.75%) provided the overall interest rate remains within the 9% p.a. cap?

Yes. The lending institutions can charge a lower spread (i.e. less than 0.75%) Subject to overall interest rate remains within the 9% p.a. cap. NBFCs may also charge lower interest rate than 13%.

48. I am an eligible borrower banking with an eligible MLI. My loan outstanding with the eligible MLI is secured on the basis of second charge on certain assets. What would be the security to be created on ECLGS 5.0 funding?

As per the Scheme Guidelines, the credit facility extended under ECLGS 5.0 is required to be secured by a **second charge** on the existing assets of the borrower. Accordingly, where a second charge or any other subordinate/subservient charge has already been created in favour of another lender, a **pari passu second charge** may be created in accordance with the inter se arrangement among the lenders and applicable legal and regulatory requirements.

49. I am a borrower banking with an eligible MLI 'A'. Due to some incorrect reporting by MLI's, I was marked as SMA-2/NPA as on March 31,2026. Whether MLI can consider loan to me under ECLGS 5.0?

It shall be the responsibility of the Member Lending Institution (MLI) to verify the eligibility of the borrower based on all relevant records and information available with it and to rectify any inadvertent or erroneous reporting so that an otherwise eligible borrower is not denied the benefit of the Scheme. In cases where the borrower has been reported to any Credit Information Company (Credit Bureau) as SMA-2 or NPA due to an erroneous reason, the concerned MLI that made such reporting shall certify that the reporting was erroneous in nature. Such certification shall form the basis for considering the borrower's eligibility under the Scheme, subject to fulfilment of all other applicable eligibility criteria and Scheme conditions. Also, the MLI should initiate steps to rectify the reporting in CICs and a copy of such record is to be maintained by the lending MLI if need for verification arises in future.

50. I am an eligible MLI having extended non-fund based facility under ECLGS 5.0 to an eligible borrower belonging to the airline sector. How would the guarantee coverage on the said facility be reckoned?

The guarantee shall commence from the date of sanction of non-fund based facility or date of first disbursement of fund based facility, whichever is earlier and shall end on expiry of seven years from this date.
The MLIs should progressively reduce their liability under the non-fund-based facility. Every year similar to a Term Loan facility amortization. Guarantee cover on non-fund-based facility shall reduce proportionately each year.

***