

Module I

Salient Features of the Scheme: ECLGS 5.0

Purpose:	<p>To provide credit guarantee coverage of 100% for MSMEs and 90% for non-MSMEs as well as the airline sector, to Member Lending Institutions (MLIs) for the default amount under additional credit facilities (ECLGS 5.0) extended to eligible borrowers to tide over any short-term liquidity mismatches in view of West Asia crisis.</p> <p>The objective of the scheme is 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.</p>
Eligible Borrowers	<p>Scheme is only for existing borrowers on the books of the MLIs as on reference date i.e; March 31, 2026.</p> <ul style="list-style-type: none">• MSMEs/ Non MSMEs (except Airline sector)<ul style="list-style-type: none">➤ All business enterprises including MSMEs having fund based working capital limits from the Member Lending Institutions (MLIs) as on 31.03.2026.➤ The borrower’s credit facilities should be categorized as ‘standard’ (excluding SMA-2) as on 31.03.2026. (The account has to be standard and not 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.➤ Non-MSMEs in the sectors, as per following list will be excluded from the purview of the Scheme.<ul style="list-style-type: none">➤ 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• Airline Sector (‘scheduled passenger airline sector ‘for the purpose of the scheme)<ul style="list-style-type: none">➤ Business enterprises in the scheduled airlines sector having outstanding credit facilities (fund based and non-fund based both) from the Member Lending Institutions (MLIs) as on 31.03.2026.

	<p>➤ The borrower’s credit facilities should be categorized as ‘standard’ (excluding SMA-2) as on 31.03.2026. (The account has to be standard and not SMA-2 as on 31.03.2026 across all lenders.)</p> <p>ie , The scheme is admissible for all sectors if the borrower is an MSME. However, for non-MSME borrowers few sectors as listed above are not eligible under the scheme. It is further clarified that ‘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’.</p>
<p>Eligible Loan amount</p>	<ul style="list-style-type: none"> ● For 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). <p>Note:</p> <ul style="list-style-type: none"> ➤ The scheme is only for existing borrowers on the books of the MLIs as on reference date i.e; March 31,2026. ➤ The account has to be standard and not SMA-2 as on 31.03.2026 across all lenders. ➤ “peak working capital utilization” 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. ➤ 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) etc. ➤ Only regular sanctioned credit exposure as per Bank’s credit policy system should be considered under the scheme
<p>Guarantee Cover</p>	<ul style="list-style-type: none"> ● 100% on Amount in Default for MSMEs ● 90% on Amount in Default for non-MSMEs as well as Airline sector. <p>Amount of default defined as ‘the principal and interest amount outstanding in the account of the borrower in respect of term loan/working capital term loan facility,</p>

	as the case may be, as on the date of the account becoming NPA, or on the date of lodgement of claim application, whichever is lower'
Interest Rate of Credit under the Scheme	<p>Interest Rate on ECLGS 5.0 shall be capped as under:</p> <p>For MSMEs/Non MSMEs (except Airline sector)</p> <ul style="list-style-type: none"> ➤ MSME: Lending rate linked to one of the external benchmark rates prescribed by RBI ie EBLR +0.75% subject to a maximum of 9.00% per annum. (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). ➤ Non MSME: MCLR+0.75% subject to a maximum of 9.00% per annum. <p>For Airline sector: As per the board approved policy of the lending institution</p> <p>It is further clarified that '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'</p> <p>As per Bank's Credit Pricing policy, pricing applicable for MSME loans is fixed as 'Repo Rate+ General Spread+ Spread applicable for MSME loans. Currently this is 9.10% [ie 4.75% (Repo Rate) + 2.75% (General Spread) + 1.60% (Specific Spread applicable for MSME loans)] and as per the scheme announced, this is capped at 9.0%. Hence interest rate applicable for ECLGS 5.0 facilities sanctioned to MSME borrowers shall be 9.0%.</p> <p>For Non MSME borrowers, pricing will be MCLR+0.75% subject to a maximum of 9.00% per annum. Currently Bank's One-year MCLR is 10.10%, which is higher than maximum permitted interest rate of 9.0%. Hence the interest rate applicable for ECLGS 5.0 facilities sanctioned to Non MSME borrowers shall be 9.0%.</p>
Fee Structure	<ul style="list-style-type: none"> ● Processing Fee: Since the additional pre-approved facility is to be provided to existing customers, no additional processing fee shall be charged by MLIs to borrowers. ● Pre-payment Penalty: No pre-payment penalty shall, be charged by the MLIs in case of early repayment ● Guarantee Fee: Nil
Interest Servicing	To be serviced as and when due including during moratorium period.

	Airline sector: Up to 50% of the estimated interest amount of moratorium period can be earmarked from the proposed additional ECLGS facility towards FITL.
Tenor	<ul style="list-style-type: none"> 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.
Credit Facility not eligible under the Scheme	<p>The Guarantee Cover under the Scheme shall not be eligible for credit facility:</p> <ul style="list-style-type: none"> 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. 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.
Security:	<p>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.</p> <p>For airline sector additional security shall be obtained as follows:</p> <p>Risk Mitigation measures proposed for Airline sector under ECLGS 5.0: Additional security for ECLGS 5.0 loan exceeding Rs 500 Cr</p> <p>i) Where the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is positive for the period 9MFY2026 i.e. from 01.04.2025 to 31.12.2025 – No additional security.</p> <p>ii) In cases where the EBITDA is negative for the 9M FY2026 period (01.04.2025 to 31.12.2025), the borrower shall be required to provide any one of the following securities for the portion of ECLGS 5.0 assistance exceeding ₹500 crore:</p> <ul style="list-style-type: none"> Pledge of shares equivalent to at least 50% of the incremental funding under the Scheme beyond ₹500 crore. Personal guarantee of the promoters, supported by (i) an asset statement and (ii) an undertaking for non-disposal of assets during the tenure of the ECLGS 5.0 facility. For exposures above ₹500 crore, the guarantor’s net worth shall be at least 50% of the ECLGS 5.0 amount in excess of ₹500 crore. Corporate guarantee from a group/holding entity with an investment-grade rating (as defined by the Scheme’s Management Committee), having a minimum net worth equal to 50% of the ECLGS 5.0 funding amount in excess of ₹500 crore. <p>Further, a second charge on the existing securities (primary and collateral) shall be extended to cover the additional credit loan sanctioned under the scheme in all cases.</p>

	Note : If the underlying loan is unsecured in nature, no charge is required to be created/extended.
Risk Mitigation measures proposed for Airline sector under ECLGS 5.0:	<p>Restriction on the end use of proposed funds</p> <ul style="list-style-type: none"> • The ECLGS 5.0 loan up to Rs 100 Cr may be utilized for all working capital expenses of the borrower, except for payment to promoter or promoter related entities/ group entities/ associates. (Self-declaration to be obtained from the borrower to ensure compliance). • However, credit support in excess of Rs 100 Cr shall be used only for the following purposes based on auditor's certificate: <ul style="list-style-type: none"> ➤ Salary expenses (excluding that of executive directors/ CEO, but including salary of contract employees) ➤ ATF/ Fuel purchases from Oil Marketing Companies (OMCs) ➤ Airport charges ➤ Aircraft lease charges ➤ Statutory expenses. <p>(Excluding related parties of the borrower as mentioned under para (i) above)</p>
Invocation of guarantee	<ul style="list-style-type: none"> • The guarantee provided under this Scheme may be invoked by the MLI on the ECLGS 5.0 loan account turning into NPA, provided that the said loan account was covered under ECLGS 5.0 at the time of the account turning NPA. • The Member Lending Institution (MLI) shall enter the date of NPA, on the portal of NCGTC, within 90 days of account turning NPA; • The Trustee Company shall pay 75 per cent of the guaranteed amount within 30 days of preferring of eligible claim by the lending institution, subject to the claim being otherwise found in order and complete in all respects. 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. • 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.
Status of the borrower account on the date of sanction / disbursement	The borrower account otherwise eligible under the scheme should not be an NPA with any lender as on the date of sanction and / disbursement of loan under the scheme
Appropriation of amount realized by the member lending	Post invocation of the guarantee claim, if any recoveries are made in the account, MLIs shall first adjust such recoveries towards default amount relating to first charge and the legal costs incurred by them for recovery of the amount and shall thereafter remit to NCGTC the balance recoveries.

<p>institution in respect of a credit facility after the guarantee has been invoked</p>	
<p>Communication of the Scheme</p>	<p>The scheme guidelines call for communication of the scheme by highlighting on the bank’s Website and linking the same to a Scheme Web Page.</p> <p>The directions also propose to create awareness on the scheme through email and SMS to all eligible borrowers.</p>
<p>Credit Processing of Eligible Borrowers</p>	<p>Though the scheme is built around a pre-approved limit as stipulated above, it has been advised by NCGTC that ‘The MLI shall check and satisfy the eligibility of the borrower for facility under the Scheme. Guarantee shall be extended at the time of application based upon MLI’s certification. MLI should retain the details of the eligibility which shall be checked at the time of claim settlement’</p> <p>The Days Past Due (DPD) status of all facilities availed by an applicant as on 31.03.2026 across all MLIs has to be cross checked by the Bank for assessing eligibility under the scheme. This will require a direct data support from one of the CICs. Bank shall identify an appropriate CIC for serving the purpose.</p> <p>The directions also stipulate that lending institutions should ensure the primary securities are in good and enforceable condition.</p> <p>Bank shall internally shortlist eligible customers centrally which confirms to the basic requirements of the scheme after confirming the credit score and SMA status including that of other lenders with CIC and would be shared to Branches and Regional offices.</p> <p>Due diligence will be conducted by respective sanctioning authorities.</p>
<p>Steps advised in respect of issuance of guarantee cover under the ECLGS 5.0 Scheme on the ‘JanSmarath portal’. (Ref : FAQ on ECLGS</p>	<p>I. Borrower Application Process</p> <ul style="list-style-type: none"> • A borrower shall mandatorily apply on the Jan Samarth portal, self-declaring the required details in the application form. • The application will then be forwarded to the lender’s branch as selected by the borrower during the loan application journey. • The lender shall assess the borrower’s eligibility under the Scheme and, upon satisfactory evaluation, sanction the credit facility. • The Sanction details updated by the lender on JanSamarth portal shall be shared on real-time basis with NCGTC.

5.0 (Updated on 13.05.2026))

II. For Lenders

- 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.
- 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>)
- 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 to the NCGTC portal immediately.

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:

1. Sanction letter of facility under the Scheme;
2. 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).
3. Loan Ledger of facility under the Scheme till date of claim indicating date wise outstanding balance;
4. Credit Bureau report/data evidencing status of account on reference date i.e. March 31,2026

	<p>5. Document evidencing the Legal action taken</p> <p>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.</p> <p>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.</p> <p>Final Claim-</p> <p>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.</p>
<p>Additional points to be noted</p>	<ol style="list-style-type: none"> 1. No fresh collateral/ personal/ corporate guarantee shall be sought for credit facility under the Scheme for MSME/ Non-MSMEs (except Airlines Sector). 2. 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. 3. Takeover of facilities being granted under ECLGS 5.0 between MLIs is permitted subject to condition 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”. 4. 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. 5. 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,” 6. For MSME borrowers seeking assistance under ECLGS 5.0, UDYAM Registration is generally required as proof of MSME status. Without

	<p>UDYAM registration, the borrower may not be treated as an MSME for eligibility purposes.</p> <p>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.</p> <p>7. In case a borrower's limits have been transferred to our Bank post 31.03.2026 and the Borrower approaches us for ECLGS 5.0, Bank may sanction facility under scheme based on peak fund based working capital outstanding with the 'transferor' Bank in Q4, FY26, provided "the customer has been an existing customer of our Bank as on 31.03.2026 ". The eligible limit shall be verified based on on the statement of account and documents received at the time of takeover of limits.</p> <p>8. If overdues existed in CIC report in respect of credit card/ savings account/ current account of a borrower, ECLGS5.0 can be considered as an exception provided the following conditions are met</p> <ol style="list-style-type: none"> 1. overdues in respect of credit card/ savings account/ current account of the borrower does not exceed 1% of the loan amount extended under ECLGS 5.0 facility. 2. 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. <p>9. 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:</p> <ul style="list-style-type: none"> • The NOC(s) from the concerned lender(s), and • The relevant loan ledger/documentation. <p>These documents will be required at the time of claim settlement.</p>
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All other guidelines as stipulated by NCGTC in the operational and other guidelines shall be adhered to.