



AEPC Circular No: 238

Mithileshwar Thakur
Secretary General-AEPC

AEPC/HO/SG/R&PA/2026

May 6th, 2026

Sub: Cabinet approves Emergency Credit Line Guarantee Scheme 5.0

Dear Member Exporters,

I am happy to share that the Government of India has introduced the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 to support businesses facing liquidity challenges arising from the ongoing West Asia situation. The scheme provides credit guarantee coverage through the National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs), enabling them to extend additional credit to eligible borrowers. The scheme targets a total additional credit flow of ₹2,55,000 crore, including ₹5,000 crore earmarked for the airline sector.

The Union Cabinet, chaired by Hon'ble Prime Minister Shri Narendra Modi, approved the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 on May 5, 2026, aims to provide:

- 100% guarantee coverage for MSMEs
- 90% guarantee coverage for non-MSMEs and the airline sector

This coverage applies to the additional credit extended to eligible borrowers to help them manage short-term liquidity mismatches.

Salient Features of the Scheme:

- Eligible Borrowers: MSMEs and non-MSMEs with existing working capital limits, and scheduled passenger airlines with outstanding credit facilities as of March 31, 2026, provided their accounts are standard.
- Guarantee Coverage: 100% for MSMEs and 90% for non-MSMEs and airlines.
- Guarantee Fee: Nil
- Quantum of Support:
 - Additional credit up to 20% of peak working capital utilized during Q4 FY 2025–26 (capped at ₹100 crore).
 - For airlines: up to 100% (capped at ₹1,500 crore per borrower), subject to specified conditions.
- Tenor of Loan:

- MSMEs / Non-MSMEs (excluding airlines): 5 years from the date of first disbursement including a moratorium of 1 year.
 - Airline sector: 7 years from the date of first disbursement including a moratorium of 2 years.
-
- Tenure of Guarantee Cover: Maximum period of guarantee cover shall be co-terminus with the loan tenure.
 - Scheme Duration: Applicable to all loans sanctioned during the period from the date of issuance of these NCGTC guidelines up to March 31, 2027.

Members are advised to approach their respective banks and financial institutions to avail the benefits under this scheme.

With regards,

Mithileshwar Thakur
Secretary General