



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **ECLGS' scope expanded and scheme extended till 31.03.2022**

**Emergency Credit Line Guarantee Scheme (ECLGS)** since its launch, has extended relief to over 1.15 crore Micro, Small and Medium Enterprises (MSMEs) and businesses. It has provided support to eligible borrowers in meeting their operational liabilities and restarting their businesses in the wake of disruptions caused by the COVID-19 pandemic.

As on 24th September 2021, loans sanctioned have crossed Rs. 2.86 lakh crore under the Scheme and out of total guarantees issued, about 95% of the guarantees issued are for loans sanctioned to Micro, Small and Medium Enterprises.

Government has been receiving demands from various Industry bodies and other stakeholders to extend the scheme to ensure continued support to eligible sectors/businesses. With a view to support various businesses impacted by the second wave of COVID 19 pandemic, it **has been decided to extend the timeline of Emergency Credit Line Guarantee Scheme (ECLGS) till 31.03.2022** or till guarantees for an amount of Rs 4.5 lakh crore are issued under the scheme, whichever is earlier. Further, the last date of disbursement under the scheme has also been extended to 30.06. 2022.

The **following modifications** have been made in the scheme to enable support to businesses impacted by the second wave of COVID:

- **Existing borrowers under ECLGS 1.0 & 2.0 would be eligible for additional credit support of upto 10% of total credit outstanding as on 29.02.2020 or 31.03.2021, whichever is higher.**
- **Businesses who have not availed assistance under ECLGS (ECLGS 1.0 or 2.0), can avail credit support of upto 30% of their credit outstanding as on 31.03.2021.**
- **Businesses in sectors specified under ECLGS 3.0, who have previously not availed ECLGS, can avail credit support up to 40% of their credit outstanding as on 31.03.2021, to the maximum of Rs.200 crore per borrower;**
- **Incremental credit can be availed within these limits** by existing ECLGS borrowers whose eligibility increased because of change in cut off date to 31.03.2021 from

29.02.2020.

- Accordingly, Borrowers who have availed assistance under ECLGS and whose credit outstanding as on 31.03.2021 (excluding support under ECLGS) is higher than that on 29.02.2020 shall be eligible for incremental support within the cap stipulated under ECLGS 1.0,2.0 or 3.0.

The modification introduced would ensure that businesses adversely impacted by the second wave of COVID 2019 get enhanced collateral free liquidity. Further this provides much needed support to all the ECLGS borrowers (which mainly consist of MSME units) in time for the busy / festival season.

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Warm Regards,

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