

# Emergency Credit Line Guarantee Scheme (ECLGS) expanded - ECLGS 4.0 for onsite oxygen generation, wider coverage of ECLGS 3.0 and increase in tenor for ECLGS 1.0

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**On account of the disruptions caused by the second wave of COVID 19 pandemic to businesses across various sectors of the economy, Government has further enlarged the scope of Emergency Credit Line Guarantee Scheme as under:**

(i) **ECLGS 4.0:** 100% guarantee cover to loans up to Rs.2 crore to hospitals/nursing homes/clinics/medical colleges for setting up on-site oxygen generation plants, interest rate capped at 7.5%;

(ii) **Borrowers who are eligible for restructuring as per RBI guidelines of May 05, 2021** and had availed loans under ECLGS 1.0 of overall tenure of four years comprising of repayment of interest only during the first 12 months with repayment of principal and interest in 36 months thereafter will **now be able to avail a tenure of five years for their ECLGS loan** i.e. repayment of interest only for the first 24 months with repayment of principal and interest in 36 months thereafter;

(iii) **Additional ECLGS assistance** of upto 10% of the outstanding as on February 29, 2020 to borrowers covered under ECLGS 1.0, in tandem with restructuring as per RBI guidelines of May 05, 2021;

(iv) **Current ceiling of Rs. 500 Cr. of loan outstanding for eligibility under ECLGS 3.0 to be removed**, subject to maximum additional ECLGS assistance to each borrower being limited to 40% or Rs.200 crore, whichever is lower;

(v) **Civil Aviation sector to be eligible under ECLGS 3.0**

(vi) **Validity of ECLGS extended to 30.09.2021 or till guarantees for an amount of Rs.3 lakh crore are issued. Disbursement under the scheme permitted up to 31.12.2021.**

The modifications in ECLGS, would enhance the utility and impact of ECLGS by providing additional support to MSMEs, safeguarding livelihoods and helping in seamless resumption of business activity. These changes will further facilitate flow of institutional credit at reasonable terms.

**Detailed operational guidelines in this regard are being separately issued by the National Credit Guarantee Trustee Company (NCGTC).**

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