GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 3454

ANSWERED ON MONDAY, 10th AUGUST, 2025/ 19 SRAVANA 1948 (SAKA)

Emergency Credit Line Guarantee Scheme 5.0

3454. SHRI P P CHAUDHARY:

SHRI RAJIV PRATAP RUDY:

SHRI KHAGEN MURMU:

SHRI TRIVENDRA SINGH RAWAT:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has formulated a framework for implementation of the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 for the airline sector, if so, the details thereof;

(b) the eligibility criteria and institutional mechanism adopted for extending credit support to airlines under the Scheme;

(c) whether any applications have been received or sanctioned under the Scheme, if so, the details thereof; and

(d) the details of the measures undertaken to monitor utilisation of the credit support and ensure continuity of airline operations during the implementation period?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The Government has introduced ECLGS 5.0 in May, 2026, to tide over any short-term liquidity mismatches faced by businesses due to West Asia Crisis for MSME and non-MSME sectors. For scheduled passenger airline sector, the scheme allows additional credit of up to 100% of their total peak credit outstanding (both fund-based and non-fund-based) during the fourth quarter of FY 2025–26, i.e., from 1 January 2026 to 31 March 2026 (both dates inclusive).

The scheme provides 90% guarantee coverage to Member Lending Institutions (MLIs) through National Credit Guarantee Trustee Company Limited (NCGTC) for the amount in default under the additional credit facility extended to the eligible borrowers under scheduled passenger airline sector.

(b) As per operational guidelines of the scheme issued by National Credit Guarantee Trustee Company Ltd. (NCGTC), "Eligible borrower" under ECLGS 5.0 for as scheduled passenger airline sector includes:

- Business enterprises in the sector having outstanding credit facilities (fund based and non-fund based both) from the MLIs as on 31.03.2026.
- The borrower's credit facilities should be categorized as 'standard' (excluding SMA-2, as per Reserve Bank of India guidelines) as on 31.03.2026.

Borrowers are required to apply through the JanSamarth Portal by submitting the prescribed application and self-declared information. The application is digitally forwarded to the selected lender's branch for decision. Upon sanction of the credit facility, the lender updates the sanction details on the portal, which are shared with NCGTC for issuing guarantee.

(c) As on 31.07.2026, the details of applications sourced and sanctioned under the Scheme with respect to scheduled passenger airline sector are as follows:

Particulars	**Number of Applications**	**Amount (in ₹ Crore)**
Sourced	8	2529.67
Sanctioned	4	920.22
Guarantees Issued	3	912.40

Source: PSB Alliance, NCGTC.

(d) As per the operational guidelines of the scheme, the following protocols are established to monitor utilization of credit support:

- Restricted End-Use of Funds: For credit support exceeding ₹100 crore, funds must be strictly directed toward essential operational expenses, including non-executive salaries, fuel purchases, airport charges, and aircraft lease payments. Utilisation for these purposes must be verified by an auditor's certificate. For loans up to ₹100 crore, a self-declaration regarding working capital use is required.
- Oversight: MLIs are mandated to submit periodic statements and information to the NCGTC, which retains the right to inspect books of accounts and records of both the lender and the borrower.
- For facilities exceeding ₹500 crore where EBITDA is negative for the 9 Month Financial Year 2026 period (01.04.2025 to 31.12.2025), additional risk mitigation measures have been stipulated.

The scheme aims to facilitate continued access to institutional credit and support continuity of passenger airline operations.

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