

ATMANIRBHAR BHARAT 3.0: GOVT'S CREDIT GUARANTEE SUPPORT FOR 26 STRESSED SECTORS

Relevant for: Indian Economy | Topic: Issues relating to Planning & Economic Reforms

NEW DELHI: Finance minister Nirmala Sitharaman on Thursday announced an emergency credit line guarantee scheme 2.0 (ECLGS) for 26 stressed sectors, including power, construction, real estate, iron and steel manufacturing.

Identified by the KV Kamath committee, entities in these 26 sectors as well as the healthcare sector have credit outstanding of more than 50 crore and up to 500 crore as on 29 February, 2020.

Entities will get additional credit of up to 20% of outstanding credit, while the repayment can be done in five years' time, which will include a one-year moratorium and repayment period of four years.

"ECLGS 2.0 will provide much needed relief to stressed sectors by helping entities sustain employment and meet liabilities. Will also benefit MSME sector, which provides goods and services to eligible entities," Sitharaman said while announcing measures to boost economic growth. The scheme will be available till 31 March, 2021.

"The tenor of additional credit under ECLGS 2.0 will be 5 years, including one year moratorium on principal repayment," she said.

The minister added that the government-backed, collateral-free loan plan emergency credit line guarantee scheme (ECLGS) for small businesses, business enterprises, individual loans for business purpose, MUDRA borrowers, will be extended till 31 March.

So far, lenders have sanctioned 2.05 trillion in loans, of which 1.52 trillion has been disbursed.

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