

Loan initiative will help a wide range of sectors: PM

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PM Narendra Modi tweeted, "The ECLGS 5.0 approved by the Cabinet reflects our commitment to supporting India's businesses, especially the MSME sector in challenging global times. By enabling additional credit flow with strong guarantee coverage, this initiative will help a wide range of sectors. Our focus remains on empowering enterprises, sustaining growth momentum and safeguarding livelihoods."

I&B minister Ashwini Vaishnaw told reporters that ECLGS will have an outlay of Rs 18,100 crore. The guarantee fees have been waived, he said in a presentation. The scheme will be open up to March 31, indicating that govt is preparing for the impact of the conflict to be long drawn given the disruption in supply chains and the destruction of refining and gas facilities in the Gulf region.

The scheme will be open to entities that had bank loans at the end of March 2026 and their accounts were classified as "standard". Companies other than airlines will get up to five years from the first disbursement to repay the loan, including a one-year moratorium on principal payment. For airlines, the tenor is up to 7 years.