



## Press Releases

RBI initiatives to help the economy but should be supplemented by a comprehensive economic package for industry instantly: Sharad Kumar Saraf, President, FIEO

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### **RBI initiatives to help the economy but should be supplemented by a comprehensive economic package for industry instantly: Sharad Kumar Saraf, President, FIEO**

Responding to RBI announcements made today, Mr Sharad Kumar Saraf, President, FIEO said that it will be having substantial positive impact on the financial system and the economy in this difficult time.

Measures to maintain adequate liquidity in the system through TLTRO 2.0, lowering of Liquidity Coverage Ratio; incentivize the bank lending by cutting reverse repo rate to 3.75 percent and facilitating normal functioning of markets are the most welcome initiatives.

Refinancing of Rs 15,000 Cr to SIDBI and 90 days NPA norms to exclude moratorium or deferment period will give relief particularly to MSME units who are struggling to keep them alive with no business but saddled with fixed costs.

However, Mr Saraf said that the Government should immediately announce a comprehensive economic package for the industry to provide them relief in payment of wages, statutory obligations, rental and utilities.

President FIEO said that exporters' interest should be paramount in the package as they are the worst sufferers facing challenges both at the domestic turf and in the global market. Extension of pre and post-shipment credit tenure, Interest Equalization Scheme, Interest-free loan to cover forward losses, Automatic enhancement of limit by 25% without further condition/collaterals, Enhancement in MEIS rate by 2% for all sectors and 4% for employment intensive sectors, amnesty for the default under Advance/EPCG authorization/EOU etc.

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