

# MSMEs to gain from stimulus packages: CII

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Industry body CII on Sunday said the two stimulus packages announced by the government and the Reserve Bank of India (RBI) slashing key policy rates will benefit the micro, small and medium (MSME) sector reeling under the impact of the global economic slowdown. The chamber had conducted a snap poll to observe the impact of first and second stimulus packages on MSMEs.

Besides, about 50% of the respondents said RBI step to inject liquidity by reducing repo, reverse repo and CRR would benefit all the sectors, including small units. CII director general Chan-

drajit Banerjee said the last few months have witnessed a series of initiatives being announced by the government and RBI. "Clearly, the intent is to help the MSMEs with additional liquidity, in the midst of the current economic crisis," he said.

To boost collateral-free lending, the government had announced an extension on credit guarantee scheme for MSMEs from Rs 50 lakh to Rs 1 crore with guarantee cover of 50%.

The lock-in period for loans covered under the existing credit guarantee scheme has been reduced from 24 to 18 months. The sector employs over 42 million people.

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