

PRESS RELEASE

RBI's focus on healthcare infra, MSMEs is best prescription: AEPC Chairman

DELHI NCR, 05 May 2021: Apparel Export Promotion Council (AEPC) Chairman Dr A Sakthivel applauded the RBI's decision to provide on-tap liquidity of Rs 50,000 crore for Covid related healthcare infrastructure and other measures to support MSMEs.

"I commend RBI Governor Shri Shaktikanta Das for taking up timely measures to prop up the much needed Covid related healthcare infrastructure in India. I also congratulate him for the steps taken to support the small and medium businesses so that while we save the lives of our citizens, means of livelihood are also protected," **Dr Sakthivel** said.

The **Chairman** welcomed RBI's decision to consider restructuring of loans for borrowers up to Rs 25 crore, who did not take restructuring facility earlier and were standard as of March 2021, till 30 September 2021. He said it will be a timely help for many MSMEs.

"Apart from the loan restructuring facility, the decision to allow banks to extend the moratorium under restructuring frame 1.0 for a period of up to two years will provide breathing space to many MSMEs trying to recover from the impact of pandemic.

"Further, the decision to review the working capital sanctioned limits of small businesses and MSMEs, based on a reassessment of working capital and margins, among others, is a welcome move to strengthen businesses in executing new orders. Overall, this is the best prescription RBI could announce to heal both the citizens and the businesses at this crucial juncture when there are a lot of uncertainties around," **Dr Sakthivel** said.

He also lauded the RBI's decision to extend the facility of not considering the credit disbursed to new MSME borrowers while calculating Cash Reserve Ratio (CRR) for another three months till 31 December 2021 saying it will incentivise credit flow.