

Support industry through banks, CII tells Centre

OUR BUREAU

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To lift the lockdown in a safe and calibrated manner, the Confederation of Indian Industry (CII) has suggested the need for fiscal support package for FY21, limited to 2 per cent of the GDP, in addition to the Pradhan Mantri Garib Kalyan Yojana.

The report, titled 'Towards an Organised, Safe and Sustainable Re-start of the Economy', mentioned the need to support the enterprises through banks and additional reconstruction term loans to MSMEs and stressed sectors with a government guarantee on default, up to 20 per cent.

"The government should extend additional support to the people at the bottom of the pyramid through cash transfers. Support to industry could come through the banking system. Our estimates are that the economy would need a credit expansion of 14-15 per cent," said Chandrajit Banerjee, Director-General, CII.