

Daily News Monitor: 17 April 2020

1. RBI Governor Shaktikanta Das launches Round 2 of liquidity bonanza; this time for small NBFCs, MFIs

Source: Money Control ([Link](#))

Reserve Bank of India (RBI) governor, Shaktikanta Das on 17 April announced the second round of measures to address the COVID-19 crisis by launching a series of liquidity easing steps specifically targeting the Non-banking finance companies (NBFCs) and MFIs that have been suffering on account of tight cash conditions. Targeted Long term repo operations (TLTRO) worth Rs 50,000 crore to begin with, in tranches of appropriate sizes. Based on our assessment, the RBI will increase the size of the TLTRO, Das said. The funds availed by banks should be invested in investment-grade bonds companies and at least half of the funds should go to small NBFCs and MFIs, Das said.

2. Coronavirus crisis: G-20 meeting of health, finance ministers soon

Source: Business Standard ([Link](#))

The health and finance ministers of G20 (Group of Twenty) nations are expected to attend a "virtual" meeting soon to discuss ways to tackle the coronavirus disease (Covid-19) pandemic. The logistics of this meeting are still being finalised, but it could be held within weeks, Business Standard has learnt. "We commit to work with health ministers to address and mitigate the impact of the Covid-19 pandemic and look forward to a joint meeting of finance and health ministers in the coming months," said the G20 Covid-19 Global Action Plan, which was released on 16 April.

3. Covid-19 impact: Stimulus 2.0 ready as PM Modi, FM Sitharaman hold meeting

Source: Business Standard ([Link](#))

Prime Minister Narendra Modi, Finance Minister Nirmala Sitharaman, and senior policymakers in the Prime Minister's Office and finance ministry met on 16 April to finalise a second stimulus package for those worst affected by the Covid-19-related nationwide lockdown. An announcement is imminent. The Centre is unlikely to announce one "big-bang" stimulus package and instead will come up with smaller, targeted announcements, Business Standard has learnt. This means that over the coming months, there will be a series of stimulus packages to revive the economy. Additionally, the fiscal situation of the Centre and the states has been discussed at the highest levels of government, and there are deliberations

going on regarding relaxations to the Fiscal Responsibility and Budget Management (FRBM) Act.

4. E-pharmacies ramp up hiring as orders grow two-fold amid Covid-19 lockdown **Source: Business Standard ([Link](#))**

Hampered by an acute shortage of manpower, especially for last-mile delivery and managing warehouses, online pharmacies are looking to hire aggressively to cater to the rising demand, especially after the nationwide lockdown to contain spread of Covid-19 was extended till May 3. Most firms operating in the space claim that they have seen at least a two-fold rise in orders as compared to other times. Gurugram-based 1mg, for example, is looking to immediately hire 500 people and another 1,000 over the next 2-3 months. Bengaluru-headquartered Medlife is working towards filling up 400 vacancies, mostly for last-mile deliveries and warehouse management. PharmEasy, which claims to be running at 35-40 per cent lower capacity in terms of manpower, is also hiring people for last-mile deliveries. The Mumbai-based company says it has seen at least a 50 per cent increase in demand recently.

5. Govt adds more to list of what is allowed after April 20 amid lockdown 2.0 **Source: Livemint ([Link](#))**

On the third day of the lockdown 2.0, the Narendra Modi government has made new additions to the list of activities that will be allowed amid lockdown in parts of the country that are least affected by coronavirus. Ministry of Home Affairs has issued an order to include the following in the consolidated revised guidelines on lockdown measures for strict implementation. As per the notification, non-banking finance corporations and micro-finance institutions can resume services. Bamboo, coconut, arecanut cocoa, spices plantation and their harvesting, processing, packaging, sale and marketing are also allowed to be carried out during the lockdown. Construction activities in rural areas, includes, water supply and sanitation will also be allowed, according to a notification put out by the home ministry.

6. RBI to conduct TLTRO to ease credit to NBFCs, start with Rs50,000 cr in tranches **Source: Livemint ([Link](#))**

The Reserve Bank of India on 17 April announced it will conduct targeted repo operations for an amount of ₹50,000 crore to begin with in tranches of appropriate sizes. Governor Shaktikanta Das said the funds will have to be made in bonds, CP, NCD of NBFCs with 50% of it going to small and mid-sized NBFC within one month of availing the credit from RBI. It will be classified as HTM or held to maturity. The notification on TLTRO 2.0 will be released 17 April. Das said this was being done as it is observed funds raised via TLTRO have been

parked in issue of public banks and big corporates. NBFCs were finding hard to raise money. Das is currently in the process of announcing various steps to mitigate the impact of covid-19 on markets. He said the measures have four objectives in mind. These are aimed to maintain adequate liquidity in the system and its constituents, to facilitate and incentivize bank credit flows, to de-stress and enable performance of markets.

7. At IMF panel meet, FM outlines measures taken by India to tackle Covid-19

Source: The Hindu, Business Line ([Link](#))

Amidst Covid-19 induced lockdown in most parts of the world, the Union Finance and Corporate Affairs Minister Nirmala Sitharaman on 16 April attended through video conference the Plenary Meeting of the International Monetary and Financial Committee (IMFC), the Ministerial-level committee of the International Monetary Fund (IMF). In her intervention, Sitharaman outlined various measures taken in India to tackle the health crisis as well as to mitigate its impact. She mentioned the allocation of \$2 billion (₹15,000 crore) by the Government of India to strengthen the healthcare system; announcement of social support measures amounting to \$23 billion (₹1.70 lakh crore) to alleviate the hardship of the poor and the vulnerable; provision of relief to firms in statutory and regulatory compliance matters; easing of monetary policy by the RBI; and three-month moratorium on loan instalments.

8. Labour ministry to compile data on layoffs, pay cuts

Source: The Economic Times ([Link](#))

The Employees Provident Fund Organisation (EPFO) and Employees State Insurance Corporation (ESIC) have been asked to collate data on job losses, salary cuts and delayed payment. Once data is collated a report will be presented to the Prime Minister's Office (PMO). This labour ministry initiative comes as stressed economic situation has raised fears of widespread layoffs/salary reductions in India's organised sector and in the backdrop of Prime Minister Narendra Modi's repeated appeals to employers to be considerate to employees. The PM made this a part of his 7-point advisory during his most recent address to the nation on April 14

9. Indian traders signing rice export deals again after three-week pause

Source: Hindustan Times ([Link](#))

Indian rice traders are signing new export contracts again after a gap of nearly three weeks, four industry officials told Reuters on 16 April. The resumption of shipments from the world's biggest exporter could cap global prices which surged after India suspended exports amid a nationwide lockdown to curb the spread of the coronavirus, allowing rival countries such as

Thailand to rise prices and shipments. B.V. Krishna Rao, president of the Rice Exporters Association (REA) said export operations had also resumed, despite India extending the lockdown on its 1.3 billion people until at least May 3 as the number of coronavirus cases exceeded 12,000. The demand for Indian rice is huge as it has been offered at steep discount to rice from other countries, said a Mumbai-based dealer with a global trading firm, but others said it would take time for exports to return to normal levels.