

## Daily News Monitor: 22 May 2020

### **1. Reliance Jio raises more money, now gets Rs 11,367 crore from KKR; total stake sale reaches this much**

**Source: Financial Express ([Link](#))**

Reliance Industries has got yet another marquee investor to invest in Jio Platforms taking the total equity stake sale in its telecom-cum-digital services venture to over Rs 78,000 crore. Mukesh Ambani's RIL announced that US private equity firm KKR will invest Rs 11,367 crore in Jio Platforms for a 2.32 per cent stake. Following the investments from Facebook, Silver Lake, Vista Equity and General Atlantic, this will be the fifth investment in Reliance Industries. This transaction values Jio Platforms at an equity value of Rs 4.91 lakh crore and an enterprise value of Rs 5.16 lakh crore, the company said in a statement. Over the last month, the aggregate investments by the leading technology investors in Jio Platforms amounts to Rs 78,562 crore.

### **2. Amazon forays into food delivery, sets up direct fight with Swiggy, Zomato**

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

E-commerce giant Amazon has announced its entry into online food delivery in India, even as the country is still going through the lockdown to contain the Covid-19 pandemic. Amazon Food, the service, was launched on 21 May in areas with select pin codes in Bengaluru while the company is learnt to be mulling scaling it up to other cities in the near future. Customers are now allowed to order from select restaurants and cloud kitchens that have passed the company's hygiene certification bar, it said. Amazon's foray into food delivery puts it in direct competition with established local players including Tencent-backed Swiggy and Alibaba-backed Zomato.

### **3. RBI cuts repo rate by 40 bps; extends loan moratorium till August**

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

The Reserve Bank of India has cut the repo rate by 40 basis points from 4.4% to 4%. The reverse repo rate has been kept at 3.35% to maintain accommodative stance. Five out of six members of monetary policy committee (MPC) supported the 40 bps rate cut, said RBI Governor Shaktikanta Das on 22 May. The RBI has also extended the three month loan moratorium by another three months till August 31. Domestic economic activity impacted severally by lockdown, the central bank governor observed adding that high frequency indicators point to collapse in demand.

#### **4. India becomes world's second-largest manufacturer of PPE body coveralls in two months: Govt**

**Source: Livemint ([Link](#))**

India has become the world's second largest manufacturer of personal protective equipment (PPE) body coveralls within a short time span of two months, the government said on 21 May. China is the world's leading producer of PPE body coveralls, crucial to safeguard against the COVID-19 pandemic. In a statement, the Ministry of Textiles said it has been taking several steps to ensure that both quality and quantity of PPE coveralls going up to the desired levels within a very short span of time of two months, "thereby catapulting India into the world's second largest manufacturer of body coveralls, next only to China". The ministry has taken steps to ensure that only certified players across the entire supply chain are allowed to supply body coveralls to governments, an official statement said.

#### **5. Repatriation flights on May 22: Daily updates on arrivals, departures under Vande Bharat Mission**

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

The government has said its mega mission to brought back stranded Indians from abroad will continue till June 13 and the extended phase will cover 47 countries. The second phase of the 'Vande Bharat Mission' was to end on May 22. However, Spokesperson in the Ministry of External Affairs Anurag Srivastava said the ongoing phase will last till June 13 and that India is looking at making Frankfurt a hub for the mission. As of May 21 afternoon, a total of 23,475 Indian nationals were brought back home under the mission which began on May 7. Srivastava said there will be a third phase of the mission after June 13 and that private airlines may be involved in it.

#### **6. Domestic flights to resume from 25 May: Govt can dictate fare capping to private airlines only if it provides discounts on fuel, other charges**

**Source: Firstpost ([Link](#))**

The government's Standard Operating Procedures (SOPs) to be followed before taking a flight has been largely welcomed by experts in the aviation sector. Everyone agrees that after lockdown measures announced to contain the spread of coronavirus is important and necessary for the government to have come out with a detailed SOP. Some welcomed it as a 'good thought-out gesture' by the government. The government will regulate fares and it will be in a fixed range with a minimum and a maximum fare already set for the route. Aviation experts wonder who gave the government advice on this matter. "Fixing refunds earlier and now fixing fares - even though temp and in emergency only - is unfortunate," said Kapil Kaul, CEO & Director, CAPA South Asia-an advisory and research firm focussed on aviation and

aerospace.” Kaul said, in the absence of demand data and with continuing uncertainty, he said he was not sure what inputs were used to arrive at the fare bands.

### **7. Govt allows banks to buy securities of low-rated NBFCs under PCGS 2.0**

**Source: Livemint ([Link](#))**

In a bid to provide liquidity to NBFCs and HFCs with low credit ratings, the government has approved Partial Credit Guarantee Scheme (PCGS) 2.0 to address temporary cash flow mismatch of otherwise solvent entities of the sector. The Union Cabinet headed by Prime Minister Narendra Modi approved the scheme on 20 May. Following the approval from the Cabinet, the scheme has now become operational and its framework has been communicated to banks. The scheme covers not only non-banking financial companies (NBFCs) and Housing Finance Companies (HFCs) but also micro-finance institutions (MFIs). The scheme will cover securities which are low in ratings and even unrated paper, according to Frequently Asked Questions (FAQs) issued by the Ministry of Finance.

### **8. Post-package meet: Credit flow, NBFCs top FM, bankers’ agenda**

**Source: Financial Express ([Link](#))**

Days after announcing a Rs 21-lakh-crore package with a sharp focus on improving liquidity flow into critical sectors of the economy, finance minister Nirmala Sitharaman will hold her first crucial meeting with top executives of state-run banks on 22 May. The meeting, to be held via video conference, will dwell upon credit disbursement since March, especially Covid-19-related sanction as well as offtake, amid perceptions of growing risk aversion in the banking sector. The meeting comes at a time when banks are supposed to play a catalytic role in implementing several announcements made by the government – including official guarantee on collateral-free loans of Rs 3 lakh crore for MSMEs and Rs 75,000-crore liquidity facility for shadow lenders – to fight the pandemic. The minister may take stock of bankers’ preparedness in adopting the schemes that have been announced.