MICROFINANCE INSTITUTIONS NETWORK

Media Visibility Report - Quote on RBI providing additional liquidity support to MFIs
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Publication Name</th>
<th>Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Hindu Business Line</td>
<td>Print</td>
</tr>
<tr>
<td>2.</td>
<td>The Statesman</td>
<td>Print</td>
</tr>
<tr>
<td>3.</td>
<td>Telangana Today</td>
<td>Print</td>
</tr>
<tr>
<td>4.</td>
<td>Business Standard</td>
<td>Online</td>
</tr>
<tr>
<td>5.</td>
<td>Outlook</td>
<td>Online</td>
</tr>
<tr>
<td>6.</td>
<td>India TV News</td>
<td>Online</td>
</tr>
<tr>
<td>7.</td>
<td>Deccan Herald</td>
<td>Online</td>
</tr>
<tr>
<td>8.</td>
<td>Business Insider</td>
<td>Online</td>
</tr>
<tr>
<td>9.</td>
<td>News 8 Plus</td>
<td>Online</td>
</tr>
<tr>
<td>10.</td>
<td>Dev Discourse</td>
<td>Online</td>
</tr>
<tr>
<td>11.</td>
<td>Telangana Today</td>
<td>Online</td>
</tr>
</tbody>
</table>
Quote on RBI providing additional liquidity support to MFIs
RBI’s move on liquidity welcome, but questions on moratorium remain

Banks to take call on extension to NBFCs, HFCs

SUNDARI NAGAR, April 18

The slew of announcements by the Reserve Bank of India on Friday seems to have addressed a majority of concerns of non-banking finance companies and micro finance players on getting liquidity for further credit flow, though it did not resolve the issue of extending a moratorium to them.

Sources close to the development said banks may take a call on whether or not to extend the moratorium to NBFCs and HFCs. The Indian Banks Association may discuss the issue in the coming days.

Formal directive

Bankers said they too have been awaiting clarity from the RBI on the issue. “We are not averse to extending the moratorium but we were hoping for a formal directive from the regulator,” said a banker.

“The RBI announcements on liquidity have taken care of about 60 per cent to 70 per cent of concerns of NBFCs. We are also working to get a better understanding,” said Mohesh Thakkar, Director General, Finance Industry Development Council.

FICCI has written to the RBI asking them to advise banks to allow moratorium on payment of interest and principal due between March and May 2020 for NBFCs which apply for it. It has also sought guidance on providing liquidity support under TLTRO and various schemes like term loans for on-lending for priority sectors, as has been permitted by the RBI.

CARE Ratings said many NBFCs and housing finance companies are in talks with their banks to avail the moratorium, however, it is not an automatic decision from the banks and there may be a differential behaviour by banks.

The real challenge comes post the moratorium period, when the lockdown ends by May and businesses start to operate, it may take some time for collection efficiencies to reach normal levels, it noted.

Krishnan Sitarasan, Senior Director, Crisil Ratings, said the fact that no formal announcement was made on applicability of bank loan moratorium to NBFCs is a dampener for them.

“Treasury funding measures announced by RBI will definitely provide some relief to NBFCs, HFCs and MFIs who have been providing moratorium on their loans to borrowers but were facing uncertainty in obtaining moratorium on their bank loans,” he said, noting that the TLTRO as well as the Rs 50,000 crore refinancing window will help them access funds.

Harsh Shriramkumar, CEO, MIB, said it will help the small and medium NBFC MFI’s to support the bottom of the pyramid customers. VP Nandakumar, Managing Director and CEO of Manappuram Finance, said the size of the TLTRO may have to be increased going forward.
Industry hails RBI measures

**STATESMAN NEWS SERVICE**  
**KOLKATA/NEW DELHI, 17 APRIL**

The calibrated steps announced by the Reserve Bank of India today will strengthen India’s financial system, especially the operations of NBFCs and MSMEs, and refuel economic growth sooner than later, the PHD Chamber of Commerce and Industry said.

“The reverse repo rate, cut by 25 bps from 4 per cent to 3.75 per cent under LAF is appreciable as it will make it unattractive for banks to passively deposit funds with the RBI and instead lend it to productive sectors,” PHDCCI president D K Aggarwal said in a Press statement.

Indian Chamber of Commerce while welcoming RBI’s 25 bps reverse repo cut, said: “Making the reverse repo rate at 3.75 per cent while the repo rate remains at 4.4 per cent, further increases the symmetry between the two and nudged more and more banks to increase lending and investment.”

The chamber highly appreciates the new lifeline to NBFCs by way of a TLTRO (targeted long term repo operations) of Rs 50,000 crore, which would help them to lend to the micro segments of each sector in the economy, it said.

Commenting on fresh RBI measures, EEPCC India chairman Ravi Sehgal said relaxations and forbearance given by the RBI on loans would help the industry and the exporting units, particularly in the small and medium enterprises (SME) segments.

However, RBI Governor Shaktikanta Das has cited the report of the World Trade Organisation – the global trade is expected to decline up to 32 per cent in 2020 in the face of coronavirus forcing major economies to lockdown. Under these circumstances, the merchandise exporters face the gravest of threats and would need a special package from the RBI and government, he said.

CII director-general Chandrakant Banerjee said the RBI’s continued resolve to ensure that the availability of liquidity, especially for the stressed sectors, remains adequate is commendable.

Ficci president Sangita Reddy said relaxation in regulatory requirements further will help banks in dealing with the Covid-19 impact. Ficci would request the RBI that additional working capital should be mandated rather than depending on the discretion of the banks.

MFIN CEO Harsh Shrivastava stated: “The microfinance sector is highly appreciative of the RBI for acknowledging the industry concerns and for infusing liquidity of Rs 50,000 crore, a substantial part of which will help the small & medium NBFC MFIs to support the bottom of the pyramid customers.”
‘India to see V-shaped recovery’

The Reserve Bank Governor Rajnish Kumar’s comments this week that the economy had “reached the trough of the cyclical downturn” and was in the process of recovering is the first official endorsement by the apex bank of an end to the economic downturn.

In an interview with The Hindu BusinessLine, the Governor said the economy would be back on the upward curve in the next quarter, and the recovery would continue in the subsequent quarters.

“India is a large economy with a diversified set of industries and sectors. There is a high degree of resilience in the economy, and we have seen that in the past. Even during the global financial crisis, India was able to recover quickly,” he said.

The Governor said the government had taken several steps to support the economy, including relaxation of fiscal and monetary policies.

“At this stage, we are looking at the economy returning to normal and the recovery continuing in the subsequent quarters,” he added.

The Governor also mentioned the role of the Reserve Bank in supporting the economy through liquidity injections and other measures.

“The Reserve Bank is monitoring the situation closely and will take appropriate action to support the economy,” he said.

Kumar also said the government should continue to focus on fiscal discipline and structural reforms to ensure a sustainable economic recovery.

“I believe the government should continue to focus on fiscal discipline and structural reforms to ensure a sustainable economic recovery,” he said.

The Governor also said the Reserve Bank would continue to monitor the situation closely and take appropriate action to support the economy.

“The Reserve Bank will continue to monitor the situation closely and take appropriate action to support the economy,” he said.

The interview was conducted by Ashok K. Seth, the Managing Director of The Hindu BusinessLine.
NBFCs hail RBI's additional liquidity support move to tide through Covid crisis

Press Trust of India | Mumbai
Last Updated at April 17, 2020 20:08 IST

Non-bank financial players have welcomed the Reserve Bank of India's decision to provide Rs 50,000 crore of additional liquidity support to the sector by conducting targeted long term repo operations (TLTRO 2.0).

Shadow banking players also hope to get more liquidity support from banks after the RBI reduced the reverse repo rate by 25 basis points to 3.75 per cent from 4 per cent.

ALSO READ
RBI extends Fixed Rate Reverse Repo, MSF window
RBI announces 3rd targeted LTRO for Rs 25,000 cr
India Inc applauds robust liquidity infusion steps by RBI
NBFCs hail RBI"s additional liquidity support move to tide through Covid crisis

Mumbai, Apr 17 (PTI) Non-bank financial players have welcomed the Reserve Bank of India’s decision to provide Rs 50,000 crore of additional liquidity support to the sector by conducting targeted long term repo operations (TLTRO 2.0).

Shadow banking players also hope to get more liquidity support from banks after the RBI reduced the reverse repo rate by 25 basis points to 3.75 per cent from 4 per cent.

The RBI on Friday said it will conduct (TLTRO 2.0) for an aggregate amount of A Rs 50,000 crore, to begin with, in tranches of appropriate sizes.

The funds availed by banks under TLTRO 2.0 should be invested in investment grade bonds, commercial paper, and non-convertible debentures of NBFCs, with at least 50 per cent of the total amount availed going to small and mid-sized non-banking financial companies (NBFCs) and micro-finance institutions (MFIs).

"It (TLTRO) is a very-very favourable decision. Now, they (RBI) have specifically allotted (liquidity through TLTRO) to NBFCs, of which 50 per
NBFCs hail RBI's additional liquidity support move to tide through Covid crisis

Non-bank financial players have welcomed the Reserve Bank of India's decision to provide Rs 56,000 crore of additional liquidity support to the sector by conducting targeted long term repo operations (TLTRO 2.0). Shadow banking players also hope to get more liquidity support from banks after the RBI reduced the reverse repo rate by 25 basis points.

Published on 17th April, 2020
NBFCs hail RBI's additional liquidity support move to tide through coronavirus crisis
<table>
<thead>
<tr>
<th>Publication</th>
<th>News 8 Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edition</td>
<td>Online</td>
</tr>
<tr>
<td>Date</td>
<td>17th April, 2020</td>
</tr>
</tbody>
</table>

NBFCs hail RBI's additional liquidity support move to tide through Covid crisis

Country
India

Share
Facebook
Twitter
LinkedIn
YouTube
RBI Governor hopes India will stage sharp V-shaped recovery in 2021-22

Softening inflation, Das said would make available more policy space to the central bank to address risks to the growth going forward.