

Sr No	Subject	Rationale	Recommendations
1.	<b>Assistance to home owners in EWS and Lower / Middle Class Segments</b>	While the broader point of moratorium on borrowing for MSME's has been suggested, the impact on retail borrowers/mortgages can have serious systemic impact that will further stress the financial system and eventually have a spiralling impact on the already depressed real estate sector. In the event wages are reduced/deferred or retrenchment takes place home owners below a certain income level who depend on monthly paycheques will face serious challenges in maintaining mortgage payments.	A specific policy action with respect to the home finance sector is highly recommended. The RBI and NHB, in coordination with the Banks and non-bank housing lenders, should institute a moratorium on interest and principal payments for at least 3 months until the economic impact can be appropriately addressed. NPA recognition rules should be appropriately relaxed for a defined period so that Lenders do not come under pressure from their own sources of funding. To ensure stability and minimise volatility, specific aspects such as the continued ability to accrue income with NPA classification etc. have to be thought through such earnings volatility does not add to the already stressed capital markets.
2.	<b>Task Force for Coordination between stakeholders (state govt.s, regulators, key institutions)</b>	The economic task force to tackle issues faced by the current situation is a very proactive step taken by the government. However, the unprecedented pace, breadth and severity of the situation permeates not only economic circles but also social and health/welfare as well. Over the past few days we have also seen situations where various states have acted swiftly. However, concurrent coordination with regulators will be critical to minimise unintended consequences. Further decisive action will be required in the coming few weeks to ensure the spread of COVID-19 is contained. As the economic situation worsens the impact of the dislocations could also be greater.	Coordination between state governments and sector regulatory authorities will be crucial (such as SEBI, RBI, IRDAI etc.) and an agile task force with representatives from each should be formed. The key is to create an agile forum for decisions to be taken without the unintentional consequence of exacerbating the impact on customers and market participants. For instance how to coordinate stock exchanges, financial markets and institutions (issues like settlement, insurance coverage etc to name a few)

3.	<b>Ensuring Liquidity</b>	Liquidity will become a serious issue as cash flows get strained. Negative impacts on financial sector balance sheets will exacerbate the stress in the sector.	The RBI should extend emergency liquidity facilities to the non-bank sector as well (such as the LTRO). This should be a temporary facility that can have constraints attached to it but will be required to provide confidence to the markets. Specific terms and tenor etc can be determined as appropriate.
4.	<b>Economic support and assistance</b>	<ul style="list-style-type: none"> <li>➤ The bread and butter of daily wage earners is dependent on day to day work. Owing to lock down a number of such activities have come to a standstill.</li> <li>➤ A number of small and medium entrepreneurs and MSME sector entities are facing severe economic hardship.</li> </ul>	GOI should announce appropriate economic package and provide requisite financial assistance and support to the daily to enable survival during this period of unprecedented crisis.
5.	<b>Extension of due dates of various statutory obligations</b>	<ul style="list-style-type: none"> <li>➤ The lock down has resulted in closure of offices and business places.</li> <li>➤ The closure of malls, cinema halls, etc. Almost negligible usage of cabs, flights, hotels, etc. has drastically reduced fund inflows of various business entities.</li> <li>➤ These in turn has made it difficult if not impossible for the impacted business entities to fulfil various statutory obligations like filing of forms, returns, pay the taxes and other dues, etc.</li> </ul>	GOI should announce adhoc extension of all the due dates falling till 31 <sup>st</sup> March 2020 by at least one month. This need to be constantly monitored and further extended depending upon the status of control of COVID-19 pandemic.
6.	<b>Improved testing and treatment facilities for Covid-19</b>	The capacity of testing facilities are proportionately low	GOI shall work in exponentially increase the Covid-19 testing and treatment facilities by framing a policy of active involvement of private sector hospitals.
7.	<b>Fiscal Policy</b>	➤ Workers in informal sector are sent out until further notice. A safety net has to be created to safeguard their interests.	As such demand situation in the economy is not encouraging; the COVID-19 wrecks it further. The focus should be on demand

		<p>➤ For those on contract employment, they have been asked to leave until further notice. Those not having paid leaves will soon struggle to survive in the face of non-availability of essential goods and services.</p>	<p>management, particularly with a view to safeguard interests of workers in informal segment and in rural areas.</p> <p>The Government has to adequately support them; either by subsidising private sector or by means of DBT. Government could consider paying 50% of their wages during the disturbed period.</p>
8.	<b>Monetary policy</b>	<p>Interest subvention to firms that are badly impacted.</p>	<p>The RBI, in consultation with Banks, should consider extending moratorium period to firms; during this period, firms will not be expected to do fulfil their debt servicing obligations. However, these firms should be identified based on their past track records of repayment of principal and payment of interest. They should be necessarily falling under the standard assets of banks.</p>
9.	<b>Civil service</b>	<p>➤ Entire food supply chain could be in a disarray; strict vigilance should be enforced.</p> <p>➤ Most of the people are not adequately opting for medical services in private sector; partly because they are discouraged and partly due to exorbitant charges.</p>	<p>➤ Hoarders and black market need to be harshly deal with. This will bring some orderliness in the system.</p> <p>➤ In such circumstances, civil authorities should be vigilant and government should fix cap on charges for health care services rendered in connection with preventions and containment of COVID-19.</p> <p>➤</p>
10.	<b>Financial Condition including capital market.</b>	<p>➤ Market condition has been worrisome. Short term rates are up by 50 to 100 bps. This has largely to do with operational uncertainties and also to do with expected deterioration in credit matrix. It is highly probable that Banks have turned more cautious. In such environment,</p>	<p>Government of India can notify following measures “<i>Force Majeure</i>”-</p> <ul style="list-style-type: none"> <li>• Delay in financial contracts post March 22. ( Loan, Bonds etc)</li> <li>• NPA recognition could be</li> </ul>

		<p>refinancing or any kind of financing would face significant amount of challenges. Though, sudden stop in normal activities would reduce Working capital requirement in a considerable way, but receivable cycle will also get elongated. Compared to China, South Korea or any South East Asian countries, our financial condition was anyway under tremendous pressure driven by prolonged NPA cycle, NBFC crisis and in recent Yes Bank.</p> <p>➤ And India's growth in anyway was at the bottom of the cycle, compared to most of the G30 economies, therefore recovery for India would be protracted. And that will also be dependent on conducive environment in the financial market including banking; otherwise stress will start mounting up.</p>	<p>given moratorium period.</p> <ul style="list-style-type: none"> <li>• Cases can be put under moratorium under COVID-19 for Operational creditor taking into IBC 2016, where payment is delayed by over and above 15 days or due to operational challenges.</li> <li>• Increase in working capital, cash credit limit for limited period.</li> <li>• Receivable financing for EPC, Power generation entities, particularly if receivables outstanding from State or State entities.</li> <li>• Moratorium for EMI for cash based collection business – commercial vehicle etc.</li> <li>• Special Government/ Bank guarantee for short term loan (1 month)</li> <li>• One time incentive/supports to SMEs.</li> <li>• Relaxation in Working Capital loan financing.</li> <li>• Incentive for non-fund based limits.</li> </ul> <p>In all the above-mentioned forbearances, reporting should be made to regulators or in MCA to reduce morale hazards.</p>
11.	<b>Sectoral.</b>	<p>➤ <b>Identify sectors, directly or indirectly affected.</b></p> <ul style="list-style-type: none"> <li>• Direct: Airlines, Hotels and associated services sector.</li> <li>• Export oriented sectors: Gems &amp; jewellery , Textiles</li> <li>• Indirect: Consumption &amp; investment: Steel (Sharp fall in price and China may start dumping) ,</li> <li>• Consumption: Both income and wealth shock will have considerable drag on the</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fiscal policy will be more effective than Monetary.</li> <li>➤ Onetime Individual Tax cut.</li> <li>➤ More deduction on House Loan interest or principal or both.</li> <li>➤ Soft loan from GoI backed institutions to SME.</li> <li>➤ Interest Rate subvention for Tractor, commercial vehicle and passenger vehicles below Rs. 10, 00,000.</li> <li>➤ Allow States to borrow more and spend</li> <li>➤ Govt. can issue special bond to</li> </ul>

		consumption behaviour.	support economy (Corona Bond).
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