



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank Announces Targeted Long - Term Repo Operations 2.0 (TLTRO 2.0)

As announced today (17.04.2020) and set out in [Governor's Statement](#), the Reserve Bank of India (RBI) has sought to engender conducive financial conditions and normal functioning of financial markets and institutions by providing adequate system level liquidity as well as targeted liquidity provision to sectors and entities experiencing liquidity constraints and/or hindrances to market access. In order to channel liquidity to small and mid-sized corporates, including non-banking financial companies (NBFCs) and micro finance institutions (MFIs), that have been impacted by COVID-19 disruptions, it has been decided to conduct Targeted Long-Term Repo Operations (TLTRO) 2.0 at the policy repo rate for tenors up to three years for a total amount of up to ₹50,000 crores, to begin with, in tranches of appropriate sizes.

2. The funds availed under TLTRO 2.0 shall be deployed in investment grade bonds, commercial paper (CPs) and non-convertible debentures (NCDs) of Non-Banking Financial Companies (NBFCs). At least 50 percent of the total funds availed shall be apportioned as given below:

- (a) 10 per cent in securities/instruments issued by Micro Finance Institutions (MFIs);
- (b) 15 per cent in securities/instruments issued by NBFCs with asset size of ₹500 crore and below; and
- (c) 25 per cent in securities/instruments issued by NBFCs with assets size between ₹500 crores and ₹5,000 crores.

The asset size shall be determined as per the latest audited balance sheet of the investee institution/company.

3. Investments made under this facility will be classified as held to maturity (HTM) even in excess of 25 per cent of total investment permitted to be included in the HTM portfolio. Exposures under this facility will not be reckoned under the Large Exposure Framework (LEF).

4. The first auction under TLTRO 2.0 will be conducted on April 23, 2020. The details of the auction are as under:

Sl. No.	Date of operation	Notified Amount (₹ crore)	Tenor	Window Timing	Date of Reversal
1	April 23, 2020	25,000	3 years	10:30 AM-11:30 AM	April 21, 2023

5. The funds availed under this facility would have to be deployed within 30 working days from the date of the operation. A declaration to this effect would need to be submitted within one month to Financial Markets Operations Department ([email](#)) and to Department of Supervision ([email](#)).

6. All other terms and conditions will remain the same as under the TLTRO scheme.

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(Yogesh Dayal)
Chief General Manager