

Benchmark indices post biggest single-day fall

Investors become poorer by ₹14.2 lakh crore in stock market crash

FE BUREAU
Mumbai, March 23

EQUITIES PLUNGED TO new lows on Monday as benchmark indices posted their biggest single-day fall. Foreign investors are continuing to liquidate holdings amidst the belief that the lockdowns would eventually lead to a financial crisis. Shedding 3,500 points during the day, Nifty Bank clocked the biggest among all frontline indices. Financials contributed 50% towards the fall in Nifty. Investors lost wealth worth ₹14.2 lakh crore after the market sell-off during Monday's bloodbath.

Foreign portfolio investors have been selling relentlessly and have sold equities worth \$8.1 billion between February 24 and March 19, 2020. The rupee ended the day at a record low of 76.29 against the US dollar. According to the provisional data on the exchanges, FPIs on Monday sold equities worth \$392 million. Domestic institutional investors bought equi-

WORST EVER MARKET CRASH

■ Benchmark indices posted their biggest single-day fall on Monday as investors junked risky assets amid concerns over rising Covid-19 cases and its economic fall out on the country's financial health.

■ With the pandemic causing a rout in every stock, the Sensex and Nifty have corrected over 38% from their January highs.

■ While the Indian stocks plunged the most on Monday, South Korea's Kospi and Hong Kong's Hang Seng also slumped 5% each. China's Shanghai Composite fell 3.1%.

■ Monday also marked the second lower-circuits for the benchmarks in a fortnight time and third instance for the Sensex where the index lost over 2,500 points.

■ As many as 29 companies from the Nifty50 index and 281



of broader NSE500 hit their 52-week lows on Monday. Among NSE500 companies, 119 have crashed over 50% in the last one month.

■ All the 19 sectoral indices compiled by the BSE ended the day in red with 14 of them falling over 10% each. While the Bankex and BSE Finance fell the most with over 16% decline, Capital goods and Basic materials followed with fall of 15% and 13.7% respectively.

ties worth \$ 14.2.28 million, data on the exchanges shows.

Even as the Sensex and Nifty are down over 38% from their January highs, experts are not willing to call this a bottom yet as the wave of selling is expected to continue. Secondly, the biggest losers were Nifty Private Bank, Nifty Bank, Nifty Financial Services, Nifty

Auto and Nifty PSU Bank. NSE Midcap ended the day at a six year low down by 13.01% similarly, NSE smallcap was down by 12.94%.

Piyush Garg, chief investment officer at ICICI Securities, said: "The market is pricing in a new reality. The understanding is that a healthcare crisis could transform into a mini financial

problem. This cycle could start with retail. Financials were over-bought and that's coming down now. If the current conditions last till June or July, then retail assets will come under stress."

HDFC Bank CEO Aditya Puri came out to allay fears on Monday, but investors continued to pummel financials. Despite measures announced by the markets regulator on Friday to curb volatility, markets hit a lower circuit for the second time in two weeks.

The benchmark Sensex crashed 3,934.72 points or 13.15% to close at 25,981.24, which is the lowest in three years. Broader Nifty50 ended the day's trading session at a four-year low of 7,610.25 points, down by 12.89%.

After hitting the lower circuit in the first hour of the trading session, the selling continued even after trading resumed. The India volatility index (VIX) remained elevated at 71.56. Foreign portfolio investors (FPIs) have remained net sellers in the Indian equity markets and have pulled out \$6.67 billion from the equity markets till March 20. They have so far pulled out around \$13 billion from the Indian debt and equity markets making it the highest ever outflow.

DHFL claims cross ₹1 lakh crore

ANKUR MISHRA
Mumbai, March 23

THE AMOUNT CLAIMED by creditors of troubled Dewan Housing Finance Corporation (DHFL) has crossed ₹1 lakh crore, sources told FE. The sources added that 70,913 creditors "have claimed ₹1,00,064 crore from DHFL till now." Financial creditors, including bondholders, have claimed ₹86,469 crore from DHFL.

India's largest lender State Bank of India, including SBI Singapore, is the lead creditor with a claim of ₹10,083 crore, followed by Bank of India, which has claimed ₹4,126 crore. Canara Bank has claimed ₹2,682 crore, National Housing Bank (NHB) has claimed ₹2,434 crore, Union Bank of India ₹2,378 crore and Syndicate Bank ₹2,229 crore, among other lenders.

The total amount also includes claims of ₹2,500 crore from promoter entity of Wadhawan Global Capital (WGC). The claim relates to the exercising of a put option by Wadhawan Global Capital (WGC) and was filed by Dheeraj Wadhawan on behalf of the group company.

The troubled lender is undergoing a resolution process under the Insolvency and Bankruptcy Code, 2016, after the Mumbai bench of the

National Company Law Tribunal (NCLT) admitted the case on December 2, 2019. DHFL is evaluating expression of interests received for the company. FE reported earlier that lenders discussed the revised evaluation matrix of bidders in the CoC meeting held on March 12. During the meeting, it was decided that 5% more weightage will be given to net present value (NPV) compared with the previous plan. The new evaluation criteria gives 40% weightage to NPV, 30% weightage to cash upfront, 10% for capital infusion, 5% to equity stake and remaining 15% evaluation will be done based on qualitative parameters.

FE has learned that 24 applicants have submitted expressions of interest (EOIs) for DHFL. The company had given the option to bidders to bid for the whole company or in parts. Under Option I, suitors were invited to submit EOIs for the entire business of DHFL. Under Option II, prospective resolution applicants were invited to submit EOIs for one or more groups or a combination of any assets in isolation across different groups of DHFL. The bids for the bankrupt mortgage lender are to be invited across three areas - retail, non-retail and slum rehabilitation authority (SRA) loans.

Banking system liquidity falls to ₹2.17 lakh crore: Care Ratings

FE BUREAU
Mumbai, March 23

THE LIQUIDITY IN the banking system fell to ₹2.17 lakh crore as on March 20, down ₹55,063 crore from a week ago on March 13. The outstanding liquidity fell from ₹2.72 lakh crore as on March 13, on the back of advance tax payments, payments towards GST and other statutory tax payments by businesses during the week, said Care Ratings in a report.

"However, lower credit off-take when compared with the deposit growth continued to support the liquidity in the banking system," the rating agency said. The year-to-date credit growth from April 2019 to February 2020 stood at 3.4%, while the incremental bank deposit growth was at 6% during the

period. The five auctions of long-term repo operations (LTRO) undertaken by the RBI totalling ₹1.25 lakh crore added to liquidity surplus during the week. The central bank also purchased government bonds amounting to ₹10,000 crore through open market operations, enhancing the liquidity.

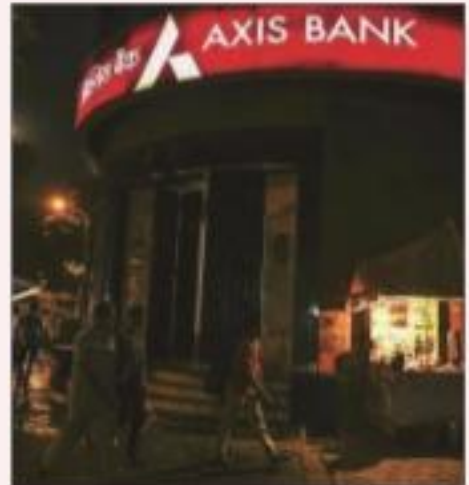
During the week ended March 20, 2020, the daily net absorption by the RBI from the banking system, that is, the daily repo and reverse repo operation including the fresh term repo and reverse repo operations, widened from ₹1.7 lakh crore on March 16 to ₹2.23 lakh crore as on March 20, the agency said. Further, there could be improvement in the liquidity position with an upcoming OMO purchase aggregating ₹15,000 crore by RBI scheduled for March 24.

Axis Bank sets aside ₹100 cr to help fight Covid-19

FE BUREAU
Mumbai, March 23

AXIS BANK ON Monday said that it has set aside ₹100 crore to support customers, employees, vendors, government agencies and the community at large towards curbing the spread of the novel coronavirus. The lender also waived off charges for savings account, current account and prepaid card customers, towards online IMPS and ATM financial and non-financial transactions, for the period from March 23 to 31.

Amitabh Chaudhry, MD & CEO, Axis Bank, encouraged all



customers to use the bank's digital solutions, thereby cutting down on physical interactions. "We are waiving off charges on various transactions to ensure seamless and convenient banking for our

customers. We will keep continuing with our efforts in supporting the nation and its people at this crucial juncture," he said.

Sameer Shetty, head-digital banking, Axis Bank, had previously said that the bank was preparing for higher volumes on its digital platforms towards the end of the month and early next month, when the traffic is highest. He said that while the bank had not seen any significant change in behaviour on digital platforms yet, there were some early indicators, including a marginal rise in registrations and transactions on digital platforms.

Covid-19: India needs three-fold rescue plan, says Puri

FE BUREAU
Mumbai, March 23

HDFC BANK MANAGING director Aditya Puri on Monday sought to allay fears about the bank's asset quality and risks emanating from the spread of the novel coronavirus. Puri said that spread of Covid-19 should be seen as a biological crisis and not a financial one. The focus should be on that and the government has acted on this to flatten the curve. Primarily, the lockdowns would lead to cashflow issues for companies. To mitigate the impact, he sought a three-fold rescue plan from the government and regulators - forbearance on bad-loan recognition, an out-of-turn rate cut and fiscal stimulus.

Puri said the duration of the Covid-induced lockdowns

could range from three to nine months. "This could be shorter than any other crisis. I'm not saying it'll be three months, six months, nine months, but they've (doctors) have isolated the molecule and the tests are on. So, it could be six to nine months," he said. In the meantime, companies in India will grapple with cash flow-based issues and asset recognition norms will have to be relaxed in favour of an assessment-based identification of stress rather than a rule-based system, Puri said.

On the monetary side, he recommended a non-traditional rate cut so that yields are maintained properly and the system is reassured that the RBI is willing to pull out all stops. "We have to clearly come out with forbearance across the length and breadth



because cash flow of almost all companies will be affected if we have the lockdown," Puri said.

On the fiscal side, too, Puri asked for expansion, pointing out that when the current government took over, the fiscal deficit was at 5.8% of gross domestic product (GDP) and the present crisis was nowhere in sight. The bottom of the pyramid would need money

being made available to them, as they would be most impacted. "So, we have to pull out all stops to make sure what is necessary to alleviate the issues with the daily-wage workers and companies and to make sure that we spend enough to be ready for the healthcare and we put in as much of a stimulus as we can. Then we live to fight another day," he added.

At the same time, Puri asked for the rural sector to be protected from the spread of the viral outbreak as this segment has been showing signs of recovery, with a good rabi crop working in its favour.

HDFC Bank is battle ready to deal with the outcome of the ongoing issues as the nature of its loan portfolio makes it less vulnerable. In addition, it is also sitting on liquidity worth

\$5 billion. Eighty percent of the bank's wholesale lending is to AA and above-rated companies and its exposure is spread over 150 sectors. The bank's exposure to finance companies is restricted to those owned by banks or very large corporate houses. "In the last one month, we have gone through our entire exposure with a tooth-comb, both corporate and retail, to see what is the impact and the sensitivity. It is not looking worrisome for us," Puri said.

White-collared workers, who constitute 75% of HDFC Bank's retail unsecured book, may take a hit only if the crisis turns out to be a prolonged one, Puri said. "Some (companies) will be impacted. (Our base is) white-collared employees of companies which have up to an 'A' rating," he said.

Sebi eases compliance burden for brokers, MFs

PRESS TRUST OF INDIA
New Delhi, March 23

IN A BID to reduce compliance burden on market participants, Sebi on Monday provided various relaxations to stock brokers and mutual fund houses, including extension in deadline for submission of financial results and disclosures on commission paid to distributors.

This is the latest in a series of measures taken by the watchdog in the wake of the coronavirus pandemic, which has also resulted in large scale sell-off in the domestic market.

Sebi also said the central government has requested states and Union Territories to keep the services of stock market entities exempted from the purview of lockdown as well as permit essential staff of the stock market participant to commute to their offices.

According to the regulator, it is closely monitoring move-

ments in the domestic market and has been taking appropriate measures from time to time.

Also, Sebi is actively engaged with global bodies like International Organization of Securities Commissions (IOSCO) and Financial Stability Board (FSB) at the global level, it said in a statement.

Among the relaxations for brokers, Sebi said penal provision for non-collection or short collection of margins by brokers which was to be implemented from April 1 has been deferred till April 30.

However, reporting of such margins in cash and derivatives segments would continue to be done by the brokers.

Further, Sebi said brokers working from designated alternate locations have been exempted from the penal provisions for not maintaining call recordings of orders or instructions received from clients till March 31, 2020.

Indian Bank rolls out measures for customer service

FE BUREAU
Chennai, March 23

INDIAN BANK HAS reached out to its customers, under its 'Pay Safe-Stay Safe' campaign, to play its part in the country's fight against coronavirus pandemic.

Banks and ATMs, being one of the important and crucial places in a modern-day society, are frequented by the public in large numbers. This human contact might prove to be a hindrance in arresting the rapid spread of this virus as feared by the medical fraternity. MD & CEO Padmaja Chunduru said: "We are concerned about the well-being of our customers during these trying times and, hence, request them to opt for the banks' seamless digital banking services (DBS)."

She urged the customers to act upon the government's and medical practitioners' directive to avoid public places. "It is our duty to join the country-wide effort to avoid congregation at public places and practise social isolation. Hence, an enhanced DBS is our attempt in that direction."

Vimta VIMTA LABS LIMITED
142, IDA, Phase-II, Cherlapally, Hyderabad: 500051
CIN : L24110TG1990PLC011977
Phone 91-40-2726 4141 E-mail : shares@vimta.com; URL : vimta.com

NOTICE OF RESULT OF POSTAL BALLOT AND E-VOTING

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 as amended from time to time, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and such other applicable laws and regulations, the Company had conducted the process of postal ballot including e-voting for seeking the consent of shareholders, on the following resolution(s) stated in the Postal Ballot notice dated 30th January 2020. After due scrutiny of postal ballot forms received and casted through electronic means up to the last date and time appointed for the same (i.e., up to 05:00 p.m. on 21st March 2020), Shri Datla Hanumanth Raju, a Practising Company Secretary, as Scrutinizer (COP: 1709), (the scrutinizer appointed by the Board of Directors) submitted his report dated 21st March 2020.

Based on the said report dated 21st March 2020, the result of the postal ballot (including E-Voting) was declared on Saturday, 21st March 2020 at the registered office of the Company. The summary of the same is as under:

Item No	Brief Description of Resolution(s)	Total no. of Valid Votes (Excludes invalid votes)	Mode of Voting	Total Votes in Favour		Total Votes cast against	
				No. of shares	% of votes	No. of shares	% of votes
1	Approval of payment of remuneration to Smt. Harita Vasireddi (DIN: 00242512) Managing Director of the Company	5982212	Ballot Form	5785699	100	-	-
			Electronic	196513	88.97	24364	11.03
2	Approval of payment of remuneration to Shri. Hariman Vungal (DIN: 00242621) Executive Director - Operations of the Company.	7900734	Ballot Form	7704221	100	-	-
			Electronic	196513	88.97	24364	11.03
3	Approval of payment of remuneration to Shri. Neerukonda Satya Sreenivas (DIN: 00269814) Executive Director of the Company.	8279965	Ballot Form	8147916	100	-	-
			Electronic	132049	84.82	24364	15.58
4	Approval for ratification of payment of remuneration to Shri. Veerabhadra Prasad Vasireddi (DIN: 00242355) former Executive Director - Administration of the Company.	4665179	Ballot Form	4468666	100	-	-
			Electronic	196513	88.97	24364	11.03

Note: Voting rights are in proportion to shares held as on 14th February 2020.

All the special resolution (s) have been passed with requisite majority. In terms of clause 16.6.3 of SS-2, the Resolution (s) is deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or E-voting i.e., Saturday 21st March 2020.

The result of postal ballot and E-voting has been displayed at the Company's website i.e., www.vimta.com and on the website of BSE Limited, National Stock Exchange of India Limited and on the website of CDCL along with the Scrutinizer Report.

By Order of the Board
For Vimta Labs Limited
Sujani Vasireddi
Company Secretary

Place: Hyderabad
Date: 24.03.2020

IDFC
IDFC MUTUAL FUND

Notice - Cum - Addendum No. 07 of 2020

Addendum to the Statement of Additional Information (SAI) of IDFC Mutual Fund (the Fund) Change in Key Personnel of IDFC Asset Management Company Limited (the AMC)

Notice is hereby given that Mr. Rupesh Acharya ceases to be a Key Personnel of the AMC with effect from close of business hours on March 11, 2020, on account of his resignation from services of the AMC. Accordingly, any reference pertaining to Mr. Rupesh Acharya under section 'Information on Key Personnel of the AMC' in SAI of the Fund shall stand deleted.

All other provisions of the SAI of the Fund, except as specifically modified herein above, remain unchanged.

The addendum forms an integral part of the SAI of the Fund, read with the addenda issued from time to time.

Date: March 23, 2020.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Sebi comes out with guidelines for encumbrance on REITs, InvITs

PRESS TRUST OF INDIA
New Delhi, March 23

CAPITAL MARKETS REGULATOR Sebi on Monday put in place a framework for invocation as well as encumbrance on units of real estate and infrastructure investment trusts.

In a separate circular, Sebi has also extended the regulatory due date for filing and compliance for real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) for the financial year ending March 31, by one month over and above the timeline in the wake of coronavirus pandemic.

In view of developments surrounding the spread of Covid-19, "a need for temporary relaxation in compliance requirements for REIT and InvIT is warranted", it added.

With regard to encumbrance, Sebi said entities required to hold units of REITs

and InvITs may create encumbrance on such units during the mandatory holding period wherein encumbrance will include pledge, lien, negative lien, non-disposal undertaking or any other covenant, transaction, condition or arrangement in the nature of encumbrance.

This is subject to the conditions that for creation and invocation of encumbrance are also included in the agreement executed for the purpose of creation of such encumbrance, the Securities and Exchange Board of India (Sebi) said in two circulars.

In respect of conditions for invocation during the mandatory holding period, Sebi said such encumbrance will not be permitted to be invoked during the holding period unless the person invoking the encumbrance - directly or through any trustee or agent acting in his behalf - will get itself or its nominee to become re-designated

sponsor. This condition will not be applicable in case the person invoking such encumbrance is already a member of sponsor group. With respect of obligations of entity creating encumbrance, Sebi said sponsor and sponsor group creating encumbrance on units held by them, will have to provide details of the encumbrance to the manager of the REIT or InvIT within two working days from the date of creation of such encumbrance in a specified format.

In case of any change in the information pursuant to release or invocation of encumbrance, or in any other manner, need to be informed to the manager of the REIT or InvIT within two working days from the date of such event. The REIT and InvIT within two working days from the receipt of details will have to disclose such information to every stock exchange where units of such trusts are listed.