COMPLIANCE BREATHER

Sebi gives more time to listed companies for holding board meeting

PRESS TRUST OF INDIA
New Delhi, June 26

MARKETS REGULATOR SEBI on Friday eased compliance requirement on time gap between two board meetings for listed companies till July 31, due to coronavirus pandemic.

According to the norms, board of directors or audit committee need to meet at least four times a year, with a maximum gap of 120 days between any two meetings.

In a circular, Securities and Exchange Board of India (Sebi) said, "The relaxation of maximum time gap between two board/audit committee meetings...is further extended till July 31, 2020."

However, the board of directors and audit committees of listed entities will have to ensure that they meet at least four times a year, it added.

This comes following requests from listed companies for relaxation.

Earlier in March, the regulator had relaxed the requirement of the maximum stipulated time gap of 120 days between two meetings of the board and audit committees of listed entities as required under LODR (Listing Obligations and Disclosure Requirements) Regulations. This relaxation was provided for the meetings held or proposed to be held between the period December 1, 2019 and June 30, 2020.

This circular will come into force with immediate effect, the regulator said. On Wednesday, Sebi had given one more month till July 31 for listed companies to submit their fourth-quarter as well as annual results.

Investment manager can manage multiple InvITs: Sebi

AN INVESTMENT MANAGER is allowed to manage multiple emerging investment vehicles — InvITs — markets regulator Sebi has said. However, transactions between two or more InvITs (infrastructure investment trusts) with a common investment manager or sponsor will deemed to be related party transactions for each of such trusts, the regulator added.

It further said if investment managers of InvITs are different but associates, the transactions between them will also be treated as related party transactions.

The clarifications have been given as part of an informal guidance sought by India Infrastructure Trust regarding certain aspects of InvITs Regulations.

India Infrastructure Trust sought Sebi's guidance whether an entity that acts as investment manager to an InvIT is permitted act as the manager to other InvITs under the norms.

In its reply made public on Friday, Securities and Exchange Board of India (Sebi) said there is no provision in InvITs Regulations, which prevents an investment manager to manage more than one InvIT.

"There is no explicit provision under InvITs Regulations that prohibits an investment manager to manage multiple InvITs provided they comply with regulations 19(4) of the InvIT Regulations," Sebi said in its three-page interpretative letter. —PTI

Tracking global cues, markets end on positive note

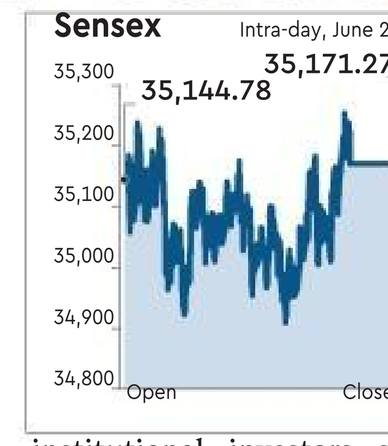
FE BUREAU
Mumbai, June 26

INDIA'S STOCK MARKETS made gains on Friday and ended the week in the positive territory, thanks to the positive global cues Indian benchmarks were tracking. Foreign portfolio investors have remained buyers in June so far pumping in $2.87 billion into Indian equities.

The benchmark Sensex, which was up by 329.17 points or 0.94%, closed at 35,171.27 whereas Nifty, which was up by 94.1 points or 0.91%, closed at 10,383 led by information technology stocks. For this week, the benchmark indices — Sensex and Nifty — are up by 1.3%. The Indian markets were up on Friday tracking global cues which were positive on expectations of economic recovery, however the gains were capped due to a rise in coronavirus cases in countries such as the US and China.

Nifty remained firmly in positive territory touching the high point of 10,407.5 during the trading hours but ended the session off the day's highs. Stock markets in Germany, the UK and France were up between 1% and 1.63%. Asian markets also had a productive session with bourses in China, Taiwan and South Korea, up between 0.3% and 1.05%.

According to provisional data on exchanges, FPIs on Thursday sold stocks worth $138.9 million and domestic institutional investors sold stocks worth $33.67 million. Even though FPIs were sellers in the previous day's trading session, their total monthly inflow continues to remain positive with flows till June 24 standing at $2.87 billion. This is a result of the rush of liquidity through global markets because of the measures taken by central banks around the world. The FPIs have turned buyers in the Indian market after selling for three straight months from March till May due to panic-selling caused by the spread of Covid-19.



According to a report by Kotak Institutional Equities, the monetary actions taken by central banks was simply a way to tempt economic participants to take more risks. "The monetary actions of central banks (cut in repo rates, limited or unlimited purchases of all sorts of bonds) are simply their ways to tempt economic participants (corporates, households) to take more risks and thus, revive the economy."

After Thursday's monthly expiry, the start of the July series was positive as markets ended their day making gains. The futures and options segment saw volumes of ₹8.52 lakh crore on Friday, against the six month average of ₹13.9 lakh crore.

The banking stocks, however, did not contribute to the market's gains on Friday as Nifty Bank rose 0.4%, underperforming the benchmarks.

According to a report by HDFC Securities, the economic impact of Covid-19 in context of banks will be with respect to liability franchises and potential asset quality outcomes. "Even as the nationwide lockdown gradually lifts, there is more than enough evidence to suggest the economic impact of Covid-19 is set to continue. Contextually, for banks, liability franchises and potential asset quality outcomes have come to be of paramount importance, and rightly so," it said in its report.

Banks go for stress test to assess impact of Covid-19 on NPAs

PRESS TRUST OF INDIA
New Delhi, June 26

BANKS HAVE UNDERTAKEN stress tests to assess the level of bad loans or non-performing assets (NPAs) caused due to economic slowdown triggered by the outbreak of Covid-19, sources said. Since the quarter as well as the financial year has ended, it is prudent to undertake the stress test to have a better view of the financial health, banking sources said.

It is part of the routine process and no formal communication from the RBI to banks is required in this regard, sources added.

The exercise requires building and reporting worst-case scenarios on asset quality side and subsequent capital requirements, sources said, adding, it provides management and the regulator early warning about the financial health.

"Once accounts are red-flagged, it is imperative for banks to also then conclude it either ways in a reasonable period of time to ensure that appropriate actions are initiated," KPMG India partner (Financial Services Advisory) Sanjay Doshi said.

Also, he said, timely intervention in such accounts will enable banks to protect and ring-fence good business within the account so that it can fetch optimal recovery.

The Reserve Bank of India (RBI), which releases Financial Stability Report (FSR) twice a year, also gives an idea of stress test at the system level.

The last FSR report released in December, had said the gross non-performing asset ratio of banks may increase to 9.9% by September 2020 from 9.3% in September 2019.

"The stress tests indicate that under the baseline scenario, the GNPA ratios of banks may increase to 9.9 per cent by September 2020, due to change in macroeconomic scenario, marginal increase in slippages and the denominator effect of declining credit growth," it had said.

The report had said state-run banks' GNPA ratios may increase to 13.2% by September 2020 from 12.7% in September 2019, whereas for private banks it may climb to 4.2% from 3.9%, under the stress scenario.

Banks net non-performing assets (NNPA) ratio declined in September 2019 to 3.7%, reflecting increased provisioning, it had said, adding the aggregate provision coverage ratio (PCR) of all banks rose to 61.5% in September 2019 from 60.5% in March 2019.

PCRs of both state-run banks and private banks increased in September 2019.

Morgan Stanley says use swings in Indian equities to buy dips

NUPUR ACHARYA
Mumbai, June 26

Indian stocks have an opportunity to outperform emerging markets as ample liquidity and strong sentiment favor more gains, according to Morgan Stanley India Co.

"Given the sharp rally over the past few weeks, volatility will likely increase with the probability of a tradeable correction in stocks," analysts Ridham Desai and Sheela Rathi wrote in a note to clients. "We are a buyer of any such correction -- there is likely more upside on stocks in the coming months."

The S&P BSE Sensex has rebounded 34% from its March low but is still down 15% for the year, compared with a 9.7% dip in the MSCI Emerging Markets Index for 2020. Indian stock volatility has come down from recent panic levels but remains elevated. Foreign investors have started to return after pulling out a record $8.4 billion in March as Covid-19 forced the world's most extensive lockdown.

The recovery has been aided by the gradual reopening of the economy as well as government stimulus measures. Growth in local retail investing has also helped, notably helping smaller stocks reverse their underperformance of recent years. Gauges of mid- and small-cap stocks have climbed 36% and 42% from their March lows.

"The time has come to move away from the macro and shift to stock picking as a strategy," the analysts said. "We expect market performance to broaden and like mid-caps."

The broker favors a "barbell portfolio" with a mix of quality companies at reasonable prices and stocks that are linked to macroeconomic changes. It is overweight consumer discretionary, health care and energy while underweight technology and staples. It remains neutral on financial companies, which it expects are likely to lose leadership in the broader equity market. —BLOOMBERG

घर में मिला बेहद विषैला सर्प, 35 बच्चों को दिया जन्म

कोयंबटूर, 26 जून (भाषा)।

बेहद विषैले सर्पों में से एक रसेल्स वाइपर प्रजाति के एक सांप ने यहां के नजदीक एक गांव में शुक्रवार को 35 बच्चों को जन्म दिया। कोविमेडु गांव के निवासी मनोहरन ने अपने स्नानघर में एक सांप देखा और मुरली नाम के सपेरे को बुलाया।

मुरली ने सांप को पकड़ लिया, तब पता चला कि यह रसेल्स वाइपर प्रजाति का सांप है। सपेरे ने सांप को जंगल में छोड़ने के लिए उसे एक बोरी में बंद कर लिया। कुछ मिनट बाद उसे लगा कि मादा सर्प बच्चों को जन्म दे रही है और उसने बोरी एक पेड़ के नीचे रख दी।

दो घंटे के बाद सपेरे को 35 छोटे सांप दिखाई दिए। मुरली ने बताया कि इन सभी को इरोड जिले में सत्यमंगलम के जंगल में छोड़ा जाएगा।

सामान्य तौर पर सांप अंडे देते हैं और उन्हें सेते हैं, वहीं रसेल्स वाइपर प्रजाति के सर्प शरीर के अंदर ही अंडों को सेते हैं और बच्चों को जन्म देते हैं। रसेल्स वाइपर के बच्चे जन्म लेते ही अत्यंत विषैले होते हैं।

25 साल से फरार हत्या का आरोपी शारजाह से लौटने पर पकड़ा गया

मलप्पुरम (केरल), 26 जून (भाषा)।

केरल में 1995 में मुस्लिम लीग के एक कार्यकर्ता की हत्या का मुख्य आरोपी, यूएई भाग जाने के 25 साल बाद कोझिकोड में पुलिस के शिकंजे में आ गया। आरोपी चार्टर उड़ान से शारजाह से लौटने वालों के साथ कोझिकोड आया था।

नीलाम्बर से निर्दलीय विधायक पीवी अनवर के रिश्तेदार शफीक मलंगदन को बुधवार को गिरफ्तार कर लिया गया जब आव्रजन अधिकारियों ने लुक आउट नोटिस के आधार पर अंतरराष्ट्रीय हवाई अड्डे पर उसे पहचान लिया।

पुलिस ने यह जानकारी दी। उन्होंने कहा कि आरोपी अब 50 साल का हो चुका है और 13 अप्रैल, 1995 को पारिवारिक झगड़े में ओएम पल्लीपरंबन की नृशंस हत्या करने के बाद वह खाड़ी देश भाग गया था। उन्होंने कहा कि आरोपियों में अनवर भी शामिल था लेकिन उसे अदालत ने 21 अन्य आरोपियों के साथ बरी कर दिया था।

हवाई अड्डे के सूत्रों ने बताया की शफीक को भरोसा था कि वह कोविड-19 के कारण बचा कर लाए गए लोगों के साथ बचकर निकल जाएगा लेकिन जब वह मंगलवार को विमान से उतरा तो आव्रजन अधिकारियों ने उसे पहचान लिया।

इंद्राणी की जमानत याचिका का सीबीआइ ने किया विरोध

मुंबई, 26 जून (भाषा)।

सीबीआइ ने शुक्रवार को इंद्राणी मुखर्जी की अंतरिम जमानत याचिका का विरोध करते हुए कहा कि उनको स्वास्थ्य की ऐसी कोई समस्या नहीं है जिसके चलते जेल के अंदर उन्हें कोरोना विषाणु से संक्रमण का खतरा हो। वह अपनी बेटी शीना बोरा की हत्या के मामले में आरोपी हैं। मुखर्जी अगस्त 2015 से ही बायकला जेल में बंद हैं। उन्होंने महामारी को देखते हुए अस्थायी तौर पर जमानत देने की मांग की थी।

उनकी जमानत याचिका पर केंद्रीय जांच ब्यूरो ने कहा कि उनको स्वास्थ्य की कोई बड़ी समस्या नहीं है जिससे उनमें विषाणु के संक्रमण का खतरा हो। सीबीआइ ने यह भी कहा कि जेल के अधिकारी सभी कैदियों की उचित देखभाल कर रहे हैं।

एजंसी ने कहा कि अगर उन्हें रिहा किया गया तो वह उन गवाहों को प्रभावित कर सकती हैं जिनसे अभी जिरह नहीं हुई है। सीबीआइ ने कहा कि वह विदेशी नागरिक हैं और अस्थायी जमानत की हकदार नहीं हैं। इसने कहा कि अगर आरोपी को रिहा किया गया तो वह फरार हो सकती हैं। शीना (24) की अप्रैल 2012 में एक कार के अंदर कथित तौर पर गला दबाकर हत्या कर दी गई थी और मामला अगस्त 2015 में प्रकाश में आया था।