

MARKET WATCH

Table with 3 columns: Index, 18-01-2019, % CHANGE. Rows include Sensex, US Dollar, Gold, Brent oil.

NIFTY 50

Table with 3 columns: Company Name, PRICE, CHANGE. Rows include Adani Ports, Asian Paints, Axis Bank, Bajaj Auto, Bajaj Finserv, etc.

EXCHANGE RATES

Table with 3 columns: CURRENCY, TT BUY, TT SELL. Rows include US Dollar, Euro, British Pound, etc.

BULLION RATES CHENNAI

Table with 3 columns: Item, Rate, Previous Rate. Rows include Retail Silver (1g), 22 ct gold (1 g).

Fresh allegations singe Sun Pharma

Shares sink to 6-year low after second whistleblower levels charge of corporate governance violation

SPECIAL CORRESPONDENT MUMBAI

Sun Pharmaceutical Industries Ltd.'s shares on Friday plunged to a nearly six-year low to ₹375.40, down 12.12%, following fresh allegations of corporate governance norms violation.

Shares of the pharma major declined 8.52% to close at ₹390.75 on the BSE on Friday. A magazine had reported about a second whistleblower filing a complaint with SEBI against Sun Pharma's promoters, seeking to probe certain transactions.

₹5,800-cr. transactions The report claimed that Aditya Medisales Ltd., a key distributor of Sun Pharma products, had conducted transactions worth ₹5,800 crore with Suraksha Realty, a company owned by Sun Pharma executive director Sudhir Valia, between 2014 and 2017. Mr. Valia is also the



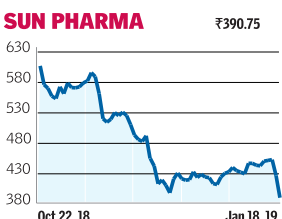
Bitter pill: Sun Pharma has asked SEBI to examine the matter in its entirety, besides the role of some media houses.

brother-in-law of Sun Pharma promoter and managing director Dilip Shanghvi.

The contents of the reported complaint could not be verified as the document is not on public domain and SEBI officials declined to comment. As speculation mounted and shares plunged, Sun Pharma, in a

letter to SEBI chairman Ajay Tyagi, informed that it had learnt about the complaint from media reports.

"The said whistleblower documents and other confidential emails are being offered for inspection to institutional investors by one media house as per the report, which again, we are not



privity to," Sun Pharma said in the letter.

"In these circumstances, there is great asymmetry in the information circulating between analysts, investors and media leading to intense speculation. The availability of information contained in the whistleblower documents to a set of selective investors does put other investors, including retail investors in a disadvantageous position," the letter said.

"We are concerned that certain entities/individuals are adopting unfair trade practice prejudicial to the interest of shareholders and

other stakeholders. It is evident from the fact that shareholders value has been drastically eroded within a short span of time due to unsubstantiated complaint/allegation against the company and mala fide campaign launched by certain media houses," the letter added.

Sun Pharma has requested SEBI "to examine the matter in its entirety and the role of some media houses and other stakeholders."

A first whistleblower had filed a complaint alleging wrong doing by the company and its promoters, with SEBI in November last year. The company had denied the allegation.

"We have received a whistleblower complaint against Sun Pharma.

At this point, all I would like to say is that we are examining the allegations of the whistleblower," Mr. Tyagi had said in December.

Inflation volatility is a challenge, says RBI Governor

Policy action is required on corporate governance in banks, cyber risk a major challenge: Das

SPECIAL CORRESPONDENT MUMBAI

Amid a growing demand for a reduction in interest rate in the upcoming monetary policy review scheduled for February 7, Reserve Bank of India (RBI) Governor Shaktikanta Das said wide divergences and volatility in inflation pose challenges for its assessment.

The case for a rate cut has been cited by economists and industry lobbies on the back of a sharp fall in retail inflation in recent months with the latest data showing December CPI inflation at 2.2%. "Although headline inflation has moderated significantly in recent years, its major components - inflation

in food, fuel, and inflation excluding food and fuel - are exhibiting wide divergences this year," Mr. Das said in his first speech after taking charge in December.

"While food inflation has turned negative since October 2018 and fuel inflation has been highly volatile, inflation, excluding food and fuel, remains sticky at close to 6%," he said adding such 'wide divergences and large volatilities' pose challenges for inflation assessment

Careful analysis of data "Balancing the objectives of inflation and growth under a flexible inflation targeting framework would warrant careful analysis of every new



Shaktikanta Das

data," he said in his speech at the Vibrant Gujarat Summit.

Observing maintaining price stability in the economy was a basic mandate for a central bank, the Governor acknowledged that easing of global crude oil prices augured well for inflation out-

comes. Mr.Das also spoke about challenges that Indian firms may face due to developments around Brexit.

On the banking sector, the Governor reiterated the central bank's financial stability report assessment that gross NPA ratio of the banks could further come down to 10.3% in March 2019 compared with 10.8% in September 2018.

"It will remain critical to ensure that further slippages are contained," he said.

He also said banks had improved their profitability ratios and capital positions and also the provision coverage ratio which increased to 52.4% in end-September 2018 from 48.3% in end-

March 2018.

The Governor, however, pointed out that the area where policy action is required is corporate governance in banks with a focus on transparency and accountability. He also described cyber risk as a major challenge.

Without mentioning the IL&FS crisis, the Governor said the debt default of 'a systemically important NBFC' had highlighted the vulnerability and need for strengthening regulatory vigil on the sector and on asset liability management (ALM) framework in particular. He said the RBI intends to strengthen the ALM framework for NBFCs.

RIL to demerge tower and fibre arms, transfer ₹65,000 crore of Jio's liabilities

With a debt of over ₹2.74 lakh crore, company prepares to deleverage

PITYUSH PANDEY MUMBAI

Reliance Industries Limited (RIL), having outstanding debt of ₹2,74,381 crore (\$39.3 billion) as on December 31, 2018, is looking to deleverage by transferring ₹65,000 crore worth liabilities of its telecom arm Reliance Jio to its tower and fibre arms which are proposed to be demerged.

The development comes even as its ₹25,000-crore tower deal with Reliance Communications (RCom) is on hold after the Department of Telecommunications (DoT) refused to give approval to the deal as Reliance Jio refused to take liability for the previous dues of RCom.

Long-term use of assets

Reliance Jio Infocomm Ltd., the telecom arm of RIL, has decided to demerge its passive tower and optic fibre network into Reliance Jio Infotel Private Ltd. and Jio Dig-



Shedding baggage: RIL will monetise its tower, fibre assets after demerger by selling stakes in them.

ital Fibre Ltd. respectively, and has entered into arrangements for long-term uninterrupted use of these assets.

The company plans to monetise its tower assets and optic fibre network after the demerger by selling stakes in them.

As per the terms of the deal, preference shares worth ₹65,000 crore of Reliance Jio will be cancelled and converted into debt in the books of resulting companies, a source in the know

of the development told The Hindu. Shareholders and creditors of Reliance Jio will meet on February 18 to approve the demerger of the tower and optic fibre network.

"Company intends to hive off tower and fibre assets and get outside investors in, so as to reduce overall debt levels. We believe this effectively punctures hopes of tariff increases for other telcos [as was argued by some bulls]. We stay cautious on telcos,"

Credit Suisse said in its report after the results.

Reliance Jio's total liabilities stood at ₹1,84,915 crore compared with the total assets of ₹1,04,231 crore as on September 30, 2018.

According to CLSA "Reliance may fully sell-out and get into a sale and leaseback transaction for Jio's tower and fibre following the recently announced demerger.

"As a big chunk of Jio's \$40 billion investment has gone into building this infrastructure, we suspect this transaction, likely in HCY19, is to reduce a large portion of Jio's \$25 billion in liabilities as it is sold with these companies. Incremental fibre and mobile capex will also be done by these entities, with Jio paying leases and maintaining an asset-light balance sheet," said the CLSA report.

RIL's shares on the BSE rose 4.34% to close at ₹1,182.95 in a flat Mumbai market on Friday.

Britannia keen to invest in Bengal

Firm to invest about ₹350 crore, State govt. to allot land

SPECIAL CORRESPONDENT KOLKATA

Britannia Industries Ltd. is keen to invest in West Bengal, the State from where it began its journey over a century ago. The state government has said that the company is likely to invest around ₹350 crore and suitable land allotment would be made to BIL. Cabinet nod had already been given, the government said.

When contacted, Britannia said that the investment proposal was across its product categories and would be in phases. "We have submitted an investment proposal to the West Bengal government and initial

discussions following due protocol have taken place. The investment proposal is across multiple-phases and across our product categories," Vinay Singh Kushwaha, head - Supply Chain, told The Hindu in an email response.

Although best known for biscuits, BIL is present across many segments including cake, rusk and bread. Recently, the company identified a new segment called adjacent business, into which it forayed through a joint venture with Chipita of Greece. This JV will make filled croissants. These adjacencies (mainly in the snacking category) mark Britan-

nia's efforts to become a total foods company. In the dairy segment, it has lined up a slew of milk products. In-house production now accounts for 50% of Britannia's total output. It is also focussing on integrated operations now, company officials said.

Since the setting up of a modern factory in Kolkata in 1952 (when it touched ₹1 crore in sales), BIL has expanded its presence with units in Uttarakhand, Bihar, Odisha, Gujarat, Tamil Nadu, Karnataka, Gujarat, Assam and Maharashtra. Its international foray was in 2007 through an acquisition in West Asia, according to official sources.

L&T Infotech net rises 32.8%

to ₹375.5 crore

SPECIAL CORRESPONDENT MUMBAI

Larsen & Toubro Infotech reported a 32.8% growth in its December quarter net profit to ₹375.5 crore, riding on a 31.3% growth in its revenues to ₹2,472 crore.

In dollar terms, revenue grew 18.2% to \$346.9 million and the company registered constant currency revenue growth of 20.6%.

"Our broad-based revenue growth, superior margin delivery and steady cash generation in Q3 is a testimony of our focused execution and client-centricity," said the firm's MD and CEO Sanjay Jalona.

Advertisement for Shikshipatra (शिक्षिपत्र) regarding a tender for a multi-level car parking cum commercial/retail centre.

Advertisement for U.P. RAJKIYA NIRMAN NIGAM LIMITED Notice Inviting e-Tender for a project in Delhi.

E-TENDER NOTICE for M.P. STATE ELECTRONICS DEV. CORPN. LTD. regarding hardware supply and installation.

Appeal For Identification

Public notice regarding identification of a person involved in a case, with details of the person and the location.

Firm footing: The traction in the US and the Asia Pacific and other emerging markets remains healthy and the growth in the quarter is across the industry segments. India is likely to remain volatile.

BFSI buoys Wipro's profit, net rises 30%

Firm announces 1:3 bonus issue

SPECIAL CORRESPONDENT BENGALURU

Wipro's third-quarter net profit rose 30% to ₹2,510.4 crore year-on-year as its revenue from banking, financial services and insurance (BFSI) increased by 24.7%.

India's third largest software exporter's revenue rose 10.17% to ₹15,059.50 crore during the quarter compared to the same period a year earlier, according to a company statement. Revenue from BFSI sector rose to ₹4,597.90 crore compared to ₹3,684.90 crore a year earlier.

Interim dividend

The company declared an interim dividend of ₹1 (\$0.01) per equity share/ADS and the board of directors recommended issue of bonus shares to shareholders (including stock dividend to ADS holders) in the ratio of 1:3 viz. one equity share for every three equity shares held.

The company expects revenue from IT services business in the next quarter ending March 31 to be in the range of \$2.04billion to \$2.08billion.

"Our strategic investments, backed by strong client relationships and client spends towards enter-

prise modernisation and digital transformation have enabled us to deliver a very satisfying quarter," said Abidali Neemuchwala, CEO and executive director.

"Technology had a muted impact by furloughs, but the outlook remains stable. The demand environment in the global markets is stable.

"We do not see any immediate impact of the macro headwind that some of the large economies have cautioned. But we continue to remain watchful.

"The traction in the US and the Asia Pacific and other emerging markets remains healthy and the growth in the quarter is across the industry segments. India is likely to remain volatile," he said.

Jatin Dalal, chief financial officer, said: "Relentless focus on the quality of revenues and operational improvements have led to the expansion of IT services operating margins to 19.8%."

Digital revenue increased by 6.4% quarter-on-quarter and currently accounts for 33.2% of total revenue. The company added one account to its \$100 million-plus revenue clients' list and another seven to its \$20 million bucket.

Advertisement for VISAKHAPATNAM METROPOLITAN REGION DEVELOPMENT AUTHORITY (VMRDA) inviting expression of interest for a multi-level car parking cum commercial/retail centre.

INTRODUCTION OF A NEW (BI-WEEKLY) RAJDHANI EXPRESSTRAIN BETWEEN CHHATRAPATI SHIVAJI MAHARAJ TERMINUS (MUMBAI) AND H. NIZAMUDDIN

It is notified for the information of Railway Passengers that the Indian Railways have decided to introduce a New (BI-WEEKLY) Rajdhani Express Train No. 22221/22222 to run between Chhatrapati Shivaji Maharaj Terminus (Mumbai) and H. Nizamuddin stations (via Bhopal) as per the following timings and stoppages:-

Table with 5 columns: TRAIN NO. 22222, STATIONS, TRAIN NO. 22221, ARR., DEP. Rows include H. Nizamuddin, Agra Cantt., Jhansi, Bhopal, Jalgaon, Nasik Road, Kalyan, Mumbai (CSTM).

Date of Regular Run : 22221 from Mumbai (CSTM) on every Wednesday and Saturday from 19.01.2019 and 22222 from H. Nizamuddin on every Thursday and Sunday from 20.01.2019

Note :- The inaugural Special run of Mumbai (CSTM) - H. Nizamuddin Rajdhani Express (Bi-weekly) will take place on 19.01.2019 from Mumbai (CSTM) at 14:50 hours to reach H. Nizamuddin at 10:20 hrs. the next day.

- Departure of 22121 Lokmanya Tilak (T)-Lucknow Jn. AC Super Fast Express (Weekly) will be preponed by 40 minutes i.e. 13.40 hrs instead of existing 14.20 hrs.
- Departure of 12598 Mumbai (CSTM)-Gorakhpur Jansadharan Express (Weekly) will be preponed by 50 minutes i.e. 13.30 hrs. instead of existing 14.20 hrs.

Advertisement for Northern Railway with contact information and a QR code.