**THURSDAY, 9 JANUARY 2020** 18 pages in 1 section MUMBAI (CITY) ₹9.00 VOLUME XXIV NUMBER 105

THE MARKETS ON	WEDNESDAY	Chg#
Sensex	40,817.7 🔺	51.7
Nifty	12,025.3	27.6
Nifty futures*	12,063.5▼	38.2
Dollar	₹71.7	₹71.8**
Euro	₹79.8	₹80.3**
Brent crude (\$/bbl)**	67.7##	68.5**
Gold (10 gm)***	₹40,687.0▼	₹312.0
*(Jan.) Premium on Nifty Sp # Over previous close; ## A	ot; **Previous close; It 9 pm IST;	

### Market rate exclusive of VAT; Source: IBJA

# **IRAN SAYS KILLED 80 'US TERRORISTS'; TRUMP DENIES**

US President Donald Trump said on Wednesday that no Americans were harmed in the attack by Iran on US bases in Iraq. His remarks came hours after Iran launched over a dozen ballistic missiles in a predawn attack targeting at least two bases where US military and coalition forces are stationed in Iraq. The Iranian state television claimed that "at least 80 terrorist US soldiers" were killed in the strikes. 6

#### WORLD

GOLD BREACHES ₹42.000-MARK **ON IRAN JITTERS** 

P6 🕨

- GOVT MAY SHELVE IRAN TRADE DEAL
- AVOID WEST ASIA, REROUTE

FLIGHTS: DGCA TO AIRLINES

#### WORLD P6

## Passenger jet crash in Iran kills all 176 on board

A Ukrainian airliner crashed shortly after take-off from Tehran on Wednesday, bursting into flames and killing all 176 people on board. Debris and smouldering engine parts from the Boeing 737 were strewn across a field southwest of the Iranian capital where rescue workers in face masks laid out scores of body bags

#### **COMPANIES P3** Jet receives another Eol after Synergy Group

Jet Airways has received a second expression of interest for reviving the grounded airline. This comes after South America based Synergy Group submitted an Eol for Jet late last week. The Resolution Professional of Jet Airways informed the bankruptcy tribunal - NCLT - that they have received two EoI's so far and the second EoI they have received is from a non-aviation company with high net worth.

### Maruti Suzuki production up 7.9% in December

The country's largest carmaker Maruti Suzuki India on Wednesday reported a 7.88 per cent increase in production in December at 1,15,949 units, the second successive month of hike after reducing it for nine months in a row due to demand slump.





# **Breather for India Inc** likely on CMD norm

Sebi may extend March 31 deadline for splitting of roles

#### SHRIMI CHOUDHARY New Delhi, 8 January

he Securities and Exchange Board of India (Sebi) is considering relaxing the March 31 deadline for listed companies to separate the positions of chairman and managing director (CMD).

While the market regulator gave ample time to India Inc to adhere to the rule, not many corporate houses have complied with it. Many tycoons do not want to relinquish the position of chairman, who heads the board of directors. Instead, they want to give up the role of managing director, who manages the day-to-day affairs of

the company. "The government and the market regulator have started consultations and are reviewing the implementation of the rule, considering certain apprehensions they have received from stakeholders," said a person privy to the development.

the deadline or final rules governing the issue is yet to be decided, there key positions. will be no change in the basic nature of the regulation, the person added.

The development has come following hectic lobbying by corporate denied that the regulator was congroups and industry bodies in the sidering any relaxation. past two months. India Inc had petitioned the government and Sebi in at improving corporate governance, November to review the rule and that corporates had been given by April 1.

**RESPITE ON THE CARDS** 

mbani 247 companies of the directors to act more top 500 that are independently yet to decide on creating independent roles for chairman & MD

Sebi feels separate roles They argue the will allow the board of move will not guarantee effective board leadership Corporate groups and Many do not want to relinguish

industry bodies have been lobbying against the norm the position of chairman

Puri

ITC

While the degree of relaxation in mandating the split of posts and enough time to meet the requirealso barring relatives from holding ment. Sebi is not favourable to concentrating powers in one indi-After the last board meeting, vidual, particularly when the when queried, Sebi Chairman Ajay individual is the promoter of a com-

Tyagi had neither accepted not pany, said source. According to the new governance norms, the top 500 He had said the norm was aimed

listed firms by market capitalisation have to comply with the provisions Turn to Page 17

# **Overseas probe against** Adani firms revived

SC stays HC order quashing LRs issued in coal import case AGENCIES

New Delhi, 8 January

The Supreme Court has revived the revenue department's bid to investigate billionaire Gautam Adani's companies, which it claims got undue tax benefits by overvaluing coal imports.

A three-judge Bench headed by Chief Justice S A Bobde on Wednesday put on hold the Bombay High Court's decision to quash all letters rogatory (LRs) sent by the Directorate of Revenue Intelligence (DRI) to Singapore and other countries. This will allow the revenue office to seek information on the case from overseas. The apex court also asked Adani Enterprises and Adani Power to submit their stance.

LRs are sent to investigative or judicial agencies in other countries when some information is required during a probe of off-shore entities.

The DRI alleges that the Adani group companies had overvalued about 1,300 consignments of coal imported from Indonesia to avail tax benefits in India between 2010 and 2016.

The group routed the imports through several countries and siphoned off money, according to the agency. Requests to cooperate with the investigation

were sent to Singapore, the UAE, Hong Kong, and the British Virgin Islands in 2016. Turn to Page 17



#### **GROUP STOCKS FALL**

Adani Enterprises Adani Power Price in ₹ Price in ₹ 20 61.00 201.55 7 204 201 198 204.05 195 Jan 7 Jan 8 Jan 7 Jan 8

ECONOMY P4

# SEBI REVIEWS PENALTY ON RATING AGENCIES

Rating agencies CARE, ICRA and India Ratings may have got away lightly for their lapses in assigning ratings to the non-convertible debentures of Infrastructure Leasing and Financial Services (IL&FS), feels the

Securities and Exchange Board of India. The markets regulator is planning to review the ₹25-lakh penalty, which had been imposed by its adjudicating officer on the three rating firms last month. Sources said the

settlement amount could be revised up to four times upwards.The crisis at IL&FS, whose board was superseded by the government, had come to the spotlight in September 2018. Shrimi Choudhary writes

# **Cabinet eases rules** to mine, sell coal

Ordinance removes end-use restrictions

SHREYA JAI New Delhi, 8 January

The Union Cabinet on Wednesday relaxed the qualification criteria and regulations for mining and selling coal in the country. With this, the entry of foreign players and non-coal depe ent companies in the coal mining sector has been eased. So far, only companies involved in the power, metals and mining industry could participate in bidding for coal blocks. The amended rules will also imply more sellers of coal, which is currently in the hands of state-owned Coal India Limited. Also, all end-use restrictions have been removed. Under the new regime, existing private coal block owners would be able to sell surplus coal in the open market. The Centre has promulgated an Ordinance in Coal Mining Special Provisions (CMSP) Act, 2015, and also Mines & Minerals Development Act (MMDR), 1957, to introduce changes in the auction of coal blocks and their end-use relaxations. The Ordinance is yet to be signed by the President. The announcement comes four years after the Centre enabled commercial 25 per cent of coal to be sold in open mining and sale of coal by private companies under the CMSP Act, 2015. A year later, it approved the methodology for



for the past two months



# **From farm to fork**

Supply chain firm Ninjacart is using technology to connect farmers with retailers and cart 1400 tonnes of fresh produce every day, writes PEERZADA ABRAR

#### **COMPANIES P2**

### Telcos seek open court hearing in SC on AGR

Telecom majors, including Bharti Airtel and Vodafone Idea, on Wednesday sought an open court hearing of their pleas seeking review of certain directions of the Supreme Court on recovery of past dues amounting to ₹1.47 trillion from telecom service providers. The recovery of past dues by the government was based on adjusted gross revenue of about ₹92,000 crore.

BHARTI AIRTEL LAUNCHES \$2 BN SHARE SALE

# MINING BOOST

- Any company/industry can bid for coal blocks, mine and sell coal
- Foreign companies with Indian registration also allowed
- Existing coal block owners allowed to sell coal
- Unexplored mines to be auctioned

auctioning coal mines for commercial purposes to private companies. In 2019, around 25 blocks were earmarked for auction but the bidding did not take place.

The Coal Ministry had then allowed market by prior owners, a move that was questioned by the Finance Ministry.

Turn to Page 17 🕨

# **DECEMBER QUARTER PREVIEW** Corporate earnings may worsen

## Banks, OMCs are expected to bring most of incremental growth

2

#### KRISHNA KANT

#### Mumbai, 8 January

Corporate earnings during the October-December 2019 quarter (Q3FY20) are likely to give a contrasting picture. Analysts expect an improvement in net profit growth, thanks to the gains from the cut in corporate tax and a better showing by retail lenders, but the contraction in revenues is likely to get worse, indicating a further weakness in aggregate demand in the economy. This, analysts say, rules out a quick growth recovery, presenting a fresh challenge for corporate planners.

The combined net profit of the Nifty 50 companies is expected to grow by 6.7 per cent year-on-year (y-oy) during Q3FY20, as against 19.3 per

#### cent growth in the second quarter. This translates into a combined net profit of ₹1.01 trillion compared with Net sales growth ₹0.95 trillion a year ago. In contrast, their combined net sales (net interest income in the case of lenders) are expected to decline by around 2 per cent y-o-y during the third quarter, as against 0.2 per cent decline in the second quarter of the current fiscal year, making it the worst slowdown for the country's top-listed firms in many years. Companies are expected to report the combined net sales of ₹9.30 trillion for Q3FY20, as against₹9.45 trillion a year ago.

The above analysis excludes Tata Motors, which reported a one-time net loss of around ₹27,000 crore during Q3FY19 on account of the write-down of its equity in JLR. Turn to Page 17 🕨

# LONG WAY TO RECOVERY

### Net profit growth



Note: All quarters exclude Tata Motors as it reported a large one-time loss in 03FY19 Sources: Capitaline, brokerage estimates





