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# Adani Ports to handle crude imports for HPCL refinery

**P MANOJ**

Mumbai, November 5

Adani Ports and Special Economic Zone Ltd (APSEZ) has signed a 30-year deal to handle crude imported by Hindustan Petroleum Corporation Ltd (HPCL) for its upcoming refinery and petrochemical complex in Rajasthan's Barmer district.

APSEZ did not disclose the value of the deal.

Rajasthan Refinery Ltd is a 9 million tonnes per annum (mtpa) refinery and petrochemical project being constructed by HPCL with an investment of ₹43,129 crore. The crude imported by HPCL for the plant will be handled at Mundra port in Gujarat, the flagship port of APSEZ and India's biggest commercial port by volume handled.

In the September quarter, the crude cargo handled by Mundra port grew 76 per cent on the back of higher imports by Indian Oil Corporation Ltd and HPCL-Mittal Energy Ltd.

Crude cargo accounted for 4.38 per cent of the 36.13 mt of cargo handled by Mundra

during the second quarter of FY21, according to an investor presentation of APSEZ. In the first quarter, it had accounted for 2.5 per cent of the 25.75 mt of cargo.

Crude cargo accounts for 12 per cent of the overall cargo handled by APSEZ across its portfolio of 10 ports.

# BASF, Adani put on hold \$4-b chemical complex at Mundra

## OUR BUREAU

Mumbai, November 5

German chemical giant BASF SE, Abu Dhabi National Oil Company, Adani Group and Borealis AG have jointly decided to put on hold their plan to set up a chemical complex in India, due to the Covid pandemic.

Last year, the four entities had signed an agreement to set up a chemical complex at Mundra in Gujarat at an investment of \$4 billion.

The project comprised a large propane dehydrogenation plant, polypropylene production and an acrylics value chain complex with access to port and renewable energy supply. The joint venture



The complex was to begin production in 2024

company had completed a feasibility study and production was intended to commence in 2024.

“The global economic uncertainties caused by the pandemic have led the partners to review the timing for undertaking this investment. Despite all attempts to optim-

ise the scope and the configuration, the project has been put on hold,” the companies said in a joint statement on Thursday.

“The partners remain convinced about the strong fundamentals represented by the Indian market and agreed to periodically explore market conditions and discuss any opportunity that may arise over time,” they added.

The partners were also evaluating co-investment in a wind and solar park with the plans at an advanced stage of development. This would have been the world’s first CO<sub>2</sub>-neutral petrochemical site to be fully powered by renewable energy.

## India asks Opec to correct crude pricing anomalies

PRESS TRUST OF INDIA

New Delhi, 5 November

India, the world's third-largest oil importer, on Thursday pressed for assessing the impact of Covid-induced disruptions to global energy sector supply chains and said oil-cartel Opec needs to address anomalies in the crude price differential for different regions.

Speaking at the 4th high-level meeting of the India-Opec Energy Dialogue, Oil Minister Dharmendra Pradhan said OPEC meets 78 per cent of India's crude oil demand, 59 per cent of its LPG needs, and nearly 38 per cent of LNG consumption.

India imported \$92.8 billion worth of hydrocarbons from Opec countries in 2019-20.

The pandemic has impacted the global oil and gas industry by a significant impact on both oil demand as well as the supply side, creating an unprecedented global oil price volatility, he said. "We are already

seeing the signs of a second spell of lockdowns in several countries in Europe, and their immediate impact on crude prices," he said. "In my view, it is essential for India and Opec to take a deep look at the rapidly changing global energy landscape, particularly in oil and gas sector, and revisit the ongoing exchanges so that we can jointly address the energy challenges during the ongoing and in the post-Covid scenario." The pandemic and the resulting lockdowns evaporated demand around the globe, creating a glut that sent prices crashing.

"There is a need to assess the impact of Covid-induced disruptions to the global energy sector supply chains and calibrate our approach towards revival of energy sector," he said.

Pradhan said India expects Opec Secretariat to "increase its advocacy among its member countries to address the anomalies prevalent in the crude price differential declared by them for different geographical regions".

He did not elaborate on the anomaly.

Traditionally, Opec nations offer bigger discounts on crude oil sold to western economies in comparison to eastbound cargoes.



**"There is a need to assess the impact of Covid-induced disruptions to the global energy sector supply chains and calibrate our approach towards revival of energy sector"**

DHARMENDRA

PRADHAN,

Oil minister

YOUR  
NEWS TALET



## Mint Lite

Stories, opinions, news and views that matter, from around the world

**THE SUPREME** Court has asked the Centre to formulate and implement necessary directions for banning the use of disinfectants and ultraviolet rays on humans for covid-19 management. Hearing a plea alleging the harmful effect of these methods on human beings, the apex court directed the Centre to issue necessary directions within a month. The petitioner, Gursimran Singh Narula, a final year law student, said the idea of sanitization through disinfectant tunnels can also prevent people from washing hands and following social distancing protocols. For more updates, here's *Mint Lite*.



### America's jobs still under pressure

**AMERICANS SEEKING** unemployment benefits fell last week to 751,000 – showing signs of the havoc coronavirus has wrecked on the economy. There is still a stream of jobless claims, even after eight months of the pandemic hitting USA. The Labor Department said that while some of the unemployed are being recalled to their old jobs or are finding new ones many jobless Americans have used up their state unemployment aid and are now looking at a federal extended benefits program. Meanwhile, the British Government has extended the salary support program for five more months and will pay 80% of wages for those unemployed because of coronavirus restrictions. The program was originally supposed to end in October but will now extend till the end of March. England has gone into another lockdown which will now last till 2 December because of surging numbers.

### Indonesia in recession after 22 years

**AFTER MORE** than two decades, Indonesia once again slid into a recession as the country tried to tackle one of the worst outbreaks of coronavirus in Southeast Asia. Its gross domestic product shrank 3.49% from a year ago, the statistics office announced Thursday, owing to a drop in household consumption and investments. Government spending, however, grew at 9.8%, softening the blow to an extent. Economists believe the only way out for the country would be for the government to announce more stimulus. Exports in the country also fell 10.8% as global demand remained tepid amid the global pandemic. President Joko Widodo has ordered ministers to accelerate budget spending for the rest of the year. The announcements came amid ongoing protests by thousands of workers against Indonesia's new jobs law that many believe will erode labour rights.



### Hong Kong hotline draws ire

**HONG KONG** police faced criticism as it launched a dedicated hotline for residents to report national security threats. The hotline will allow residents to send "national security intelligence" via text message, email and through the Chinese messaging app WeChat. Residents can also send pictures, audio and video files. The hotline, according to the Hong Kong police, however, will not collect or store any personal information of the callers. In June, Beijing had introduced the National Security Law after which many pro-democracy groups disbanded, some even left the country. The present move is seen by protestors as one that could deepen distrust among residents and might be misused to target those with opposing political views.



### Mauritius oil spill to be clear by Jan

**JAPAN'S NAGASHIKI** Shipping estimates the clean up of the massive oil spill from a vessel off Mauritius will be completed by January. Most of the 1,000 tonnes of oil that spilled has now been recovered, the company said in a statement. The remaining oil, along 30km of coastline, is now being taken care of. Next month, the company also plans to remove the rear portion of the vessel, *MF Wakashio*. The vessel, chartered by Mitsui OSK Lines, ran aground on a reef in Mauritius on 25 July and began leaking oil on 6 August. The oil then spread over a large area of endangered corals, near two environmentally protected marine ecosystems and the Blue Bay Marine Park reserve. Mauritius, which has a rich marine life with around 1,700 species living there, was impacted gravely by the spill, with many calling this the worst ecological disaster in the Indian Ocean.

### Meet Kentucky town's new mayor

**A SMALL** town in the US has elected a French bulldog as its mayor, reports *Huffington Post*. Rabbit Hash, a tiny community in Kentucky's Boone County, chose Wilbur as its mayor with over 13,000 votes. He will be replacing Mayor Brynneth Pawltro, a pit bull who has been in office since 2017. According to the community's website, Rabbit Hash chooses its mayors based on the candidates' willingness to have their belly scratched. Locals can vote for a mayor every four years by donating to the Rabbit Hash Historical Society. Wilbur's campaign for mayor raised \$6,165 on an online fundraising page and he already is a bit hit on social media platform, Facebook. The canine-for-mayor tradition started in 1998 when Goofy Borneman-Calhoun, an adopted dog, was elected mayor. Ever since, the town has elected their four-legged friends as their leaders.



Curated by Sohini Sen. Have something to share with us? Write to us at [feedback@livemint.com](mailto:feedback@livemint.com) or tweet to [@ashohinisen](https://twitter.com/ashohinisen)

## 'OPEC Secretariat should address anomalies in crude-oil pricing'

### OUR BUREAU

New Delhi, November 5

India has once again red-flagged the anomalies in the pricing of crude oil by producing nations.

Speaking at the fourth High-Level Meeting of India-Organisation of the Petroleum Exporting Countries (OPEC) Institutional Dialogue, Minister for Petroleum and Natural Gas, Dharmendra Pradhan, said: "We have expectations that the OPEC Secretariat can increase its advocacy among its members countries to address the anomalies prevalent in the crude price differential declared by them for different geographical re-

gions." The issue of 'Asian Premium' or an extra charge that is collected by OPEC countries from Asian countries when selling crude oil in comparison to Western countries has been a sustained bone of contention. But with Covid-19 battering demand, the price of crude oil has been under sustained pressure in 2020.

"In my view, it is essential for India and OPEC to take a deep look at the rapidly-changing global energy landscape, particularly in the oil and gas sector, and revisit the ongoing exchanges so that we can jointly address the energy challenges during the ongo-



ing and in the post-Covid scenario," said Pradhan.

### 'Need for assessment'

"There is a need to assess the impact of Covid-induced disruptions to the global energy sector supply chains and calibrate our approach

*There is a need to assess the impact of Covid-induced disruptions to the global energy sector supply chains and calibrate our approach towards the revival of the energy sector*

**DHARMENDRA PRADHAN**  
Minister for Petroleum and Natural Gas

towards the revival of the energy sector," he said.

Commenting on how the pandemic has hit crude oil-producing countries, Pradhan said: "We have seen, for the first time, a global effort from OPEC and OPEC+ on the one side, and other

large crude-producing countries, such as the US, Canada, Norway and Mexico, to align their policies to counter the significant contraction of global demand for crude oil."

"The pandemic has impacted the global oil and gas industry in a profound manner. For the first time, we are seeing a significant impact on both oil demand as well as supply side, thereby creating a unprecedented global oil price volatility... We are already seeing the signs of a second spell of lockdowns in several countries in Europe, and their immediate impact on crude prices," he added.

# SAT DISMISSES RIL APPEAL AGAINST SEBI'S ORDER

**The Securities Appellate Tribunal (SAT) has dismissed Reliance Industries' (RIL's) plea challenging an order passed by the Securities Exchange Board of India (Sebi) asking the company to return ₹447 crore "unlawfully gained" by dealing in shares of the erstwhile subsidiary Reliance Petroleum. A majority of SAT's three-member Bench upheld Sebi's order dated March 24, 2017. II,2 ▶**

# SAT dismisses RIL appeal against Sebi order on 'unlawful' gains

In 2017, markets regulator had directed the firm to disgorge ₹447 crore with 12% interest from Nov '07

SAMIE MODAK  
Mumbai, 5 November

The Securities Appellate Tribunal (SAT) has dismissed Reliance Industries' (RIL's) plea challenging an order passed by the Securities and Exchange Board of India (Sebi) asking the company to return ₹447 crore "unlawfully gained" by dealing in shares of erstwhile subsidiary Reliance Petroleum (RPL).

A majority of SAT's three-member Bench upheld Sebi's order dated March 24, 2017. Dismissing RIL's appeal, SAT directed the company to pay ₹447 crore, with a simple interest of 12 per cent from November 2007, within 60 days. The amount works out to about ₹1,150 crore.

SAT said while the disgorgement amount is sizeable, the directions are not harsh. "It is only a remedial action and what is disgorged is only what has been gorged by contravention of the specified laws. Nothing has been taken out of the appellant's own funds/assets in the process. Since it is only an equitable remedy there is no question of that being harsh or a penal action," the SAT Bench said.

RIL said it plans to challenge the order passed by SAT— an appeals court, whose orders can be further challenged before the Supreme Court.

"The company reiterates that it has not violated any law or regulation while sell-



## LONG ROAD

**2007:** RIL allegedly makes ₹447 crore by dealing in shares of RPL

**2009:** Sebi issues show-cause notices (SCNs)

**2009:** RIL seeks consent settlement; Sebi refuses

**2010:** Regulator issues another set of SCNs, drops insider trading charges

**2011:** RIL asks Sebi for case documents, file notings

**2012:** Sebi provides case notings

but refuses to submit inspection papers

**2012:** RIL moves SAT against Sebi's refusal; SAT allows inspection

**2013:** Sebi rejects second consent plea by RIL; firm moves SAT

**2014:** SAT says RIL plea not maintainable; Sebi restarts adjudication process

**2017:** Sebi passes final order in the matter; RIL moves SAT

**2020:** SAT dismisses RIL appeal

ing shares of RPL in November 2007. The company, under proper legal advice, will prefer an appeal to the Supreme Court of

India and is confident of vindicating its position," RIL said in a statement.

In 2007, RIL's board approved sale of

5 per cent stake in RPL in the open market. Anticipating a fall in RPL's stock price, RIL mounted aggressive short positions in RPL's derivatives counter. These trades were carried out through 12 entities to circumvent certain restrictions, Sebi had alleged.

An investigation showed that each of the 12 entities had undertaken the trade on behalf of RIL and the profits were shown as 'other income' in RIL's profit and loss account for the financial year ended March 31, 2008. RIL had defended the move saying the short positions were created as a hedging strategy.

On argument that the trades were part of hedging strategy, SAT said "if the appellant was a responsible promoter, the appellant would have spread its sales, of the 5 per cent equity of RPL they were planning to offload, across a much longer period."

The tribunal pulled up RIL for selling huge quantity of shares in the cash segment 10 minutes before the market close that, too, on the day of derivatives expiry.

"All trades carried out by the company were genuine and bonafide. No irregularity can be attached to these transactions," RIL said on Thursday.

Offering a minority view, Justice Tarun Agarwala, presiding officer, SAT, held that Sebi had failed to establish manipulation.

RIL had moved SAT in May 2017.



# सैट में आरआईएल की याचिका खारिज

समी मोडक  
मुंबई, 5 नवंबर

भारतीय प्रतिभूति एवं अपील पंचाट (सैट) ने भारतीय प्रतिभूति एवं विनिमय बोर्ड (सेबी) के आदेश को चुनौती देने वाली रिलायंस इंडस्ट्रीज (आरआईएल) की याचिका को खारिज कर दिया। सेबी ने आरआईएल को अपनी पूर्ववर्ती सहायक इकाई रिलायंस पेट्रोलियम के शेयर सौदे से अनुचित तरीके से प्राप्त 447 करोड़ रुपये वापस करने का आदेश दिया था। रिलायंस ने सेबी के इसी आदेश को सैट में चुनौती दी थी।

सैट के तीन सदस्यीय पीठ ने बहुमत से सेबी के 24 मार्च, 2017 के आदेश को बरकरार रखने का फैसला सुनाया। आदेश की प्रति फलहाल पंचाट की वेबसाइट पर उपलब्ध नहीं कराई गई है। मार्च 2017 को सेबी ने आरआईएल को 447 करोड़ रुपये



वापस करने के साथ ही उक्त राशि पर नवंबर 2007 से सालाना 12 फीसदी ब्याज लौटाने को कहा था। नियामक का आरोप था कि आरआईएल ने रिलायंस पेट्रोलियम के सौदे में अनुचित तरीके से लाभ कमाया है।

यह मामला 2007 का है, जब आरआईएल के निदेशक मंडल ने रिलायंस पेट्रोलियम की 5 फीसदी हिस्सेदारी खुले बाजार में बेचने की

■ बाजार नियामक सेबी ने कंपनी को ब्याज सहित 447 करोड़ रुपये वापस करने का दिया था निर्देश

■ 2007 में रिलायंस पेट्रोलियम की शेयर बिक्री से जुड़ा है या मामला

■ सेबी का आरोप, कंपनी ने शेयर सौदे में बेजा तरीके से कमाया मुनाफा

मंजूरी दी थी। रिलायंस पेट्रोलियम के शेयरों में गिरावट की आशंका के बीच आरआईएल ने आक्रामक तरीके से रिलायंस पेट्रोलियम के डेरिवेटिव्स काउंटर में शार्ट पोजिशन ली। सेबी का आरोप था कि कुछ बंदिशों को दरकिनार करने के लिए इस सौदे को 12 इकाइयों के जरिये अंजाम दिया गया था। जांच में पता चला कि इन 12 इकाइयों में से प्रत्येक ने आरआईएल

की ओर से सौदे में हिस्सा लिया और 31 मार्च, 2008 में समाप्त वित्त वर्ष में आरआईएल के खाते में इससे हुए मुनाफे को अन्य आय के तौर पर दिखाया गया। आरआईएल ने इसे हेजिंग रणनीति बताते हुए शॉर्ट पोजिशन के अपने कदम का बचाव किया था।

आरआईएल ने मई 2017 को सेबी के आदेश को सैट में चुनौती दी। सैट में इस मामले की सुनवाई तीन साल तक चली। सैट के आदेश के बाद आरआईएल ने आज अपने बयान में कहा, 'कंपनी द्वारा किए गए सभी सौदे वास्तविक और उचित थे। इन सौदों में किसी तरह की अनियमितता नहीं की गई थी।'

आरआईएल ने कहा कि वह सैट के आदेश को चुनौती देने की योजना बना रही है। अपीलीय अदालत के आदेश को उच्चतम न्यायालय के समक्ष चुनौती दी जा सकती है।

**BUSINESS STANDARD AWARDS WINNERS CONCLAVE**

# Worst behind us as sales show steady rise: India Inc brass



**BHASKAR BHAT**  
FORMER MD,  
TITAN GROUP  
CEO OF THE YEAR

"Titan has done exceptionally well despite the pandemic. The secret sauce for the company's success is our people"



**CHANDRA SHEKHAR GHOSH**  
MD, BANDHAN BANK  
BANKER OF THE YEAR

"During the first two quarters of the year, there was no credit growth. But now it's at 95% of last year"



**BIG BASKET**  
HARI MENON, CEO,  
START-UP OF THE YEAR

"This large network of farmers working with us for the last five-six years has made us a significant player"



**INDRAPRASTHA GAS**  
A K JANA, MD  
STAR PSU

"Our team, even during this pandemic, when many people were not allowed to go out, was supplying gas to 1.5 million houses"



**VINATI ORGANICS**  
VINATI SARAF MUTREJA,  
CEO & MD  
STAR SME

"We make specialty chemicals and about 75% of our turnover comes from exports. So we have done quite okay during the pandemic"

**DEV CHATTERJEE**  
Mumbai, 5 November

Companies are showing a slow, steady rise in sales and profitability, chiefly owing to consumer demand for products and services, according to India Inc captains, united in the view that the worst part of the pandemic crisis is behind them.

At the same time, they want the government to focus on job creation, invest in infrastructure, and improve the lives of migrant workers, who faced hardship during the pandemic.

Chief executive officers (CEOs) said firms were yet again taking risk by investing in the country and overseas with Tata Group firm Titan even opening its first Tanishq

showroom in Dubai last week.

Speaking at the *Business Standard* Awards Winners Conclave, conducted online for the first time due to the pandemic, the CEOs said their companies were spurred into activity mainly due to the consumer pull.

"Titan has done exceptionally well during the pandemic as our people came together to handle the crisis. If you ask me one secret sauce (for our success), it is our people," said Bhaskar Bhat, former managing director (MD) of Titan and the winner of the CEO of The Year award for 2019.

"I think the worst is over—at least from the airline and retail perspectives. The country has gone through the pain and I hope the lockdown will not return. Titan has always been a restless company and



exploration has been the constant in Titan," said Bhat, who sits on several boards in Tata Group companies.

"Diwali sales are coming back everywhere. We can see companies are cutting costs, conserving cash, and focusing on consumers to get back on track," Bhat said.

"There is an aspiration among Indian people to better the quality of their lives, which is the fundamental driver... The BS award represents what the company is all about. I dedicate the award to Titanians. We have built two wonder brands and had a great team of people."

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## Worst behind...

Hari Menon, founder and CEO of online retail firm Big Basket, which won the Start-up of the Year Award, said the pandemic gave the company a tremendous momentum.

“We pretty much advanced 15-18 months in top line, growth, and bottom line during this period,” said he.

“We are in great shape to take off from here and have had tremendous growth through the pandemic,” Menon said.

Vinati Saraf Mutreja, MD and CEO of Vinati Organics, the winner of the SME of the Year Award, said the company had seen demand for its products from all sectors except oil.

“We make specialty chemicals, and export 75 per cent of our products. We have done quite okay even during the pandemic,” she said.

“As we give essential services, we didn’t face any labour issue because it was local,” she said.

A K Jana, MD, Indraprastha Gas, the winner of the PSU of The Year Award, said the transport sector had come back to 90 per cent of its pre-Covid levels.

“People prefer not to travel by public transport. They prefer their own cars and domestic consumption has even gone up more than what was during pre-Covid times,” Jana said. Before Covid, there were 5,000 new CNG cars on the road every month. Today it is going up to 8,000, Jana said.

C S Ghosh, MD of Bandhan Bank, the winner of the Banker of the Year Award, said the bank had recruited 5,000 people during the pandemic. “In our bank, 95 per cent of my customers have started repaying. During the first two quarters of the year, there was no credit growth. The last two quarters always had credit growth. But now credit

growth started before Puja, and is at 95 per cent of last year,” said Ghosh.

“Demand is coming from the public. That is the opportunity linking credit and deposit growth,” Ghosh said.

## RPL case: Tribunal dismisses RIL plea against Sebi order

ENS ECONOMIC BUREAU  
NEW DELHI, NOVEMBER 5

THE SECURITIES Appellate Tribunal (SAT) has dismissed an appeal by RIL challenging the Rs 447 crore disgorgement order passed by market regulator Sebi in a case relating to Reliance Petroleum (RPL).

The tribunal, by a 2:1 majority order, on Thursday dismissed the appeal filed by Reliance Industries Ltd (RIL) against the Securities and Exchange Board of India (Sebi) or-

**The Securities Appellate Tribunal said that finalising the order took time on account of disruptions due to Covid-19. Meanwhile, Reliance Industries said it will move the Supreme Court against the decision**

der dated March 24, 2017, in the matter relating to the sale of RPL shares by RIL in November 2007. "The company, under proper legal advice, will prefer an appeal to the Supreme Court and is confident of vindicating its position,"

RIL said in filing on Thursday.

"Appellant No 1 (RIL) is directed to make payment of the disgorged amount of Rs 447.27 crore along with simple interest calculated at the rate of 12 per cent per annum with effect from

November 29, 2007 till the actual date of payment to Sebi within 60 days from the date of this order," tribunal said in its order.

On the delay in passing the order, the SAT said, "We would also like to state that preparing and finalizing this order took some time on account of the unexpected closure of the office of this Tribunal and other major disruptions on account of the Covid-19 pandemic, voluminous documents, including extensive written submissions, as well as differences of views

within the three-member Bench."

RIL said it will examine the SAT order: "All trades carried out by the company were genuine and bona fide. No irregularity can be attached to these transactions. The company reiterates that it has not violated any law or regulation while selling shares of RPL in November 2007," it said. In its 2017 order, Sebi had directed RIL to disgorge Rs 447 crore along with interest and barred RIL and 12 of its promoter group entities from dealing in equity derivatives.

# Tribunal dismisses RIL plea against Sebi order

**Kalpana Pathak and  
Jayshree P. Upadhyay**

kalpana.p@livemint.com

**MUMBAI:** The Securities Appellate Tribunal (SAT) on Thursday upheld an order by the markets regulator directing Reliance Industries Ltd (RIL) to pay ₹447 crore, along with 12% annual interest, for making alleged unlawful gains in securities trading, dismissing an appeal by India's most valuable company.

The March 24, 2017 Sebi order pertained to trading in the securities of Reliance Petroleum Ltd (RPL), a unit of RIL, in November 2007. RPL was merged with the parent in 2009. The Sebi order also banned RIL and 12 of its promoter entities from equity derivatives trading for a year.

In a statement, RIL said it will

challenge the dismissal of its plea by the appellate tribunal in the Supreme Court, adding that the company is confident that its position will be vindicated in the Supreme Court.

"All trades carried out by the company were genuine and bona fide. No irregularity can be attached to these transactions," RIL said in the statement, adding that it has not violated any law or regulation while selling shares of RPL in November 2007. In March 2007, RIL sold 4.1% of its stake in RPL. However, to prevent a plunge in the RPL share price, the shares were sold first in the futures market followed by the spot market, covering the share sales in the futures market. The 2017 order by Sebi said RIL had made "unlawful gains" of ₹513 crore.

# Tribunal rejects Reliance's appeal against Sebi order

RIL says it will challenge the dismissal of its plea by the SAT in the Supreme Court

Kalpana Pathak &  
Jayshree P. Upadhyay

MUMBAI

**T**he Securities Appellate Tribunal (SAT) on Thursday upheld an order by the markets regulator directing Reliance Industries Ltd (RIL) to pay ₹447 crore, along with 12% annual interest, for making alleged unlawful gains in securities trading, dismissing an appeal by India's most valuable company.

The appellate tribunal dismissed RIL's appeal against the Securities and Exchange Board of India (Sebi) order by a 2:1 majority order.

The 24 March 2017 Sebi order pertained to trading in the securities of Reliance Petroleum Ltd (RPL), a unit of RIL, in November 2007.

RPL was merged with the parent in 2009. The Sebi order also banned RIL and 12 of its promoter group entities from equity derivatives trading for a year.

In a statement, RIL said it will challenge the dismissal of its plea by the appellate tribunal in the Supreme Court, adding that the company is confident that its position will be vindicated in the Supreme Court.

"All trades carried out by the company were genuine and bona fide. No irregularity can be attached to these transactions," RIL said in the statement, adding that it has not violated any law or regulation while selling shares of RPL in November 2007.

In March 2007, RIL sold 4.1% of its stake in RPL. However, to prevent a plunge in the RPL share price, the shares were sold first in the futures market followed by the spot market,



The order pertains to Sebi directing Reliance Industries to pay ₹447 crore, along with 12% annual interest, for making alleged unlawful gains in securities trading.

REUTERS

covering the share sales in the futures market. The 2017 order passed by Sebi said RIL had made "unlawful gains" of ₹513 crore, "which could not have been made but for the fraudulent and manipulative strategy/pattern adopted by them".

Sebi arrived at an unlawful gain of

That year, RIL applied to settle the case through consent mechanism. Sebi, however, rejected the application in 2012.

RIL then filed an appeal before SAT, challenging the order. SAT in June 2014 said the dispute was rejected as it was not "consentable and maintainable".

also directed the company to disgorge ₹447 crore, along with an annual interest of 12% since 29 November 2007, taking the total disgorgement amount to over ₹1,300 crore.

SAT gave a divided verdict. Presiding member justice Tarun Agarwala ruled that the Sebi order should be set aside as it did not make a case for fraud.

"The element of fraud has to be established which in the instant case the respondent has miserably failed," Agrawala said.

The other two members held RIL hoisted a scheme to

manipulate the market. "It is undoubtedly a pre-planned strategy of manipulation, with all actions done by a single entity, RIL, and hoisted upon an unsuspecting market," said C.K.G. Nair and Justice M.T. Joshi, members, SAT.

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## SECURITIES TRADING CASE

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**SEBI** arrived at an unlawful gain of ₹513 cr by considering net short position that RIL maintained

₹513 crore by considering the net short position that RIL and 12 other entities maintained while trading in the RPL stock in November 2007.

In 2008, Sebi launched an investigation into the matter and initiated quasi-judicial proceedings in 2010.

ble".

Sebi completed investigation in the matter in 2015 and subsequently issued a show-cause notice to RIL.

In addition to barring RIL and 12 of its promoter group entities from dealing in equity derivatives trading, Sebi

# Wall Street rallies as 'Blue Wave' risks fade

## Fed holds policy steady amid poll uncertainty

**REUTERS**

NEW YORK, NOVEMBER 5

WALL STREET'S main indices jumped on Thursday as investors bet on a Republican-held Senate that would block any moves by a Joe Biden administration to tighten regulation and raise taxes on corporate America, even as the presidential election remained too close to call.

The Dow Jones Industrial Average rose 570.29 points, or 2.05 per cent, to 28,417.95 as of 01:46 p.m. EST. The S&P 500 was up 72.74 points, or 2.11 per cent, at 3,516.18, while the

Nasdaq Composite gained 291.09 points, or 2.51 per cent, to 11,881.87.

Oil prices ran into some profit-taking. US crude slipped 0.77 per cent to \$38.85 a barrel. Brent crude futures fell 0.61 per cent to \$40.98.

Meanwhile, the US Federal Reserve kept its loose monetary policy intact on Thursday and pledged again to do whatever it can in coming months to sustain the US economic recovery. It promised not to consider raising interest rates until maximum employment had been restored and inflation was heading above its 2 per cent target.

# India asks OPEC to correct anomalies in crude pricing

**NEW DELHI:** India, the world's third-largest oil importer, on Thursday pressed for assessing the impact of COVID-induced disruptions to global energy sector supply chains and said oil-cartel OPEC needs to address anomalies in the crude price differential for different regions.

Speaking at the 4th high-level meeting of the India-OPEC Energy Dialogue, Oil Minister Dharmendra Pradhan said OPEC meets 78 per cent of India's crude oil demand, 59 per cent of its LPG needs, and nearly 38 per cent of LNG consumption.

India imported \$92.8 billion worth of hydrocarbons from OPEC countries in 2019-20.

The pandemic has impacted the global oil and gas industry by a significant impact on

both oil demand as well as the supply side, creating an unprecedented global oil price volatility, he said.

"We are already seeing the signs of a second spell of lockdowns in several countries in Europe, and their immediate impact on crude prices," Oil Minister Dharmendra Pradhan said. "In my view, it is essential for India and OPEC to take a deep look at the rapidly changing global energy landscape, particularly in oil and gas sector, and revisit the ongoing exchanges so that we can jointly address the energy challenges during the ongoing and in the post-COVID scenario."

The pandemic and the resulting lockdowns evaporated demand around the globe, creating a glut that sent prices crashing. PTI



# Pradhan asks OPEC to address anomalies in crude oil price

**PRESS TRUST OF INDIA**

NEW DELHI, 5 NOVEMBER

India, the world's third-largest oil importer, today pressed for assessing the impact of Covid-induced disruptions to global energy sector supply chains and said oil-cartel OPEC needs to address anomalies in the crude price differential for different regions.

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The pandemic and the resulting lockdowns evaporated demand around the globe, creating a glut that sent prices crashing.

"There is a need to assess the impact of Covid-induced disruptions to the global energy sector supply chains and calibrate our approach towards revival of energy sector," he said.

Pradhan said India expects OPEC secretariat to "increase its advocacy among its member countries to address the anomalies prevalent in the crude price differential declared by them for different geographical regions".

He did not elaborate on the anomaly.

Traditionally, OPEC nations offer bigger discounts on crude oil sold to western economies in comparison to east-bound cargoes.

**RIL to appeal in SC:**  
Reliance Industries on Thursday said it will challenge in Supreme Court the dismissal of its plea by the Securities Appellate Tribunal against a Sebi ruling barring the firm and 12 of its promoter group entities from dealing in equity derivatives for alleged unfair trade practices. SAT, by a 2:1 majority order, has dismissed RIL's appeal against the Sebi order dated 24 March 2017, in the matter relating to the sale of Reliance Petroleum Ltd (RPL) shares by the company in November 2007, RIL said. PTI

# RIL to appeal in SC against SAT ruling

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SAT, by a 2:1 majority order, has dismissed RIL's appeal against the Sebi order dated March 24, 2017, in the matter relating to the sale of Reliance Petroleum Ltd (RPL) shares by the company in November 2007, billionaire Mukesh Ambani-run firm

said in a filing to the stock exchanges.

"The company will examine the order passed by SAT," it said.

"All trades carried out by the company were genuine and bona fide. No irregularity can be attached to these transactions," it added.

RIL also said it has not violated any law or regulation while selling shares of RPL in November 2007.

"The company, under proper legal advice, will prefer an appeal to the Hon'ble Supreme Court of India and is confident of vindicating its position," it said. **MPOST**