

# India regulator probes \$86-B Adani share wipeout

BENGALURU — India's market regulator is examining a rout in the shares of billionaire Gautam Adani's companies, a source with direct knowledge told Reuters, as the losses triggered by a scathing US short-seller report ballooned on Wednesday to \$86 billion.

The Securities and Exchange Board of India (SEBI) is also looking into several of the allegations made by Hindenburg Research, and into any potential irregularities in a key share sale by the flagship Adani Enterprises on Tuesday, the source said, speaking on condition of anonymity.

Spokespeople for SEBI and Adani Group did not immediately respond to requests for comment.

Among several allegations, Hindenburg accused Adani Group last week of using offshore tax havens and stock manipulation. It also raised concerns about high debt and the valuations of

the seven listed Adani companies.

The group has denied the allegations, saying the short-seller's narrative of stock manipulation has "no basis" and stems from an ignorance of Indian law. It has always made the necessary regulatory disclosures, it added.

On Tuesday, Adani Group mustered support from investors for a \$2.5-billion share sale for Adani Enterprises, in what some saw as a stamp of investor confidence at a time of crisis.

But the meltdown in Adani group stocks and bonds resumed on Wednesday, with shares in Adani Enterprises plunging 28% and Adani Ports and Special Economic Zone APSE.NS dropping 19%, the worst day on record for both.

The losses mark a dramatic setback for Gautam Adani, the school-dropout-turned-billionaire whose fortunes rose rapidly

in recent years in line with stock values of his businesses that include ports, airports, mining and cement.

Now, the tycoon — who slipped out of top 10 on the *Forbes* rich list on Wednesday — is fighting to stabilize his companies and defend his reputation.

Underscoring the nervousness in some quarters, Bloomberg reported that Credit Suisse had stopped accepting bonds of Adani group companies as collateral for margin loans to its private banking clients. Credit Suisse had no immediate comment.

Deven Choksey, managing director of KRChoksey Shares and Securities, said this was a big factor in Wednesday's share slides.

After losing \$86 billion in recent days — equivalent to 16% of India's annual budget spend of \$550 billion announced on Wednesday — the seven listed

Adani Group entities now have a combined market capitalization of about \$131 billion.

## OUTFLOWS

Indian credit rating agency ICRA Ltd, a unit of Moody's Investors Service, said on Wednesday it was monitoring the impact of the developments on its rated portfolio in Adani Group.

It added that while the group's large debt-funded capital spending plan was a "key challenge," some of it was discretionary in nature and could be deferred, depending on the liquidity position.

An Australian regulator said on Wednesday it would also review Hindenburg's allegations to see if further enquiries were warranted.

Wednesday's stock losses saw Adani slip to 15<sup>th</sup> on *Forbes* rich list with an estimated net worth of \$75.1 billion, below rival

Mukesh Ambani, the chairman of Reliance Industries Ltd. RELI.NS who ranks ninth with a net worth of \$83.7 billion.

Before Hindenburg's report, Adani had ranked third.

Asked whether he was concerned about wider losses on India's equity markets because of the plunge in Adani Group shares, Economic Affairs Secretary Ajay Seth said the government "does not comment on issues related to a particular company".

India's benchmark Nifty index has fallen 2.7% since the Hindenburg report. Data also shows that foreign investors sold a net \$1.5 billion worth of Indian equities after the report — the biggest outflow over four consecutive days since Sept. 30.

Shares in Adani Power and Adani Wilmar fell 5% each on Wednesday, and Adani Total Gas slumped 10%, with all three

falling by their daily price limits. Adani Transmission was down 3% and Adani Green Energy down 5.6%.

Adani Total Gas, a joint venture with France's Total, has been the biggest casualty of the short seller report, losing about \$27 billion.

Shares in cement firms ACC and Ambuja Cements, which Adani Group bought from Switzerland's Holcim for \$10.5 billion last year, fell 6.2% and 16.7%, respectively.

Dollar bonds issued by Adani entities also resumed their slide on Wednesday. The US dollar-denominated bonds of Adani Ports maturing in February 2031 led the losses, falling 3.59 cents to 67.58 cents.

Hindenburg said in its report it had shorted US-bonds and non-India traded derivatives of the Adani Group. — *Reuters*



THE FIRST R1T model built for a customer rolling off Rivian's assembly line at their plant in Normal, Illinois.

## EV maker Rivian to cut 6% of workforce as price war looms

SAN FRANCISCO — Rivian Automotive is laying off 6% of its workforce in an effort to cut costs as the electric vehicle (EV) maker, already grappling with falling cash reserves and a weak economy, braces for an industry-wide price war.

The company is focusing resources on ramping up vehicle production and reaching profitability, Chief Executive R.J. Scaringe said in an email to employees on Wednesday announcing the job cuts. Reuters obtained a copy of the email.

Layoffs at Rivian come amid falling EV prices kicked off by cuts made recently by Elon Musk-led Tesla and Ford Motor Co.

The price cuts by Tesla and Ford are expected to hurt EV upstarts such as Rivian, Lucid Group and British startup Arrival, which Monday said it would lay off half its staff.

Despite a blockbuster initial public offering in November 2021, Rivian's shares have fallen nearly 90% from their peak that month to Tuesday's close. Rivian's stock was trading down 4% on Nasdaq on Wednesday, paring some losses after news of the job cuts.

"We must focus our resources on ramp and our path to profitability," Mr. Scaringe said in the email, in which he apologized to employees for the necessity of the cuts.

A Rivian spokesman confirmed the email was sent, but declined further comment.

### 'BLEEDING CASH'

"They're bleeding cash and would like to grow at a much faster rate, but they continue to struggle with their EV pro-

duction ramp and have been unable to meaningfully drive down unit costs," CFRA Research analyst Garrett Nelson said. "We think that is what's behind this decision."

Rivian is focusing on ramping up production of its R1 trucks and EDV delivery vans for top shareholder Amazon.com, and launching its R2 platform, he said. "The changes we are announcing today reflect this focused roadmap."

Irvine, California-based Rivian, which has about 14,000 employees, will let go of about 840 staff in a move that will not affect manufacturing operations at its plant in Normal, Illinois.

Rivian, which has been losing money on every vehicle it builds, narrowly missed its full-year production target of 25,000 vehicles last year as it dealt with supply-chain disruptions caused by the COVID-19 pandemic. It had previously halved that target.

To further conserve its cash, Rivian late last year shelved plans to build delivery vans in Europe with Mercedes. Rivian had earlier pushed back by a year to 2026 the planned launch of a smaller R2 vehicle family at the \$5-billion plant it is building in Georgia.

Last July, Rivian, which is scheduled to report fourth-quarter results on Feb. 28, laid off staff and suspended some programs as part of a broader restructuring.

The company has a market valuation of \$17.8 billion. Its cash and cash equivalents stood at \$13.27 billion as of Sept. 30, 2022, down from over \$18 billion a year earlier. — *Reuters*

## EU countries struggle to agree on price limits for Russian oil products

BRUSSELS — European Union (EU) countries will seek a deal on Friday on a European Commission proposal to set price caps on Russian oil products, after postponing a decision on Wednesday amid divisions between member states, diplomats said.

The European Commission proposed last week that from Feb. 5 the EU apply a price cap of \$100 per barrel on premium Russian oil products such as diesel and a \$45 cap per barrel on discounted products such as fuel oil.

The price cap numbers have to be approved by all 27 European Union member states. Their ambassadors will meet on Friday to attempt to reach a deal, three EU diplomats told Reuters.

International Energy Agency (IEA) chief Fatih Birol, speaking with reporters in Ottawa on Wednesday, reiterated his support for the price caps, saying he did not expect the proposal to cause major problems or disruption.

"There might be some transition difficulties, but we know that the second half of this year, a significant amount of new refinery capacity will come on line and we will see a lot of rerouting of the product around the world," said Mr. Birol, whose agency makes policy recommendations on global energy.


Poland and the three Baltic states are still pushing for the caps to be set at lower levels to curb the revenues

Moscow receives from selling fuel as much as possible following its invasion of Ukraine, the diplomats said.

One noted, however, that the EU has limited ability to change the price cap since it is a broader agreement among the Group of Seven (G7) countries.

The Feb. 5 price caps and EU ban on Russian oil product imports follow a \$60 per barrel cap imposed on Russian crude on Dec. 5 as G7 countries and the EU seek to limit Moscow's ability to fund its war in Ukraine.

Both caps work by prohibiting Western insurance and shipping companies from insuring or carrying cargoes of Russian crude and oil products unless they were bought at or below the set price cap. — *Reuters*



## Power Maintenance Updates

by **MERALCO** ADVISORY

The following are scheduled power interruptions necessary for the regular maintenance and upgrade of our power distribution facilities, to ensure the delivery of safe and reliable electricity to your areas. Rest assured that Meralco is doing everything to quickly restore your electricity according to schedule.

SUNDAY TO MONDAY, FEBRUARY 5 – 6, 2023	WEDNESDAY, FEBRUARY 8, 2023
<p><b>CAVITE (GENERAL TRIAS CITY)</b></p> <p>BETWEEN 11:00PM (SUN., 02/05/23) AND 6:00AM (MON., 02/06/23) – PORTION OF CIRCUIT FCIE 60WB – PHCI - LANCASTER 61LAN</p> <p>San Miguel – Purefoods Hormel Cannery Inc. along Governor's Drive in Sitio De Fuego, Bgy. San Francisco.</p> <p>REASON: Relocation of facilities affected by Cavite – Laguna Expressway (CALAX) project along Governor's Drive, General Trias City, Cavite.</p>	<p><b>QUEZON PROVINCE (CANDELARIA)</b></p> <p>BETWEEN 10:00AM AND 1:00PM – PORTION OF CIRCUIT SAN PABLO II 426WJ</p> <p>Portion of Masalukot Barangay Road from Saint Anthony Subd. in Bgy. Masalukot I to and including Masalukot III – Masalukot IV Barangay Road; Clarisse Subd., Villa Macaria Subd., Villa Norisa II Subd. and Hidden Greenland Subd. in Bgys. Masalukot I, III and IV. Portion of Tibanglan Road from Masalukot Barangay Road in Bgy. Masalukot I to and including Mayabobo Elementary School in Bgy. Mayabobo.</p> <p>REASON: Installation of facilities and line reconstruction work along Masalukot Barangay Road in Bgy. Masalukot I, Candelaria, Quezon Province.</p>
<p style="text-align: center; background-color: #f2f2f2; margin: 0;">MONDAY, FEBRUARY 6, 2023</p> <p><b>MANILA (SAMPALOC)</b></p> <p>BETWEEN 9:00AM AND 12:00NN – PORTION OF CIRCUIT NORTH PORT 405H</p> <p>Portion of Laong Laan St. from Algeciras St. to Metrica St. Portion of San Diego and Quintos Sts. from Laong Laan Road to near Dapitan St. Portion of Craig and Kundiman Sts. from near Maria Clara St. to near Dapitan St.</p> <p>REASON: Relocation of facilities affected by NLEX Road Connector Project along Laong Laan St. in Sampaloc, Manila.</p>	<p><b>CAVITE (CARMONA)</b></p> <p>BETWEEN 10:00AM AND 3:00PM – PORTION OF CIRCUIT GMA 41XF</p> <p>Portion of Milgarosa Road from Sugar Road to and including Macaria Village Phases III-B &amp; IV and Villa Sorteo Subd. in Bgy. Milgarosa.</p> <p>REASON: Replacement of poles and line reconditioning work in Bgy. Milgarosa, Carmona, Cavite.</p>
<p style="text-align: center; background-color: #f2f2f2; margin: 0;">TUESDAY, FEBRUARY 7, 2023</p> <p><b>CAVITE (GEN. TRIAS CITY)</b></p> <p>BETWEEN 9:00AM AND 2:00PM – PORTION OF CIRCUIT FCIE 42WB</p> <p>The whole of Tierra Del Fuego Subd. and Tierra Nevada Subd. Phases 6 &amp; 7 in Bgy. San Francisco.</p> <p>REASON: Line reconditioning work and replacement of poles along Tierra Nevada Main Road in Bgy. San Francisco, Gen. Trias City, Cavite.</p>	<p style="text-align: center; background-color: #f2f2f2; margin: 0;">THURSDAY TO FRIDAY, FEBRUARY 9 – 10, 2023</p> <p><b>LAGUNA (CALAMBA CITY)</b></p> <p>BETWEEN 11:00PM (THU., 02/09/23) AND 4:00AM (FRI., 02/10/23) – PORTION OF CIRCUIT CANLUBANG 47XE</p> <p>Portion of Chipeco Ave. from near Calamba City – Los Baños National Highway to and including Lakeview Homes Phase 1 in Bgy. Halang.</p> <p>REASON: Installation of facilities and line reconditioning work along Chipeco Ave. in Bgy. Halang, Calamba City, Laguna.</p>
<p style="text-align: center; background-color: #f2f2f2; margin: 0;">TUESDAY TO WEDNESDAY, FEBRUARY 7 – 8, 2023</p> <p><b>PASAY CITY</b></p> <p>BETWEEN 10:00PM (TUE., 02/07/23) AND 3:00AM (WED., 02/08/23) – PORTION OF CIRCUIT PARAÑAQUE 47ZJ</p> <p>Portion of NAlA Road from Domestic Road to Solano Transient House.</p> <p>REASON: Relocation of facilities along NAlA Road in Pasay City.</p>	<p style="text-align: center; background-color: #f2f2f2; margin: 0;">SUNDAY, FEBRUARY 12, 2023</p> <p><b>PATEROS; MAKATI CITY; AND TAGUIG CITY</b></p> <p>BETWEEN 9:00AM AND 3:00PM – PORTION OF CIRCUIT TAGUIG 43ZL</p> <p>Portion of M. Almeda St. from Martinez Del 96 St. to Gen. Luna St. including Sult St. in Bgy. Martinez Del 96, Pateros. Portion of M. Almeda St. from Gen. Luna St. to N. P. Cruz St. including General Ricardo G. Papa Sr. Memorial High School Annex and Ususan Elementary School in Bgy. Ususan, Taguig City. Portion of Road Lot 13 from Adelfa St. to and including A. Bonifacio, C. Aquino, E. Aguinaldo, Herrera, Juan Luna, Lopez Jaena, M. H. Del Pilar, Adalla, Adela, Fortune Plant, Magnolia, San Francisco and Waterlily Sts. in Zone 3 and Zone 4 in Bgy. Rizal, Makati City. Portion of P. Mariano and N. P. Cruz Sts. From M. Almeda St. to Kalayaan St. in Bgy. Ususan, Taguig City. Portion of Gen. Luna St. from M. Almeda St. to Levi Mariano Ave. including Tomasa Estate Subd.; and The Church of Jesus Christ of Latter-day Saints in Bgy. Ususan, Taguig City. Portion of Gen. Luna St. from Levi Mariano Ave. to Bagong Calzada St. including A. Mabini, M. Santos and Col. P. Cruz Sts.; T &amp; D Village; Puregold Taguig Tukukan, Jollibee, Mercury Drug, Taguig City Hall and General Ricardo Papa Memorial High School in Bgy. Tukukan, Taguig City.</p> <p>REASON: Line reconditioning work along Levi Mariano Ave., M. Almeda and Gen. Luna Sts. in Bgy. Martinez Del 96, Pateros; and Bgys. Ususan and Tukukan in Taguig City.</p>

Register now to receive FREE texts about our Power Maintenance Schedules!

Text MERALCO <space> ON <space> your Service ID Number (which can be found in your bill) to:

Smart/Talk 'n Text	717-16211
Sun	0925-77-16211
Globe/TM	0917-55-16211

For more updates, follow us on Facebook and Twitter.

/meralco
 @meralco

For emergencies, call: 16211