

Business Standard



THE MARKETS ON TUESDAY

		Chg#
Sensex	39,275.6	▲ 369.8
Nifty	11,787.2	▲ 96.8
Nifty futures*	11,824.5	▲ 37.3
Dollar	₹69.6	₹69.4**
Euro	₹78.7	₹78.5**
Brent crude (\$/bbl)**	70.7**	70.9**
Gold (10 gm)**	₹31,653.0	₹64.0

* (Apr.) Premium on Nifty Spot; **Previous close; # Over previous close; # At 9 pm IST; ### Market rate exclusive of VAT; Source: IBSA



BRAND WORLD P13

MORRIS HAS CHINA UNDER THE HOOD, BRITAIN ON ITS BONNET

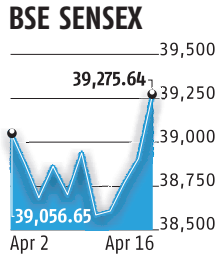
COMPANIES P3

QUALITY IS MY PRIORITY, SAYS RENAULT INDIA MD

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SENSEX, NIFTY HIT ALL-TIME HIGHS

The benchmark stock market indices hit all-time highs on Tuesday led by gains in heavyweights like IICI Bank and HDFC Bank. Supportive global markets and better monsoon forecasts by the India Meteorological Department helped with the risk-on sentiment. Gaining for a fourth straight day, the Sensex rose 370 points, or 0.95 per cent, to end at 39,276, surpassing its previous high touched earlier this month.



Jet's ultimatum: Infuse ₹400 cr to stop grounding

Naresh Goyal out of the buyers' list, four bidders remain

ANEESH PHADNIS & ARINDAM MAJUMDER
Mumbai/New Delhi, 16 April

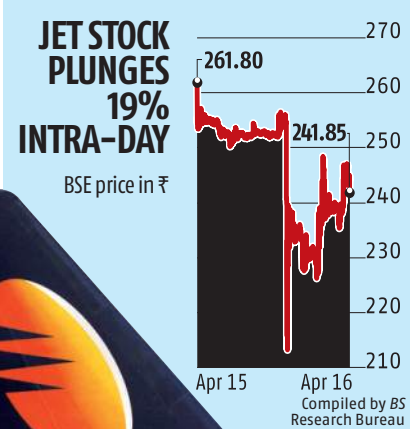
Jet Airways founder Naresh Goyal, who was forced to step down as chairman recently, has pulled out of the race to regain control of the airline. His consortium partner Future Trends Capital has also withdrawn from the process, it is learnt. Goyal was among the five entities to have submitted an expression of interest (EoI) to buy up to a 75 per cent stake in Jet as part of a lenders-led resolution plan to rescue the airline from going under.

While the cash-starved airline hasn't shut down operations yet, CEO Vinay Dube on Tuesday sought ₹400 crore from the lenders immediately, warning that any delay in funding would ground the airline. Initially, the lenders' consortium, led by State Bank of India, had committed ₹1,500-crore in emergency funding to Jet, and then the figure was lowered to ₹1,000 crore. Due to lack of consensus among the lenders, emergency funding has been negligible so far and it has come in very small tranches.

The lenders, sources said, were watching the developments on the bidders' side before deciding whether they were throwing good money after bad or not. Also, in a chicken and egg situation, potential bidders were believed to be tracking whether the lenders were willing to infuse funds into Jet or not, before submitting their binding bids. For instance, Delaware-based Future Trends Capital Chairman Lalit Kumar informed SBI Caps, the banker for the bidding process, that the situation had changed over the last three days as the company had been unable to receive funds from the banks, sources in the know said.

"Kumar also said the time was too short to submit all necessary documents to qualify as a bidder. Without a partner, Naresh Goyal will not be eligible to participate in the bidding process as he doesn't qualify the net worth criteria," said a senior banking executive aware of the development. Future Trend Capital had tied up with Naresh Goyal-owned JetAir to bid for the airline.

Sources said Delaware was ready to invest



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JET FLIES OFF TO THAT GREAT HANGAR IN THE SKY, writes Anjali Bhargava

\$500 million and hence partner Goyal, who was allowed to bid by the lenders.

There are only four bidders qualified to submit the bid. "Etihad Airways, TPG Capital, government-owned sovereign fund NIIF, and Indigo Partners have qualified to participate in the bidding process. The bid documents will be out by tomorrow," the executive said.

In a board meeting held by Jet Airways on Tuesday morning, the management is said to have indicated that banks are still divided on the interim funding issue. In the absence of interim funding, the board felt that the airline has no option but to halt operations. "The management sought permission from the board to shut down operations. However, the board asked Dube to make a final attempt to convince the banks for releasing ₹400 crore," an executive of Jet Airways said.

In a late night communication to the staff on Tuesday, Dube said the company has stressed upon State Bank of India (SBI) for urgent funding requirements. Turn to Page 13

POLITICS & PUBLIC AFFAIRS P4
Maya absent, nephew takes centre stage

Akash Anand, the 24-year-old nephew of Bahujan Samaj Party chief Mayawati, took her place at the Agra rally of the *mahagabbandhan* on Tuesday. The BSP pitchforked Akash, considered her aunt's successor in the party, on the big stage as the Election Commission (EC) has barred Mayawati from campaigning until Thursday morning. Akash occupied the seat reserved for his aunt on the stage.

'No compromise with Centre on rights of Tamils'

On the last day of the election campaign in Tamil Nadu on Tuesday, under a scorching sun in Salem, Chief Minister **EDAPPADI K PALANISWAMI** spoke to **TENARASIMHAN** on his party's (AIADMK's) alliance with the BJP, the state's economy, and what he thought of the Centre's policies.

THE SMART INVESTOR P10
Polycab India soars 21% on debut

Shares of Polycab India, a leading manufacturer of electric wires and cables, ended 21 per cent higher over its issue price during its stock market debut on Tuesday. The stock ended at ₹653, compared to the IPO price of ₹538 per share. The stock touched a high of ₹668 and a low of ₹630 on the NSE.

ECONOMY & PUBLIC AFFAIRS P6
On-tap licences for pension fund managers on cards

Pension regulator Pension Fund Regulatory and Development Authority is considering issuing licenses for fund managers on tap against the current practice of coming out with requests for proposals every five years.

COMPANIES P2
Flipkart's tech prowess impresses Walmart chief

During his town hall address to Flipkart employees at the company's headquarters in Bengaluru, Walmart President and CEO Doug McMillon was quite impressed with the Indian e-commerce major's technological prowess, while emphasising on the need of leveraging some of those for the Bentonville-based company's global operations.

COMPANIES P3
A dozen firms line up for Citibank's BKC property

At least a dozen prospective buyers have placed bids to buy Citi Centre, erstwhile headquarters of US-based banking major Citibank in the Bandra Kurla Complex (BKC) here, a source said. These are US-based private equity fund manager Blackstone, Singaporean sovereign fund GIC, the K Raheja Corp, among others.

Bandhan Bank gets CCI nod to acquire Gruh Fin

Kolkata-based Bandhan Bank on Tuesday said it had received approval of the Competition Commission of India for the proposed acquisition of Gruh Finance. Gruh Finance, the affordable housing finance arm of HDFC, was taken over in January by Bandhan Bank in a share-swap deal.

CORRECTION
The report "Diesel car phase-out won't impact Maruti sales, says Bhargava", published on April 15, had mentioned that Maruti would pull the plug on diesel cars from April 1, 2020. Maruti Suzuki has clarified that it is not ruling out the production of diesel cars completely and will continue to sell diesel cars that customers can afford.

Whistle-blower letter alleges kickbacks to Kochhar brothers

ED starts probe into charges; Rajiv Kochhar says all allegations are false and baseless

SHRIMI CHOUDHARY
New Delhi, 16 April

In what can add to the troubles of former ICICI Bank managing director and chief executive officer Chanda Kochhar, Indian and Singapore investigators have received a fresh whistle-blower letter, alleging that her brother-in-law Rajiv Kochhar and her husband, Deepak Kochhar, "were running multiple companies in Singapore, Cayman Islands and India where they used to take kickbacks from various corporate promoters for loans sanctioned by ICICI Bank".

In the letter to Indian investigating agencies, including the Enforcement Directorate (ED) and the Central Bureau of Investigation (CBI), the Singapore-based whistle-blower has claimed that "the primary activity of the firms was that of taking advisory or consultancy fees on the loans to be arranged/restructured from the banking system, namely ICICI Bank".

According to the letter, "the firms from where kickbacks were taken are Jaiprakash Group, Suzlon, Bhushan Power and Steel and Sterling Group etc".

The ED has taken up the matter and sought the loan accounts details from ICICI Bank.

In an emailed response, an ICICI bank spokesperson said, "The ED has sought information related to certain individuals/entities outside the bank. The bank always cooperates with the ED and will continue to do so in future."

Sources said the ED was also in talks with the Singapore authorities about relevant information.

Business Standard has reviewed the content of the letter. "Even though these companies (mentioned above) were defaulting to all the banks in India, they still were paying huge amount of fees to Avista and other related entities in Singapore and Cayman Islands," the letter said.

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THE ALLEGATIONS*

- Brothers Rajiv and Deepak Kochhar used their companies in Singapore, Cayman Islands and India to take kickbacks from corporates for loans sanctioned by ICICI Bank
- Jaiprakash group, Suzlon, Bhushan Power and Steel, Sterling Group among firms that paid huge amount of 'fees' to Avista
- Suspect firms were in gross violation of tax evasion, routing transaction for other counter parties, and violating FEMA

*From the whistle-blower's letter, dated Feb 15, to investigative agencies

India-focused funds under Mauritius lens

ASHLEY COUTINHO
Mumbai, 16 April

Mauritius has stepped up scrutiny of offshore fund structures as the country tries to shed its image as a quasi-tax haven and showcase its compliance with all major international tax norms.

The move has put several global and India-focussed funds wanting to set up structures in Mauritius under the country's regulatory glare.

The country's financial services regulator Financial Services Commission (FSC) is combing through KYC information of new fund applications as well as undertaking extensive background checks on fund sponsors and fund managers, said sources. FSC is also reaching out to regulators of countries in which these sponsors or managers are based to verify their antecedents.

"The look-through principles are being applied stringently. The authorities are resorting to telephonic interviews with some of the applicants and examining issues or complaints filed against them in the past," said Richie Sancheti, head - investment funds, Nishith Desai Associates.

The increased scrutiny is pushing back timelines and jacking up costs of setting up India-focussed funds in Mauritius.

"FSC is being cautious in granting licences to offshore funds and/or sub funds. In the past few months, FSC has been taking anywhere between 2 and 3 months to approve an application compared to a month or so taken earlier," said a person familiar with the matter. The delays may prompt several India-focused or global funds wanting to domicile in Mauritius to set up these structures in other coun-

TOP 10 COUNTRIES INVESTING IN INDIA

Country	Assets under custody (₹ trillion)
US	10.93
Mauritius	4.58
Luxembourg	3.26
Singapore	3.10
UK	1.51
Ireland	1.15
Japan	1.13
Canada	1.03
Netherlands	0.77
Norway	0.75

Source: NSDL

tries such as Cayman, Bermuda or Singapore, said experts.

The upside will be that fund structures from Mauritius will come under lesser scrutiny from other jurisdictions in the future. "The higher scrutiny will help Mauritius improve its reputation in the eyes of global regulators," said Sancheti. To be sure, Mauritius remains a preferred destination for Asian investors, especially those wanting to invest in debt and derivatives instruments, as there is no tax to be paid on investments in these asset classes except for the interest part in the debt instrument.

Mauritius mainly provides for two types of investments vehicles for offshore funds: Collective investment schemes which can invest across asset classes and closed-ended or private equity funds via an investment holding company.

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Wipro Q4 net profit up 38%

IT firm announces ₹10,500-cr buyback

DEBASIS MOHAPATRA & YUVRAJ MALIK
Bengaluru, 16 April

Wipro has largely met the Street estimates on the revenue and profit fronts for the fourth quarter of 2018-19, though the revenue growth reported by the country's third-largest IT services firm was the lowest among the top three players in the last financial year.

The company, however, gave a tepid outlook for the first quarter of FY20, citing delays in starting out new projects. The firm also announced a mega buyback plan of ₹10,500 crore at ₹325 a share, making it the second such repurchase consecutively. The buyback price is 15.4 per cent higher than Tuesday's closing price on the NSE.

REPORT CARD

	₹ cr
Revenue	15,006
y-o-y chg (%)	9.00
q-o-q chg (%)	-3.51
Net profit	2,483.5
y-o-y chg (%)	37.70
q-o-q chg (%)	-1.00
Operating margin (%)	19
q-o-q chg (basis points)	-80

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COMPANIES

- Wipro's network faces cyberattack, says situation under control
- We're focusing on quality of revenue in large deals: Bhanumurthy

CAN'T ABSOLVE BANKS OF OBLIGATION TO DECLARE NPA: RBI TO NCLAT



The Reserve Bank of India (RBI) on Tuesday told the National Company Law Appellate Tribunal (NCLAT) that banks had an obligation to mark bad loans as non-performing assets (NPAs) after the default of 90 days. The regulator has moved the NCLAT seeking a modification of its February 25 order in which the appellate tribunal had said accounts of Infrastructure Leasing & Financial Services (IL&FS) and its subsidiaries could not be classified as NPAs without approval. Reflecting such loans as NPAs is important on the books of banks, as it acts as an early warning signal, senior advocate Gopal Jain, appearing for the RBI, said. "You have to know the real state of the accounts of the banks. Otherwise, if you do not show NPAs, you will constantly be booking interest on the loan's principal amount. It would be a very risky picture. The whole issue is to have a transparent and fair accounting system, so that the health of the institution is not affected," Jain said.

Donors pledge nearly \$565 mn to rebuild Notre-Dame

AFP VIA PTI
Paris, 16 April

Billionaires and local governments pledged nearly €500 million (\$565 million) on Tuesday to help restore Notre-Dame cathedral, with

foundations and crowd-sourcing sites also launching fund-raising drives.

President Emmanuel Macron has vowed the emblematic monument will be rebuilt after its spire and roof collapsed Monday night in a blaze thought to be linked to extensive renovation work.

French luxury group Kering, whose brands include Yves Saint Laurent and Gucci, kicked off the campaign late Monday with a promise of €100 million (\$113 million).

That was followed Tuesday by a €200-million pledge from its crosstown rival LVMH and the family of its founder Bernard Arnault.



BERNARD ARNAULT CEO, LVMH ▶ \$226 million	FRANCOIS PINAULT CEO, Kering ▶ \$113 million	TIM COOK CEO, Apple ▶ Unspecified	PATRICK POUYANNE CEO, Total ▶ \$113 million	ANNE HIDALGO Mayor, Paris ▶ \$56.5 million
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The chief executive of French oil giant Total said the firm would contribute €100 million.

Other high-profile French donors so far included the investor Marc Ladreit de Lacharriere with €10 million, and construction magnates Martin and Olivier Bouygues, also with €10 million.

Pledges were also pouring in from anonymous donors to groups including the privately run French Heritage Foundation, which said it had already secured pledges totalling €1.6 million.

On a more modest scale, a fund set up by an "anonymous Parisian" on the Leetchi fundraising platform had topped €20,000 at midday on Tuesday.

And the Hungarian city of Szeged promised to donate €10,000 to the reconstruction effort, in recognition of the help it received from the French capital after a devastating flood in 1879.

Paris Mayor Anne Hidalgo said Tuesday that the city would unlock €50 million, and proposed holding an international donors' conference in the coming weeks to coordinate the pledges to restore the gothic architectural masterpiece.

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