

# Business Standard

**THE MARKETS ON WEDNESDAY**

	Chg#
Sensex	39,054.7 ▲ 489.8
Nifty	11,726.2 ▲ 150.2
Nifty futures*	11,827.0 ▲ 100.8
Dollar	₹69.9 ₹69.6**
Euro	₹78.3 ₹78.3**
Brent crude (\$/bbl)**	73.7** 73.8**
Gold (10 gm)**	₹31,525.0 ▲ ₹64.0

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



**COMPANIES P2**  
**AFTER 6 YEARS IN SHRIRAM, PIRAMAL LOOKING FOR EXIT**

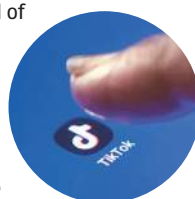
PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

**COMPANIES P2**  
**JIO GAINS MAINLY FROM LOWER DEPRECIATION**



**MADRAS HC LIFTS BAN ON TIKTOK APP, CONDITIONS APPLY**

The ban on download of Chinese short-video sharing app TikTok was lifted on Wednesday, subject to the company fulfilling some conditions laid by the Madras High Court. The app's parent, ByteDance, had in a plea to the Supreme Court claimed the ban was resulting in a financial loss of around \$500,000 a day.



## Sebi bars Leela from asset sale to Brookfield

NCLT adjourns hearing on maintainability of ITC's petition against the hospitality firm to June 18

SUBRATA PANDA & SHALLY SETH MOHILE  
Mumbai, April 24

The Securities and Exchange Board of India (Sebi) on Wednesday ordered cash-strapped Hotel LeelaVenture to not proceed with the Brookfield Asset Management deal, following letters of objection from foods-to-tobacco major ITC and state-owned insurance giant Life Insurance Corporation (LIC).  
Meanwhile, the National Company Law Tribunal (NCLT), which heard the matter following two applications moved by ITC against Hotel LeelaVenture (Leela), seeking urgent hearing and the waiver of the requirement of minimum threshold of 10 per cent shareholding for filing a petition under Section 241 of the Companies Act, posted the case for further hearing to June 18. ITC's petition is on the grounds of oppression and mismanagement.

**CASE FILE**



**Sept 2017:** JM Financial ARC converts part of its debt into equity, thereby holding 26% in Hotel LeelaVenture

**Mar 2018:** Deal struck between Brookfield and Hotel Leela for ₹3,950 crore

"While these representations are being examined by Sebi, in view of the paucity of time involved and in the interest of investors in securities, you are advised to ensure that none of the transactions proposed in the postal ballot notice dated March 18, 2019, is acted upon till further directions from Sebi," said the market regulator in a letter to Leela.

In the March 18 postal ballot notice, Leela had sought shareholders' approval for the sale of four hotels and a property to Brookfield. The voting period ended today (April 24).

The tribunal has served notices on Leela and JM Financial Asset Reconstruction Company (ARC).

**2019 Jan**  
JM Financial ARC takes the hospitality firm to NCLT

**Mar 18**  
Board of Hotel Leela approves Brookfield deal; shareholders told to vote for the transaction via postal ballot

notice  
**Apr 3**  
ITC seeks inspection of documents referred to in the postal ballot notice

**Apr 23**  
ITC moves NCLT against Hotel Leela under Section 241 of the Companies Act

**BROOKFIELD DEAL WILL MAKE LEELA A SHELL COMPANY: ITC**

**SMART INVESTORS P10**  
**Vodafone Idea rights issue fully subscribed**

Merged telecom operator Vodafone Idea's ₹25,000-crore rights offering has garnered full subscription, investment bankers handling the share sale said. "The rights issue has seen more demand than shares on offer. In fact, the non-promoter portion of the issue alone garnered more than one time subscription," said an investment banker involved in the issue.

**COMPANIES P3**  
**Indiabulls promoters say ready to exit realty biz**

Indiabulls group promoters are ready to exit the real estate business in case the Reserve Bank of India (RBI) is not comfortable with a bank owner having realty business under its wings. Ashwini Kumar Hooda, deputy managing director, Indiabulls, said, "It (real estate) is less than 10 per cent of our business and financial services form 88 per cent of assets for the group. The promoter (Sameer Gehalut) wants to be largely in financial services and is okay with the plan to exit real estate."

**BS ON THURSDAY SPECIALS**



**STRATEGY: TVS shifts up a gear**  
The \$8.5 billion TVS Group — best known for its scooters, motorcycles, auto components and logistics — has renewed focus on another arm of its business, reports T E NARASIMHAN 16▶

**PERSONAL FINANCE: Wholelife Ulips: Tax-free withdrawals key advantage**  
They are complicated products. Read the fine print carefully before making a decision, writes TINESH BHASIN 13▶

**PRIVATE EQUITY: We don't change standards depending on market cycles, says Sid Yog**  
Xander Group has been a major investor in commercial property, with \$3 billion put into various assets, its founder tells RAGHAVENDRA KAMATH 6▶

**BACK PAGE 18**  
**Services costlier, goods cheaper under Modi govt**

Private coaching for students, which is mandatory in almost every home nowadays, has become costlier since Narendra Modi took over as Prime Minister. This is reflected in the consumer price inflation rate in the sector, which touched double digits. The rates of price rise in many other services used by the common man, including hospital and nursing, cook, domestic help and bus (fare), among others, have also touched double digits during the last four years, putting a burden on disposable income, DILASHA SETH writes

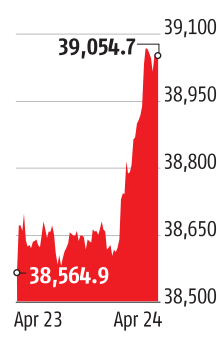
**342 start-ups get angel tax exemption since Feb**

With the commerce and industry ministry taking steps to support budding entrepreneurs, as many as 342 start-ups have received intimation regarding exemption from angel tax since February, an official said. Giving a major relief to budding entrepreneurs, the government in February relaxed the definition of start-ups and allowed them to avail full angel tax concession on investments of up to ₹25 crore.

## Earnings optimism lifts Sensex above 39,000 again

Short-covering, FPI buying help offset concerns over high crude oil prices

**LAST-HOUR RALLY**



**TOP PLAYERS**

As of Apr 24, 2019	Price in ₹	Chg 1D(%)
<b>GAINERS</b>		
HCLTech	1,140.5	3.4
ONGC	168.7	2.9
IndusInd Bank	1,700.2	2.8
<b>LOSERS</b>		
Tata Motors	223.7	-3.3
Hero MotoCorp	2,623.0	-0.5
Coal India	254.2	-0.5

Source: Exchange/Bloomberg Compiled by BS Research Bureau

The benchmark indices snapped their three-day losing streak, helped by better-than-expected earnings by corporates such as UltraTech cement.

In addition, a new record high for the S&P500 — benchmark index for US equities — helped boost investor sentiment towards risky assets.

The Sensex climbed 1.3 per cent, or 490

points, to close at 39,055 on Wednesday, its steepest daily gain in more than six weeks. The Nifty closed at 11,726, up 150 points or 1.3 per cent — its biggest advance since January 31.

Short-covering ahead of expiry of the April

series derivatives contracts on Thursday spurred buying.

On Monday, both the Sensex and Nifty had posted their biggest decline of 2019, amid spiralling oil prices following US sanctions on Iran.

## IndiGo, Tatas protest 'unfair' allocation of Jet Airways slots

SpiceJet stands the best chance of getting new slots in Mumbai, Delhi

ARINDAM MAJUMDER  
New Delhi, 24 April

The country's largest airline, IndiGo, and the Tata group, which operates AirAsia India and Vistara, have opposed the government's decision to allocate Jet Airways slots only to those deploying new aircraft. Such a decision, they say, will harm their commercial viability and negate a level playing field.

In a letter to the government, IndiGo Chief Operating Officer Wolfgang Prock-Schauer said, "Aircraft inductions are planned in advance by airlines and cannot be expedited at such short notice. This leaves virtually one airline with the ability to corner Jet Airways slots and entitlements since it is the only other airline other than Air India Express to operate Boeing 737 aircraft." Though the letter, reviewed by Business Standard, did not name any airline, the reference was obvi-

**JET AIRWAYS SLOTS AT MAJOR AIRPORTS**



ous: SpiceJet.

A senior Tata executive said, "There is disparity in business logic asking airlines to bring in additional aircraft for temporary slots. Leasing aircraft for short term is a very costly proposition."

Ajay Singh-led SpiceJet stands the best chance of getting new slots at the two busiest airports in India. Government officials confirmed that SpiceJet was best suited to add grounded Jet Airways' Boeing-737 planes as it operated similar aircraft. SpiceJet said it would add 27 aircraft in the next 10 days. Commonality of fleet has also made it easier for SpiceJet to rapidly induct Jet Airways crew members, who were trained on similar aircraft.

For IndiGo, Vistara and AirAsia India, immediate induction of fresh capacity becomes difficult as they use Airbus A320 aircraft, according to company executives.

The ministry of civil aviation had on Tuesday said that slots of Jet Airways would be given to other airlines for three months, based on their ability to add immediate capacity. "Jet Airways slots will be allocated on a temporary basis for three months only to those airlines which bring in additional capacity," the ministry said.

Turn to Page 17▶

## RBI may allow 66% lenders' nod for resolution

RAGHU MOHAN & SURAJEET DAS GUPTA  
Mumbai/New Delhi, 24 April

The Reserve Bank of India (RBI) may lower the approval threshold in its revised circular for the resolution of stressed assets to 66 per cent of lenders by value from the current level of 100 per cent.

The central bank is also expected to detail the mechanism for the buyout of exposure from banks which are not in agreement with the majority of lenders on the resolution plan, third-party security and additional funding.

The original February 12, 2018, circular was explicit that resolution plans should be drawn up on unanimous approval by all lenders. While the Indian Banks' Association (IBA) made a case to the RBI that the consensus floor be reduced to 90 per cent, it is gathered the banking regulator may lower it further.

Senior bankers point out that even before the Supreme Court struck down Mint Road's controversial circular on grounds that it was ultra vires, it had been next to impossible to get all lenders on board; and opine that even the IBA's request of 90 per cent is way too ambitious.

The RBI is also expected to spell out some of the finer aspects on third-party and exclusive security; and on the modalities of additional funding. While the Inter-creditor Agreement (ICA) under Project Sashakt in July 2018 did spell out the terms which were not mentioned in the February 12 circular,

**A PRAGMATIC STANCE**

- Move aimed at getting resolution proposals moving
- Getting 100% of banks agree to a resolution plan unrealistic
- IBA request for 90% threshold also seen as ambitious
- Revised floor at 66% will align it with Project Sashakt
- RBI to detail finer operational aspects in new circular

**Disclose exposure to IL&FS, RBI tells banks**

The RBI has asked banks and financial institutions to declare details of their exposure and provisions related to the troubled IL&FS. It said banks and financial institutions must mention the total amount of exposure, which is non-performing asset to IL&FS. In the matter between IL&FS and the Ministry of Corporate Affairs, the NCLAT had earlier stated that no financial institution can declare the accounts of the IL&FS or its group entities as NPAs without prior permission of the tribunal.

## Uber APAC head quits in major recast

SURAJEET DAS GUPTA  
New Delhi, 24 April

Uber Asia Pacific head Amit Jain has resigned from the company after a four-year stint. Jain, who started the rides business in India and headed Uber's India operations before becoming head of the Asia Pacific business, will remain with the company till the end of May.

The rides business of Uber India will now report to Pierre-Dimitri Gore-Coty, who as vice president heads the car-hailing company's Europe, Middle East and Africa business from Amsterdam. So far, the India rides business was reporting to the Asia Pacific region, headquartered in Singapore. The move comes as part of a major restructuring of the India unit.



Amit Jain will be leaving at the end of May 'to spend time with his family'

Gore-Coty will now have an integrated portfolio of regions to oversee. It includes Uber's Asia-Pacific ride business, which has India and south Asia, Japan, South Korea, Taiwan, New Zealand, Hong Kong and Australia, apart from his existing responsibilities.

Explaining the changes at a time when the company has filed for an IPO, Uber COO Barney Harford said: "After four great years, Amit Jain will be leaving Uber at the end of May to take a well-deserved break to spend time with his family before taking the next step in his career. Amit has been instrumental in growing our rides business — first in India from launch to category leadership, and more recently across the Asia Pacific region."

Turn to Page 4▶

## 'Endgame' set to become biggest Hollywood opener in India

Final part of the Avengers series could collect over ₹50 crore on opening day

URVI MALVANIA  
Mumbai, 24 April

Avengers: Endgame has set the box office on fire even before its scheduled release on Friday. The 22nd film in the ambitious Marvel Cinematic Universe franchise by Disney has generated frenetic interest from movie lovers, and is set to become the biggest-ever Hollywood opener in the country. Experts are pegging the first-day collection at over ₹50 crore given high demand and the robust distribution by the studio.

The record for the highest opening-day collection for a Hollywood film in India is currently held by the series'

2018 film, Avengers: Infinity War, which grossed ₹40 crore (₹31 crore net after tax).

Endgame is being released in 2,500 screens in the country in four languages — Hindi, English, Tamil, and Telugu — the widest release for a Hollywood film. Due to the format in which Hollywood films are available for release, only 2,500 screens are available to these films in India.

Infinity War was released in 2,000 screens, with 10,000 shows per day in the same four languages. The Indian language dubs contributed about 50 per cent to its lifetime box office collection of ₹232 crore. In the case of Endgame, distribution has been ramped up to accommodate 13,000 shows in a day for the first weekend, across multiplexes and single screens in 500 cities.

With Endgame, India will also see

exhibitors running shows of a Hollywood film 24x7 for the first time. The earliest show for the movie is at 3.20 am (at a theatre in Mumbai), and the last show is at 11.55 pm (various locations across India).

Given that the film is 3 hours and 1 minute long without an interval, each show will take about four hours. Normal show timings would mean each screen would have been able to run at most four shows a day. The all-day programming at certain centres will allow for more shows per screen per day.

Bookings for the movie opened on Saturday midnight, and tickets were lapped up almost instantly. Online ticketing portal BookMyShow sold a million tickets for the movie in little over a day, and has sold more than 2 million tickets so far.

Turn to Page 4▶

**MAKING OF A BLOCKBUSTER**

<b>1 million:</b> Tickets sold in a day on BookMyShow after the opening of bookings on Saturday midnight	<b>2 million:</b> Tickets of the movie sold on the portal so far	<b>2,500:</b> Number of screens across 500 cities in India that will exhibit the film	<b>13,000:</b> Shows per day in the first weekend	<b>₹50 crore++:</b> Estimated first day collection
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Avengers: Endgame is the first Hollywood film to have 24x7 programming in India with shows as early as 3.20 am and as late as 11.55 pm