

# Companies

FRIDAY, DECEMBER 27, 2019

## Quick View



### HG Infra bags ₹522-cr highway project in Haryana from NHAI

HG INFRA ENGINEERING ON Thursday said it has bagged a highway project worth ₹522 crore in Haryana from the National Highways Authority of India (NHAI). HG Infra has been declared L-1 (lowest) bidder by NHAI for construction of proposed Rewari bypass (NH-11) as feeder route in Rewari district in the state of Haryana...on hybrid annuity mode amounting to ₹522.02 crore, the company said in a filing to the BSE. The completion period for the project, which has a total length of 14.40 km, is two years, the filing said.

### Greaves' arm to provide service to TVS 3-wheelers

ENGINEERING FIRM GREAVES Cotton's multi-brand spares and service arm Greaves Care will provide service support to TVS three-wheelers under a strategic pan-India partnership, the company said on Thursday. Greaves Cotton currently has over 350 retail outlets, over 5,300 small format spares outlets and 165 care centres.

### Rockwell launches first India centre in Gurgaon

US-BASED ROCKWELL AUTOMATION on Thursday launched its first automation centre in India at Gurgaon. The centre will display to the customers solutions in five focus sectors — oil and gas, chemicals, food and beverage, auto and tyre, and lifescience. It will also cater to players from any other field requiring technical assistance.

### Hero-backed Ather Energy names Deepak Jain CFO

HERO MOTOCORP-BACKED ELECTRIC two-wheeler start-up Ather Energy on Thursday appointed Deepak Jain as its chief financial officer. Jain, who has worked with the likes of Apple India, P&G and Gillette over the past 20 years, joins Ather from First Advantage, where he was CFO for India business, the company said in a statement. Ather co-founder & CEO Tarun Mehta said Jain has scaled up technology and product-led companies making him an ideal addition to Ather's team.

## FLIGHT CANCELLATIONS

# Aircraft delivery delay, engine issues led to disruption: GoAir

In a clarification, budget carrier also sought to defend its choice of Pratt & Whitney engines for its A320 Neo fleet

PRESS TRUST OF INDIA  
Mumbai, December 26

GOAIR, WHICH HAS come under fire from passengers for cancelling dozens of flights abruptly earlier this week, on Thursday attributed the disruption in network to delay in aircraft deliveries and non-availability of engines.

In a clarification issued on Thursday, the budget carrier also sought to defend its choice of Pratt & Whitney engines for its A320 Neo fleet.

GoAir cancelled as many as 40 flights between November 23 and 24, during which it also reported air turn back of two if its aircraft due to engine glitches, which were later taken out of operations for further inspection.

“GoAir has placed an order for 144 Airbus A320neo aircraft and has experienced delivery delays during the month of November and December, adding to its operational challenges,” the airline said. The airline further said “during the same time, non-availability of Pratt & Whitney spare engines have also hampered the smooth functioning of the airline”.

Data collated from an aircraft deliver-

### FLYING LOW

■ GoAir cancelled as many as 40 flights between November 23 and November 24

■ The carrier also reported air turn back of two if its aircraft due to engine glitches

■ Aircraft with engine glitches were later taken out of operations for further inspection

■ Data collated from an aircraft deliveries tracking website suggest that GoAir has inducted less planes in the fleet this year as compared to 2018



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Against 17 aircraft inducted between May-December last year, the carrier took deliveries of only 11 planes between April-December this year.

be entertained, Trai said in a statement.

Last month, it had invited public views on enhancing transparency in disclosure of phone services rates and mooted an idea of introducing tariff calculator to help customers find the best plans to suit their usage.

Trai sought views on higher transparency in details of unlimited data plans,

where promised speed is provided only up to a certain level of usage and information is concealed in service thereafter. “The transparency in communication is not only relevant to ensure that consumers benefit from the access to critical information regarding the product/service but also to maintain and increase the competition intensity, vital for growth and development of the sector,” Trai had said in its recent consultation paper on transparency in publishing of tariff offers.

The move came after Trai received a significant number of complaints from individual consumers on lack of transparency in disclosure of tariff information.



against the airline.

Reviving an airline which has been grounded for eight months is a near-impossible task, say industry experts. Now, only one foreign entity, Colombia's Synergy Group, remains interested. But without clarity on Jet's slots, which are among the airline's most valuable assets, Synergy is yet to seal the deal. The slots were redistributed among other airlines after Jet was grounded. Slots allow an airline to enter and exit airports at scheduled times. “The government is not giving assurance on Jet's slots. Lenders have written to the government almost monthly, seeking some assurance, so far, they have not responded. The court has also now made the civil aviation ministry party to the insolvency proceedings, but it may be too little too late,” said the source requesting anonymity.

There are other logistical issues with Jet which had a wide international network and presence in several countries. “We had over six lakh passengers who were impacted. The scale is massive. We have received email claims from over 28 different currencies in the world,” said Ashish Chhawchharia, resolution professional for Jet. Asset preservation became a huge challenge. Aircraft maintenance for Jet is now done by Air India and has become nearly doubly expensive, one of the people involved in the process told FE. Jet, which at its peak had 112 aircraft, had by June reduced its fleet size to 12. Of these, some were seized at foreign airports. “Engines were sent out of India for servicing, and they have been withheld by service providers until payment is released. When told they are mandated to return assets under IBC, their response is that they do not recognise it. So, cross-border issues is a substantial challenge in this,” Chhawchharia said.

The insolvency proceedings of DHFL will be significantly different from other corporate entities. The beleaguered housing



financier, which has liabilities of over ₹92,715 crore, first defaulted on payment obligations in June this year.

Lenders initially tried to resolve DHFL's stress as per the RBI's prudential norms on stressed assets resolution, under which lenders are mandated to sign an inter-creditor agreement (ICA). A resolution plan was then approved by DHFL's board in September, which proposed a conversion of debt to equity leading to lenders acquiring a 51% stake in the company. All mutual funds did not sign the ICA and the plan stalled as multiple funds houses and fixed deposit holders initiated legal proceedings against DHFL. “For any future cases wherein pre-IBC resolution is considered, it is necessary that attempt should be made to involve all the stakeholders, else the resolution proposed by some stakeholders under a regime may be challenged by the other stakeholders, who are not involved,” said Ashish Pyasi, partner, Dhir & Dhir Associates.

In November, shortly after the government empowered the RBI to refer NBFCs with assets above ₹500 crore to NCLT, the central bank superseded the board of DHFL and filed insolvency proceedings against the



## RATING UPGRADE

D Anand Bhaskar, Air Works MD and CEO

The rating upgrade (by Crisil) reaffirms our business strategy, including the restructuring of our balance sheet. It recognises Air Works' operating efficiency, market position and growth trajectory over the course of the past 18 months, in a scenario where a lot of companies are undergoing stress.

# Air India stops issuing tickets on credit to govt agencies that owe it over ₹10 lakh



PRESS TRUST OF INDIA  
New Delhi, December 26

DEBT-LADEN AIR INDIA has stopped issuing tickets on credit to officials of various government agencies such as the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED), which owe it more than ₹10 lakh each, a senior official of the national carrier said on Thursday.

While disinvestment-bound Air India's net loss in 2018-19 was around ₹8,556 crore, its current total debt is over ₹60,000 crore.

“Various agencies, including the Central Bureau of Investigation, Enforcement Directorate, Information Bureau, Central Labour Institute, Border Security Force and the Indian Audit Board, have been told that tickets would not be issued to their officials on credit. Each of these agencies owe more than ₹10 lakh to the national carrier,” the senior official said.

In total, these government agencies

In total, the government agencies owe around ₹268 crore to the national carrier, a senior Air India official said, adding that ‘around ₹50 crore has been recovered from these agencies by the airline’

owe around ₹268 crore to the national carrier, he said, adding that “around ₹50 crore has been recovered from these agencies by the airline”.

“Officials of (aforesaid) government agencies can purchase tickets like any other ordinary customer. They would not be issued any tickets from here on credit,” the official added.

On December 5, civil aviation minister Hardeep Singh Puri had told Parliament that the preparation of Preliminary Information Memorandum (PIM) for inviting expression of interest (Eoi) for Air India disinvestment was in the process.

# ONGC gets environment clearance for ₹3,500-crore project in Assam

PRESS TRUST OF INDIA  
New Delhi, December 26

STATE-RUN ONGC HAS received environment clearance (EC) for carrying out onshore exploration, development and production of oil and gas in 100 locations in non-forest area of Assam, that would entail an investment of ₹3,500 crore, according to official documents.

The Union environment ministry has given green clearance to ONGC, the country's largest oil and gas exploration and production company, after taking into account the recommendations of a green panel.

“The EC is, however, subject to obtaining prior permission from the wildlife angle, including clearance from the Standing Committee of the National Board of Wildlife,” the ministry said in a letter to ONGC.

The company proposes to carry out drilling in 100 locations to evaluate the hydrocarbon potential of 21 different onshore petroleum mining lease (PML) blocks in a non-forest area covering



944.39 km in Assam and Assam Arakan Basin covering whole of the Upper Assam North in Sivasagar district.

After establishing the potential, the company will put the field under development and production. The project cost is

estimated to be ₹3,500 crore, the company added.

According to ONGC, there is still a lot of scope in exploring new sub-surface structures in Assam for hydrocarbons.

The total area of Sivasagar district PML is 957.73 sq km, in which Lakwa, Rudrasagar, Geleki and its adjoining areas are important oil producing fields in North Assam Shelf of Sivasagar district.

So far, more than 500 wells (including exploratory wells and development wells) have been drilled in this field with depths ranging from 2,400 metre to 4,200 metre.

The current EC has been granted for exploratory drilling of 100 wells which is a part of ongoing exploration efforts in various PML areas falling within the three main blocks of North Assam Shelf in Sivasagar district.

India is dependent on imports for crude oil, and the government is encouraging exploration and production of oil and gas.

ONGC produces 70% of the country's crude oil and 60% of its natural gas.

# ShopClues narrows losses to ₹68.58 cr in 2018-19

PRESS TRUST OF INDIA  
New Delhi, December 26

E-COMMERCE PLATFORM SHOPCLUES narrowed its losses to ₹68.58 crore in the year ended March 2019 compared to the previous financial year. The company, which is registered as Clues Network, had registered a loss of ₹208.14 crore in 2017-18, according to documents sourced by business intelligence platform Tofler.

ShopClues' revenue from operations also declined 24.7% to ₹204.07 crore in 2018-19 from ₹271.2 crore in 2017-18, it added.

Its total revenue fell 23.3% to ₹209.46 crore in 2018-19 from ₹273.30 crore in the previous financial year.

When contacted, ShopClues co-founder and CEO Sanjay Sethi said that in 2018-19, the focus was clearly on reducing losses.

“With revenues remaining relatively flat for us, we have been able to reduce the losses by 67%. Following the merger with Qoo10, we strongly feel that ShopClues, with our differentiated position as a value-for-money marketplace and our thriving ecosystem of more than 7 lakh small and medium merchants, will now have access to global markets via their strong presence in Southeast Asia,” he added.

In October, ShopClues had announced inking an all-stock deal with Qoo10 to merge operations with the Singapore-based firm. The collaboration, it had said, would bring “new strategic opportunities for both companies as it opens up cross-border opportunities for consumers and sellers across Asia”. The terms of the deal were not disclosed.

Qoo10 is an e-commerce platform in Southeast Asia that serves small and medium enterprises through its localised online marketplaces in Singapore, Indonesia, Malaysia, China and Hong Kong.