

THE TOP FIVE: WORLD'S SAFEST AND MOST PUNCTUAL AIRLINES



The world's safest and most punctual airlines are in the Asia Pacific region. Qantas Airways was named safest airline in the world on a top-20 list published by [AirlineRatings.com](#). [AirlineRatings.com](#) said it took into account factors, including audits by governing and industry bodies, crash and serious incident record, profitability, and fleet age.

THE SAFEST AIRLINES

- Qantas**
(Australia)
- Air New Zealand**
(New Zealand)
- EVA Air**
(Taiwan)
- Etihad**
(UAE)
- Qatar Airways**
(Qatar)

ON-TIME AIRLINES


Only one US carrier made the list in 2019

Airlines	Country	Punctuality (%)
Garuda	Indonesia	95.01
Copa	Panama	92.01
Skymark	Japan	90.12
Hawaiian	US	87.4
Latam	Chile	86.41

Source: Bloomberg

IN BRIEF

Missed debt payment because govt delayed rent: Peninsula



Peninsula Land, an Indian property developer, blamed overdue rent from the central government for missing a ₹2.35 crore (\$330,000) debt payment. It couldn't pay State Bank of India on time because tax departments, which had leased office space from Peninsula, were delaying rent payments, the company said in a filing on Thursday. The loan used rent receipts as collateral, a facility where the rent often goes straight to the bank rather than to the property owner, it said. Peninsula used its own resources to pay the loan and "regularised" the account, the company said, in a bid to ease concerns among investors grappling with a credit crisis that's hit some property developers hard. The government is poised to miss its fiscal revenue-collection targets and exceed its Budget deficit goal as Asia's third-largest economy founders. "Lately, there have been delays in the payment of rent by the government of India which, in turn, resulted in delay in payment to SBI on the due date," Peninsula said.

Dr Reddy's gets shareholders' nod for amalgamation



Dr Reddy's Laboratories (DRL) on Friday said it had received shareholders' nod for proposed amalgamation of Dr Reddy's Holdings into the company. The resolution for the scheme was approved by 99.98 per cent votes of the total 131 million votes were cast by equity shareholders of the company, it said in a regulatory filing. 21,026 votes, which accounted for the rest 0.02 per cent, were posted against the resolution, it added. The voting was conducted according to the directions of the Hyderabad Bench of the National Company Law Tribunal on November 22, 2019.

Birlasoft CFO Rajeev Gupta resigns, to be relieved on March 31

IT firm Birlasoft on Friday said its Chief Financial Officer Rajeev Gupta had tendered his resignation and would be relieved of his duties at the end of March. "...Rajeev Gupta, CFO and key managerial personnel of the company, has tendered his resignation dated January 3, 2020 and he will be relieved from the duties effective March 31, 2020," Birlasoft said in a BSE filing. It, however, did not specify any reasons for Gupta's resignation.

Reliance Infra's debt stands at ₹6,073 cr

Reliance Infrastructure on Friday said its total financial indebtedness stood at over ₹6,000 crore at the end of December 2019. The company has submitted to the stock exchanges a disclosure of defaults on payment of interest/repayment of principal amount on loans from banks/financial institutions and unlisted debt securities for the quarter ended

December 31, 2019. The filing showed that the total amount outstanding was ₹4,597.06 crore. "Of the total amount outstanding, amount of default as on date was ₹1,048.70 crore," it added. The total financial indebtedness of the listed entity, including short-term and long-term debt, was ₹6,073.66 crore, the filing said.

In ₹13,572-cr deal, Adani buys 75% in Krishnapatnam Port

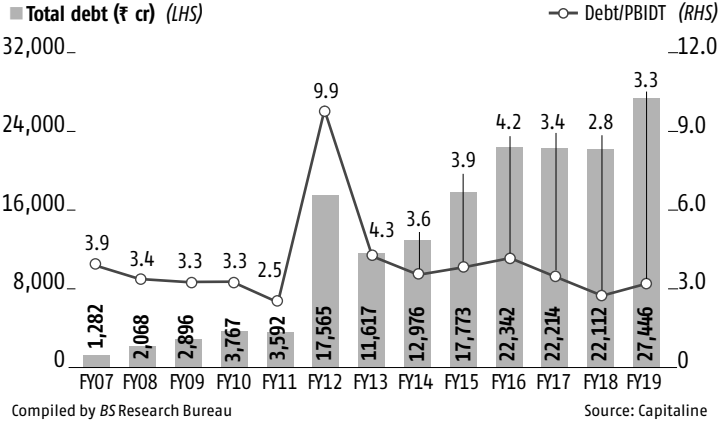
Could now set eyes on NCLT-listed Dighi Port, say analysts

ADITI DIVEKAR
Mumbai, 3 January

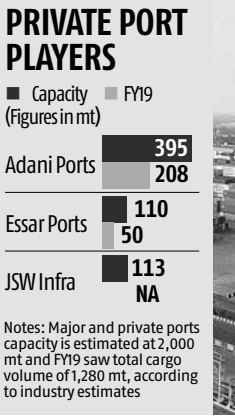
Adani Ports and Special Economic Zone (APSEZ), one of the country's largest private port operators, on Friday announced acquisition of 75 per cent stake in Andhra Pradesh-based Krishnapatnam Port Company for an enterprise value of ₹13,572 crore. The proposed acquisition is the largest by APSEZ so far and would be funded through internal accruals and existing cash balance, the Gautam Adani-led company said in an exchange filing. "This acquisition would accelerate our stride towards FY25 vision of handling 400 million tonnes (mt) cargo. Given the best-in-class infrastructure and the distinct hinterland catered by Krishnapatnam Port, this acquisition will increase our market share to 27 per cent (from current 22 per cent)," Karan Adani, chief executive officer of APSEZ, was quoted as saying. Since the acquisition is subject to regulatory approvals, the transaction is expected to be completed in 120 days, said the exchange filing. The credit metrics of APSEZ consolidated are not expected to change with this transaction and the net debt/Ebitda, including Krishnapatnam Port, in FY21 is seen at around 3.2x, which is in line with the pre-acquisition of net debt/Ebitda of 3.1x in FY19, the company said. As of March 31, 2019, debt at Krishnapatnam Port stood at ₹6,000 crore. CVR Group-promoted Krishnapatnam Port is a multi-cargo facility,



ADANI PORTS' DEBT SITUATION



which handled 54 mt in FY19. "We expect the port to grow to 100 mt in around seven years and expect the Ebitda to double in around 4 years," said the company. With this acquisition, the company has strengthened its position on the east coast of India. Adani Ports is operating Ennore and Kattupalli (Tamil Nadu), Vizag (Andhra Pradesh), and Dhamra (Odisha) ports and terminals on the east coast. Making it clear that its capacity enhancement plans over the next few years would also include inorganic growth route, Adani Ports' net debt/Ebitda has been on a roller-coaster ride in the past few years, though it is at a comfortable position at present, keeping enough room for more deals. Last week, Adani Ports forayed into cold chain logistics via acquisition of 40.25 per cent stake in Snowman Logistics from promoter Gateway Distriparks. It was Adani



"GIVEN THE BEST IN-CLASS INFRASTRUCTURE AND THE DISTINCT HINTERLAND CATERED BY KRISHNAPATNAM PORT, THIS ACQUISITION WILL INCREASE OUR MARKET SHARE TO 27% (FROM 22%)"

Ports' logistics arm Adani Logistics that did the stake buy. After this acquisition, brokerages are of the view that the company would set its eyes on the National Company Law Tribunal- (NCLT-) listed Dighi port, which will give Adani Group the presence in Maharashtra. "Dighi looks like Adani Ports' next acquisition as it will give it presence in Maharashtra," said a Mumbai-based analyst on the condition of anonymity.

JSPL aims to be debt-free by 2023

SHREYA JAI
New Delhi, 3 January

Jindal Steel and Power (JSPL) is aiming to become debt-free by 2023 and is banking on housing, real estate sector and mobility infrastructure such as, Railways, Metro, and freight corridors for growth. V R Sharma, managing director of JSPL, said the company was looking at 50 per cent demand growth coming from the housing segment. "With the revival in the real estate sector and reduction of rate of interest for housing sector, there will be a demand uptick till June 2021. The industry is expecting demand of 12 million tonnes (mt) of rebars in the coming quarters," said Sharma. Rebars are used in construction sector. JSPL, which signed up for an order for supply of 100,000 tonne of rails from the Indian Railways, is hopeful of demand growth of 25 per cent from the national transporter. "The Railways is implementing replacement of current tracks with high-speed tracks. We are designing special products for the Railways and also the Metro Rail tracks," Sharma said. The two new products in JSPL's catalogue are 1,080 grade head-hardened or heat-treated rails and 1,175 grade head-hardened rails. The company said these are speciality products for high-speed tracks. "We are supplying to all Railways zones and also to the Eastern Dedicated Freight Corridor. We will sign another agreement with the Railways soon for bulk supply of rails," Sharma said, adding the quantity and price were being decided by the Railways. The Railways had in 2018-19 pro-



"THE INDIAN RAILWAYS IS IMPLEMENTING REPLACEMENT OF CURRENT TRACKS WITH HIGH-SPEED TRACKS. WE ARE DESIGNING SPECIAL PRODUCTS FOR THE RAILWAYS AND ALSO METRO RAIL TRACKS"

V R SHARMA
Managing director, JSPL

cured 100,000 tonnes of rails from JSPL, the first from the private sector in at least three decades. Early this year, JSPL won another order, for ₹665 crore from the Rail Vikas Nigam (RVNL, a company under the railways ministry) to supply 89,042 tonnes of rails. Traditionally, state-owned Steel Authority of India (SAIL) had a monopoly on supply to IR. The Railway Board signs an annual deal

with SAIL, on quantity and pricing. Sharma is hopeful of new business coming their way with the Centre announcing \$102 trillion of National Infrastructure Pipeline (NIP). "We will benefit from the all sectors which the NIP focuses on roads, housing, defence, and energy," he said. JSPL, however, will not invest in any new project. "We will not spend any further capital expenditure in any green field project. The company is sticking to its annual target of surpassing 6.5 mt of steel production and sale," said Sharma. Saddled with debt of ₹36,000 crore, JSPL plans to reduce ₹7,000 crore of debt every year. By 2023, JSPL aims to be debt-free or left with a nominal debt. "JSPL also expects to touch turnover of ₹50,000 crore by 2023," Sharma said. In August, JSPL sold off its Botswana coal mine, one of its major international ventures, to Maatla Energy for \$150 million. The sale was part of the company's plan to monetise its global assets to pare debt at the group level. The company has investment and business ventures in other Southern African countries as well, such as Mozambique, Namibia, Zambia, Tanzania, and Madagascar. However, with rising debt and global slowdown in the coal and steel market over the past few years, JSPL is selling off its international ventures to reduce its debt burden. Sharma however confirmed the company is not looking to hive off Oman steel plant, as it remains a "cash cow" for JSPL. JSPL owns and operates a 2 mt per annum Steel Melting Shop in Oman which is the country's first and largest such plant.

Committed to grow the right way, says Oyo

NEHA ALAWADHI
New Delhi, 3 January

Oyo on Friday responded to the *New York Times* piece that reported irregularities and dubious business practices at the firm that offers budget hotel rooms, saying it was committed to growing the firm "the right way." "We work hard every day to ensure that our values are upheld by thousands of committed employees around the world, and we are subject to regular external audits to ensure proper compliance and adherence to our code of conduct. With regards to complaints of a small section of property owners in India whose payments are disputed, multiple escalation mechanisms exist and we continue to provide resolution," said an Oyo spokesperson. "We are also investing in technology and in building stronger partner support teams to ensure reconciliations happen faster. We expect all hotel owners to partner in delivering superior guest experience. We will also continue to utilise the provisions in our contracts that allow us to incentivise and recognise thousands of owners who consistently deliver a high-quality guest experience."

Verdict on Tata-Mistry case won't be changed, says NCLAT

RUCHIKA CHITRAVANSHI
New Delhi, 3 January

The National Company Law Appellate Tribunal (NCLAT) on Friday reserved its order on a petition of the Registrar of Companies (RoC), Mumbai, seeking to remove adverse observation in its judgment in the Tata Sons versus Cyrus Mistry matter. The two-judge Bench, headed by Justice S J Mukhopadhyaya, said it would not change its judgment in the matter, but it would clarify that the observations in the verdict cast no aspersions on the RoC. In the December 18 order, the NCLAT had passed serious strictures against the RoC, stating that Tata Sons had hurriedly changed its status to a private company from public "with the help of the RoC", which was illegal.

Mukhopadhyaya said the word 'hurriedly' in the order refers to the company and not to RoC. "Our order was not passed with any mala fide intention, and it doesn't cast any aspersions on the RoC," he said.

The appellate tribunal said it would clarify that RoC was only following the order of the NCLT in conversion of the company from public to private entity. "We won't change the judgment. However, since the RoC was never a necessary party, we have no jurisdiction to cast any aspersions over them," Justice Mukhopadhyaya said. The RoC counsel told the appellate tribunal that the judgment was highly critical of the RoC and deems them to have done illegal acts whereas they were merely following orders of the NCLT while converting the company from public to private.

"These are our findings, if you have a problem with the operative part of the order, you can approach the Supreme Court," the NCLAT chairperson said. The RoC told the tribunal that the current Companies Act does not provide any subscription limit for a company to be determined as private. The law was amended to bring about greater ease of doing business. In its petition, the RoC had said there were some factual and legal errors in the judgment, and hence, appealed to the appellate tribunal to amend the order so that it correctly reflected the conduct of the RoC, as not being illegal and acting in accordance with the provisions of the Companies Act 1956/2013.

THE OBSERVATIONS

■ The Bench says it will clarify that the observations in the verdict cast no aspersions on the RoC

■ The order was not passed with any mala fide intention, and it doesn't cast any aspersions on the RoC



■ They say if the parties have a problem with the operative part of the order, they can approach the Supreme Court

Rishad Premji set to be non-executive chairman at Wipro

DEBASIS MOHAPATRA
Bengaluru, 3 January

Rishad Premji is likely to become the non-executive chairman at Wipro as the Securities and Exchange Board of India's (Sebi's) directive on separation of chairman and CEO roles comes into effect from April 1. According to sources, Wipro's board, which is scheduled to meet on January 14, is expected to take a decision in this regard. "The shareholder resolution brought out at annual general meeting (AGM) on June, 2019, is visibly clear. The company has spelt it out clearly that in view of the (Sebi) provisions, Rishad (Premji) will move to the role of non-executive chairman," said Amit Tandon, founder and managing director of corporate governance and proxy advisory firm IiAS. "The IT firm has even spelt out what will be compensation in the non-executive role. So, unless there is any change, he is likely to move to non-executive chairman role." The AGM notice sent out to shareholders in June also said if the new directive didn't come to effect, Rishad Premji would



continue as the executive chairman. In response to a mail sent by *Business Standard*, a company spokesperson said: "Wipro will comply with all applicable regulatory norms." To boost corporate governance, Sebi mandated a separation in the roles of chairperson and managing director. The directive also said the chairperson should be a non-executive director and not related to the managing director or the CEO of the company. Once implemented, Rishad Premji will be one of the youngest business leaders to don the role of non-executive chairman at a large cap Indian company. Wipro, which has a

CHANGE OF GUARD

Wipro has already set a clear road map in the wake up Sebi directive

According to the June 6 AGM notice, Rishad will move to non-executive chairman's role

The board meet on January 14 is likely to take a decision in this regard

Rishad's stepping into a non-executive role is unlikely to impact Wipro's strategic direction

market capitalisation of around ₹1.45 trillion, is India's fourth largest IT services company. The 42-year-old took over the reins of chairmanship from his father and founder Azim Premji in July. Currently, Azim Premji and his family own about 74 per cent stake in the company. After an MBA at the Harvard Business School, Rishad Premji worked with GE Capital and Bain & Co, before joining Wipro in 2007. He has performed multiple roles at the firm, from heading investor relations to strategy, before taking over the chairmanship. Persons close to him said he is a quick decision-maker, who provides a strategic direction to Wipro in new business areas. They also said Rishad Premji's move to a non-executive will not impact business operations, as he would continue to give strategic direction as chairman. "As a founder and voice of the industry (being the former chairman of Nasscom), his experience and knowledge will come in handy to provide right direction to the Indian IT sector," said Pareekh Jain, founder of Pareekh Consulting.