

# Hits trump misses in power firms' \$4.4-bn buying spree

Acquisitions by Tata Power, Adani Power & JSW Energy were profitable in FY20

AMRITHA PILLAY  
Mumbai, 14 September

India's top three private power producers — Tata Power, Adani Power and JSW Energy — combined acquired assets worth more than \$4.4 billion in the past six years. While debt remains a concern for two of the three companies, they saw more hits than misses in this acquisition spree.

"They were technically the only three buyers with the capability to pick up the assets that were available in the power sector fire sale back then," said an industry executive who did not wish to be identified. The executive said that some assets were sold at half the price of setting up a new plant.

Of the assets acquired, three of the big ones were Adani Power's \$1 billion acquisition of Lanco Infratech's Udipi power plant, JSW Energy picking up two of Jaiprakash Power Ventures' hydro assets at \$1.56 billion, and Tata Power buying Welspun Energy's renewable assets for \$1.3 billion. All the assets were profitable in FY20, according to annual reports.

The acquisition spree, however, also added to the debt burden of these companies, which were already highly leveraged. Tata Power's total debt in FY14 was ₹40,173 crore, and it rose to ₹48,376 crore in FY20. Similarly, Adani Power's debt rose from ₹44,150 crore to ₹55,123 crore in FY20. JSW Energy has been an outlier, with debt reducing to ₹9,840 crore in FY20 from ₹10,106 crore in FY14.

"I would not attribute the debt rise and debt problem of these companies to the acquisition spree. These are companies that are highly leveraged by nature," said a power sector analyst, who did not wish to be identified.

In 2019, Tata Power through its joint venture Resurgent Power Ventures acquired a majority stake in Prayagraj Power Generation.

That same year, Adani Power also acquired coal-fired Korba West and GMR Chhattisgarh Energy. Though, it is early to comment on the financial improvement of these entities, analysts remain confident of an eventual turnaround.

The acquisitions have worked well, said Venkataraman Renganathan, man-



Announced on	Buyer	Asset	Value (\$ million)
Nov '14	JSW Energy	Jaypee Power hydro assets	1,569.96
Jun '16	Tata Power	Welspun Energy's renewables assets	1,376.49
Aug '14	Adani Power	Lanco Infratech's Udipi plant	1,031.15
Aug '19	Adani Power	GMR Chhattisgarh Energy	509.54
2019	Adani Power	Korba West Power	N/A
		<b>Total</b>	<b>4,487.14</b>

Sources: Bloomberg, Company announcements

aging director for Alvarez & Marsal India.

"The issue in most of these projects was the capital structure, high leverage and project costs. The sale allowed for a re-pricing and the change in ownership also opened opportunities for restructuring debt. This has helped make these assets financially viable."

Companies like Tata Power and JSW Energy have also used these acquisitions to further their expansion strategy.

"The Jaypee hydro acquisition was not cheap. However, those assets have brought a balance to JSW Energy's coal portfolio in terms of a green source of energy," said an analyst.

Tata Power's Welspun's renewable assets acquisition was seen as an expensive one. However, it helped the company build a bigger green portfolio overnight. "Tata Power bought the assets at a time when there was less stress in the system. The company may find the same size of assets at cheaper valuation now. It helped build the green portfolio," the analyst said.

Two of these three companies have now decided to not invest in thermal projects anymore. "In 2020, Adani Power seems to be the only buyer for thermal assets. The group has managed to weave

a strategy around using cash flows of a thermal asset to build a green portfolio," the analyst said.

Renganathan said: "There would be a handful of sales, but not many. Covid also hit the liquidity position."

JSW Energy said in August that it had called off talks to acquire GMR's Kamalanga Energy because of Covid.

In addition, India's muted power demand and its impact on merchant power sales might also hamper the quick turnaround of some recent acquisitions.

"One's ability as an acquirer helps to mitigate risks like low coal supply, lack of funds etc, through a mix of working capital support, reduction in borrowing cost, support in PPA tie ups or selling power in the merchant market. With the deep haircut taken by lenders for these assets and better management of input costs, the acquirer can also sell power generated at a lower rate," said Sudhir Kumar, associate director at CARE Ratings. "Most of these buyers bargain really hard, acquire very competitively, and then turnaround assets over a period of time. The larger question is their ability to sell given India's subdued power demand with almost zero power deficit."

# Despite pandemic, Eveready operations run at full capacity

ISHITA AYAN DUTT  
Kolkata, 14 September

The country's largest dry cell battery maker with more than 50 per cent share — Eveready Industries India — is seeing all its units working full throttle now. "All factories are operational and we are full out on capacity in batteries," said Amritanshu Khaitan, managing director (MD), Eveready. The company has a capacity of 1.8 billion batteries a year.

It has recorded one of its best quarterly performances in the April-June period. This comes at a time when it is struggling with debt at the promoter level.

Eveready saw a 234 per cent increase in profit before tax (PBT) to ₹30.29 crore in the April-June quarter even as operating income fell by 18 per cent to ₹263.45. This is primarily due to a complete stoppage or disruption of economic activity during the initial phases of the lockdown in April.

"This is the best performance for Eveready in many quarters in terms of operating margins and what you are seeing is performance of two months," Khaitan said.

Price revision, strong demand and implementation of quality standards helped prop up the company's performance. "About 10-15 per

"FOR EVEREADY, THIS IS THE BEST PERFORMANCE IN MANY QUARTERS IN TERMS OF OPERATING MARGINS AND WHAT YOU ARE SEEING IS PERFORMANCE OF ONLY TWO MONTHS"

AMRITANSHU KHAITAN,  
Managing director, Eveready



## CHARGED UP

Eveready June quarter performance

	Q1 '19-20	Q1 '20-21
Operating income (₹ crore)	321.04	263.45
Operating Ebitda (%)	7.70	15.00
Profit before tax (₹ crore)	9.07	30.29
Net profit (₹ crore)	6.85	23.61

cent of the market — that used to be dumped by China — has come down to negligible levels," Khaitan added.

These were typically the unorganised players and their share is now flowing into the organised market.

Not just batteries, Eveready's flashlights business, which is wholesale-driven and suffered in March-April, is seeing a surge in demand.

"In March and April, with the wholesale mandis closed, we could not move it into the hinterland. But with monsoons arriving and agrarian economy

picking up, we saw strong demand in June," Khaitan said.

Eveready has a 75 per cent market share in the organised flashlight market and 70-75 per cent of its sales is rural and semi urban-focused. In batteries, the rural to urban sales ratio is 50-50.

The other segment, lighting and appliances, however, suffered prolonged restrictions on trade of non-essential items coupled with a weak demand. But then, lighting is still looking at an earnings before interest, taxes, depreciation and amortisation (Ebitda) break-

even while the appliances segment is in loss.

However, what helped the company's performance was the more profitable products like battery and flashlights. Ebitda margins in batteries is at 23-24 per cent while that of flashlights is 18 per cent.

Cost-saving measures like merging distribution networks of lighting and appliance segments were also undertaken. This helped boost margins. "We have managed to reduce losses in the lighting and appliance segment," said Khaitan.

But even as Eveready's financial performance is improving, issues at the holding company level remained. Promoter holding has hit a nadir in both Eveready and McLeod Russel, after IndusInd Bank invoked pledged shares in the firms by 7.82 per cent and 7.50 per cent, respectively.

As a consequence, the Khaitan family holding in Eveready and McLeod stand at 7.25 per cent and 18.32 per cent, respectively. Continuous selling of pledged shares by financiers has brought down promoter holding in the two firms over the past year and a half. In June 2019, promoter holding in Eveready stood at 42.17 per cent and in McLeod it was at 31.02 per cent.

More on business-standard.com

# McLeod Russel clocks loss of ₹94.9 cr

ISHITA AYAN DUTT  
Kolkata, 14 September

McLeod Russel India, the bulk tea producer of Williamson Magor group, posted consolidated pre-tax loss before exceptional items of ₹94.90 crore in the June quarter, because of crop loss and nationwide lockdown to contain the Covid-19 pandemic.

In the same period last year, pre-tax loss before exceptional

items was at ₹101.56 crore.

Total income for the quarter was at ₹196.40 crore, down by 28 per cent, while net loss stood at ₹90.52 crore as against a loss of ₹11.64 crore in the corresponding period of last year.

Tea prices surged on account of supply mismatch and was expected to reflect in the next two quarters. McLeod said though the operational performance had improved over the period, the financial

position continued to be under stress. It continued to face challenges with the inter-corporate deposits (ICDs). The company's notes to accounts mentioned that ICDs given to various group companies to provide them funds for strategic reasons for meeting their various obligations along with interest were outstanding as on date.

These have resulted in mismatch of McLeod's current resources vis-a-vis its commitments and obligations, causing hardship in servicing the short-term and long-term debts and meeting other obligations, it said. Auditors, too, flagged ICDs aggregating ₹2,868.81 crore as of June 30 and mentioned that they were doubtful of recovery.

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DEEPAK INDUSTRIES LIMITED				
CIN: L63022WB1954PLC021638				
Regd. Office: 16, Hare Street, Kolkata - 700001.				
Phone: 033 2248-2391/0293. Fax: 033 2248 9382 website: www.di-india.com Email: secretary@di-india.com				
Extract of Unaudited Financial Results for the Quarter ended 30.06.2020 (₹ in Lacs)				
Sl. No.	Particulars	Quarter ended		Year ended
		30.06.2020	31.03.2020	31.03.2020
		Unaudited	Audited	Audited
1	Total income from operations	3994.02	8449.47	13216.48
2	Net Profit / (Loss) from ordinary activities before tax (before exceptional and/or extraordinary items)	(87.99)	1,141.23	1,728.75
3	Net Profit / (Loss) from ordinary activities before tax (after exceptional and/or extraordinary items)	(87.99)	1,141.23	1,728.75
4	Net Profit / (Loss) from ordinary activities after tax (after exceptional and/or extraordinary items)	(71.57)	1,497.36	4,585.61
5	Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	(72.42)	1,489.84	4,582.29
6	Equity Share Capital	395.64	395.64	395.64
7	Other Equity			30,409.84
8	Earnings Per Share (of Rs. 10/- each)			(As at 31.03.2020)
1.	Basic : (Rs.)	(1.81)	37.84	28.65
2.	Diluted : (Rs.)	(1.81)	37.84	28.65

Note: 1. The above is an extract of the detailed format of the audited Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on Company's website (www.di-india.com) and the Stock Exchange websites of CSE (www.cse-india.com).

2. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on September 14, 2020. Limited Review as required under Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, has been carried out by the Statutory Auditors of the Company.

Place: Kolkata  
Date: 14.09.2020

Y.K. DAGA  
DIN: 00404632  
Vice-Chairman cum Jt. Managing Director

DYNAMIC ARCHITRUCTURES LIMITED				
CIN: L45201WB1996PLC077451				
Regd. Office: 409, Swastik Centre, 4A, Pullock Street, Kolkata (WB) 700 001. Ph: 033-22342673				
Website: www.dynamicarchitectures.com. Email: info@dynamicarchitectures.com				
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30 <sup>th</sup> JUNE 2020 (Rupees in Cr. Except EPS)				
Sl. No.	Particulars	Quarter ending/Current Year ending		Year to date Figures/Previous Year ending
		30.06.2020	30.06.2020	30.06.2019
		Unaudited	Audited	Audited
1	Total income from operations	2.15	2.15	0.60
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items#)	1.95	1.95	0.43
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items#)	1.95	1.95	0.43
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items#)	1.76	1.76	0.43
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1.76	1.76	0.43
6	Equity Share Capital	5.01	5.01	5.01
7	Earnings Per Share (of Rs. 10 /- each) (for continuing and discontinued operations) -			
1. Basic :		3.52	3.52	0.86
2. Diluted :		3.52	3.52	0.86

Note: a) The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on Stock Exchange website, www.bseindia.com & on the company website, www.dynamicarchitectures.com.

b) #- Exceptional and/or Extraordinary items adjusted in the Statement of Profit and Loss in accordance with INDAS Rules.

Dynamic Architectures Limited  
Sd/-  
Danmal Porwal  
Chairman Cum Managing Director  
DIN- 00561351

Place: Bhubai  
Date: 14.09.2020

For Bharat Wire Ropes Limited  
Sd/-  
Mr. Murarilal Mittal  
Managing Director

Place: Mumbai  
Date: September 13, 2020

BHW BHARAT WIRE ROPES LIMITED				
Corporate Identity Number(CIN): L27200MH1986PLC004688				
Regd. Office: Plot No. 4, MIDC, Chalisgaon Industrial Area, Village - Khadki, Taluka - Chalisgaon, District - Jalgaon - 424 101, Maharashtra, India. Tel: +91-02589-211000.				
Corporate Office Add: 701, A Wing, Trade World Building, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013, Maharashtra, India. Tel.: +91-22-66824600 Fax: +91-22-66824666				
Website: www.bharatwirerope.com   E-mail: investors@bharatwirerope.com				
EXTRACT OF FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020 (Rs. In Lacs)				
Particulars	Quarter Ended		Quarter Ended	Year Ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	(Unaudited)	Audited	(Unaudited)	(Audited)
Total Income from Operations (Net)	4,727.54	7,459.47	5,857.48	25,771.47
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(2,394.67)	(1,636.24)	(2,125.74)	(8,200.16)
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(2,394.67)	(1,636.24)	(2,125.74)	(8,200.16)
Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	(1,745.11)	(1,207.21)	(1,595.40)	(6,095.77)
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(1,745.11)	(1,206.25)	(1,595.40)	(6,094.80)
Equity Share Capital	4,495.22	4,495.22	4,495.22	4,495.22
Reserves (excluding Revaluation Reserves) as shown in the Audited Balance Sheet of the previous year				(589.71)
Earnings per share (of face value of Rs. 10/- per share) (Not Annualised)				
Basic	(3.88)	(2.69)	(3.55)	(13.56)
Diluted	(3.88)	(2.69)	(3.55)	(13.56)

Note: 1. The above is an extract of the detailed format of the Financial Results for the quarter ended June 30, 2020 filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The full format of Financial Results are available on the Stock Exchange website (www.bseindia.com) and www.bseindia.com and Company's website (www.bharatwirerope.com).

2. The above financial results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on September 13, 2020.

3. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the year ended March 31, 2020.

4. These results have been prepared in accordance with the Indian Accounting Standards (R.P. Sona) prescribed under Section 133 of the Companies Act 2013 and other recognised accounting practices and policies to the extent applicable.

For Bharat Wire Ropes Limited  
Sd/-  
Mr. Murarilal Mittal  
Managing Director

Place: Mumbai  
Date: September 13, 2020

OSWAL OVERSEAS LIMITED				
CIN No:- L74899DL1984PLC018268				
Regd. Office: 72, Ground Floor, Taimoor Nagar, New Delhi - 110 065				
Phone No:- 011-41064256, Fax No:- 011-26322664,				
E-mail :- cs@oswaloverseasindia.com Website:- www.oswaloverseasindia.com				
EXTRACT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30.06.2020 (Rs. In Lakh)				
Sr. No.	Particulars	Quarter ended on		Quarter ended on
		30.06.2020	31.03.2020	30.06.2020
		Unaudited	Audited	Unaudited
1.	Total income from operations (net)	4112.51	4513.52	5084.43
2.	Net Profit / (Loss) from ordinary activities after tax (before Extraordinary items)	-306.12	1249.33	-567.75
3.	Net Profit / (Loss) for the period after tax (after Extraordinary items)	-305.58	1251.97	-567.75
4.	Other Comprehensive income	1.53	-9.72	-1.30
5.	Net Profit / Loss	-304.05	1242.25	-569.05
6.	Equity Share Capital	646.11	646.11	646.11
7.	Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	-	-1754.72	-
8.	Earnings Per Share (before extraordinary items) (face value of Rs. 10/- each)			
Basic :		-4.71	19.23	-8.81
Diluted:		-4.71	19.23	-8.81
9.	Earnings Per Share (after extraordinary items) (face value of Rs. 10/- each)			
Basic :		-4.71	19.23	-8.81
Diluted :		-4.71	19.23	-8.81

Note: 1. The above is an extract of the detailed format of quarterly financial results filed with the stock exchanges under regulation 33 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015. The full format of the quarterly financial results is available on the website of BSE Limited and the website of the company (www.oswaloverseasindia.com).

2. Sugar Industry is a seasonal industry where crushing normally takes place during the period between November and April, while sales are distributed throughout the year. The performances of the company vary from quarter to quarter.

3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on September 14, 2020.

For Oswal Overseas Limited  
Sd/-  
Paramjeet Singh  
(Managing Director)  
DIN: 00313352

New Delhi  
14.09.2020

For Sangam (India) Limited  
Sd/-  
Chairman

SANGAM (INDIA) LIMITED				
CIN: L17118RU1994PLC003173				
EXTRACT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020 (₹ in Lakhs)				
S. No.	Particulars	Quarter Ended		Financial Year Ended
		30.06.20	31.03.20	31.03.2020
		Unaudited	Audited	Unaudited
1	Total Income from Operations	11017	40258	46474
2	Net Profit/Loss for the period (before tax, Exceptional and/or Extraordinary items)	(4961)	704	184
3	Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(4961)	704	184
4	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(3252)	349	114
5	Total Comprehensive Income for the period [Comprising Profit/Loss for the period (after tax) and other Comprehensive Income (after tax)]	(3055)	97	133
6	Paid up Equity Share Capital	3942	3942	3942
7	Other Equity			48770
8	Earning per share (not annualised) (before extraordinary items) (of ₹ 10/- each) Basic & Diluted (In ₹)	(8.25)	0.89	0