

# Banks Plan to Recast CG Power Loans

Easier moratorium on repayments and standstill arrangements to help pay past loans under consideration

Kala Vijayraghavan  
Sahani Shukla

Mumbai: Banks plan to restructure ₹4,000 crore of loans given to fraud-hit CG Power and Industrial Solutions, including an easier moratorium on repayments and standstill arrangements to pay past loans, in a bid to keep the company's operations going, three people familiar with the development said.

The lenders are also considering whether the company needs emergency funding and have appointed SBI Capital Markets to prepare a resolution plan, one person said.

"The focus is on getting consensus on standstill arrangements and that priority funds should be arranged," an official involved in the matter said. "Lenders are presently mulling ways to ensure operational continuity of the company."

Corporate governance viola-

tions surfaced at CG Power in August, with a board-led investigation revealing wrongdoing by current and former employees, leading to the dismissal of chairman Gautam Thapar. The probe found that these employees allegedly understated liabilities and advances made to related parties while pledging the company's assets without permission.

It said advances to related and unrelated parties were understated by ₹4,796 crore and total liabilities understated by ₹2,661 crore. The company filed Thapar on August 29.

In the past, lenders have avoided releasing urgent working-

## Staying Afloat

₹4,000 crore

Amount given to CG Power which banks plan to restructure

₹4,796 crore

Advances given to related and unrelated parties which were understated

₹2,661 crore

AMOUNT THE LIABILITIES WERE UNDERSTATED BY

## MFIs HOLDING STAKE IN CG POWER

9.18% HDFC Asset Management Co

8.94% Aditya Birla SunLife AMC

3.19% Franklin Templeton AMC

2.03% Reliance Capital Trustee

1.53% IDFC Sterling Value Fund

matter with lenders and had sought more working capital, but no decision has been taken.

"We want the firm to run as a going concern. But with the ongoing probes in Bhushan, IL&FS and other loan cases, we not only have to worry about the Central Vigilance Commission but these agencies as well that come after banks with the power of hind-

sight," said a banker involved in the matter.

Some of India's biggest mutual funds hold substantial stakes in CG Power. HDFC Asset Management Company held 9.18%, Aditya Birla SunLife AMC 8.94%, Franklin Templeton AMC 3.19%, Reliance Capital Trustee 2.03% and IDFC Sterling Value Fund 1.53% at the end of June. LIC

holds 2.25% in the company while private equity giant KKR holds 10.9%.

The board of CG Power is also considering selling non-core assets and exploring fund-raising avenues to reduce debt and optimise its operations.

CG Power, formerly Crompton Greaves, is in the business of power transformers and motors, low tension motors and switchgears. The company provides end-to-end solutions to utilities, industries and consumers. Its segments include power systems, industrial systems and automation systems.

ET reported recently that Thapar had sent a legal notice to the company board contesting what he said was his illegal removal. The board, which accused Thapar of siphoning funds from the company, has denied the details of all transactions, which allegedly involved shell companies, to the Ministry of Corporate Affairs.

# Delhi Court Extends Custody of Singh Bros

Case pertains to diversion and misappropriation of funds worth ₹2,400 crore from Religare Finvest

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New Delhi: A Delhi district court on Tuesday extended the police custody of businessmen Malvinder and Shivinder Singh and former chairman of Religare Enterprises Ltd Godhwani by two days in connection with fund diversion fraud and misappropriation of funds from Religare Finvest, pegged at about ₹2,400 crore.

The move follows an application filed by the Economic Offences Wing (EOW) of the Delhi Police for an extension of the police remand. The EOW claiming that the Singh brothers and Godhwani during the course of investigation disclosed that an amount to the tune of ₹1,000 crore has been transferred to various persons from the entities linked to corporate loan book (CLB), sought an extension of the remand to identify the persons to whom the amount has been transferred and to ascertain the "purpose of transfer".

They claimed to have found that money was transferred to entities including "Modland Wears, Devera Developers, Fern Healthcare, Best Healthcare, Adel Lifespaces, Rostera marketing," the application said.

The EOW said that it was important to ascertain the purpose of creating shell companies. It sought extension for another two days to confront the directors of the shell companies and their association with the three accused.

Manu Sharma, counsel for Malvinder Singh, stated that the investigation conducted so far has brought forth material which may ensure Malvinder's benefit. During his arguments last week, he said that the money is with Gurdip Singh Dhillon, the head of Radha Soami Satsang Beas, and it should be recovered from him. Sharma said he was happy to note that the investigations are leading in the right direction.

While the police custody has been extended for Singhs along with Godhwani, former Religare Finvest CEO Kavi Arora and former Religare Enterprises (REL) CFO Anil Saxena were sent to judicial custody. The matter will be taken up again on October 17. All three were arrested last week following a complaint by Religare Finvest.

## In a Nutshell

### Bombay HC Restrains DHFL from Paying Creditors

MUMBAI In a relief to debt-laden Dewan Housing Finance (DHFL), the Bombay High Court on Tuesday restrained the company from making payments to its secured and unsecured creditors and asked them to file its reply within two weeks on the Edelweiss matter, reports Our Bureau. Edelweiss Asset Management has approached the Bombay High Court to recover its dues of around ₹70 crore. Meanwhile, DHFL has also filed an affidavit in the Reliance AMC matter. On September 26, Reliance AMC had filed a case against DHFL to help recover about ₹47.8 crore of dues.

### JSW Group Promoter Sajjan Jindal Repays Debt

NEW DELHI JSW Group promoter Sajjan Jindal has repaid ₹1,200 crore of loans raised by pledging shares of JSW Steel and JSW Energy, the conglomerate said on Tuesday. Following the repayment, pledged shares of both the companies have been released by the lenders, JSW Group said. The pledged shares of both companies were worth ₹2,500 crore.

### GVK Gets MCA Notice after Whistleblower Complaint

MUMBAI The GVK Group, which is locked in a legal battle with the Adani Group on stake sale in its flagship Mumbai International Airport, on Tuesday said it has received a notice from the ministry of corporate affairs (MCA), seeking some details about the airport operator. The statement came after a section of the media reported that the GVK Group was on the ministry radar following a whistleblower alleging siphoning of funds. "We are not aware of any whistleblower complaint that have appeared in a section of the media, which are baseless," the company added.

### Biz Process Co Genpact to Buy US-based Rightpoint

NEW DELHI Business process management firm Genpact on Tuesday said it will acquire Chicago-based Rightpoint for an undisclosed amount. The deal is designed to bring experience and process innovation together to help clients drive end-to-end digital transformation and win in the growing experience economy, a statement said. Rightpoint's co-founder Ross Freedman will continue as CEO of this business, it added.

### 'AI Not Honouring ₹100 cr A Month Payment Promise'

NEW DELHI State-owned oil companies on Tuesday accused Air India of not honouring its commitment to pay ₹100 crore every month to clear overdue ATF outstanding of over ₹5,000 crore and will be forced to snap supplies at major airports from Friday if no solution is offered. "Air India had back in June and again in September agreed to pay the three oil marketing firms ₹100 crore every month to clear past ATF dues. But unfortunately it hasn't met its commitment," said Sandeep Kumar Gupta, director (finance), Indian Oil Corp.

### Uttam Galva July-Sept Net Loss Narrows to ₹335 crore

NEW DELHI Uttam Galva Steels on Tuesday reported narrowing of its consolidated net loss to ₹335 crore for the quarter ended September 30.

# New Orders Down at Cap Goods, Engg Firms in Q2, Say Analysts

Muted govt spending, absence of recovery in private investment weigh on sector

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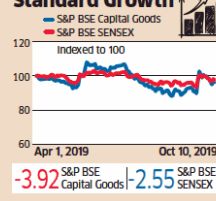
Mumbai: Capital goods and engineering companies may have witnessed a decline in new orders in the second quarter of 2019, as government spending continued to be muted even after the first quarter which was affected due to elections. Sluggish macroeconomic data has aggravated concerns that weakness may continue, analysts said.

Government orders have kept the order book ticking for these companies for almost four to five years now as private sector capex remained muted. Macroeconomic data and anecdotal evidence suggest that while there are no signs of recovery in private sector investment, the government orders too have dried up.

Analysts said that the capital goods and engineering companies may have witnessed 6-10% decline in new order inflows in the second quarter of 2019-20. While their existing order book gives revenue visibility, slow execution and liquidity challenges would keep revenue growth capped.

"The liquidity risk does not seem emanating from the government as they have not been paying money to companies on time; bills are getting stuck for six months or more. As for the government, the fiscal de-

## Standard Growth



ficit is high and indirect tax collections have been on the decline. To raise funds it either needs to divest or issue bonds, unless they do that, it will be tough to finance public expenditure, especially in infrastructure," Abhinav Kumar, vice president (research), IIFL, told ET.

Centre for Monitoring Indian Economy data reveals that capex announced in the September quarter was among the lowest in 14 years; it had hit record lows in June. Given that capacity utilisation has been around 75%, it is unlikely that private sector would invest in new capacities until it improves.

"We estimate our coverage universe to

post 8% revenue growth in Q2. Negative operating leverage and a higher base effect will impact margin, which is expected to decline by 50 basis points year on year. A pickup in exports market remains key to execution pickup and margin ramp-up," brokerage Edelweiss said.

Citigroup cautioned in a report that there could be greater-than-expected impact on margins due to input cost headwinds and competitive pressures.

The BSE Capital Goods index has declined 4% in the financial year so far, as against a 2.5% drop in the benchmark Sensex. Analysts will look out for sector heavyweights L&T's result and its guidance for the second half of FY20 to take cues for the sector.

Brokers picked L&T and Siemens as top picks based on their large and diversified businesses and strong balance sheets. Brokerage Phyllis Capital said that key things to watch out for would be the outlook on ordering, execution and margins for the second half of FY20, working capital intensity in view of continued tight liquidity, and view on likely impact of cut in tax rate.

"We believe companies with a skew towards government orders should see increase in working capital intensity, which would be impacted by lower advances and higher receivables," the brokerage said.

# Dalmia Cement Arm Faces Insolvency Plea

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Mumbai: Guarantco, a Mauritius-based company engaged in arranging funding for infrastructure in developing countries, has filed an insolvency petition against Calcom Cement, a subsidiary of Dalmia Cement (Bharat) Ltd (DCBL), for allegedly defaulting on loan repayments of about ₹100 crore. But DCBL denied any payment default. In a communication to stock exchanges Tuesday evening, the company said since Guarantco is being paid in rupee terms, it now wants to be paid the "difference on account of exchange rate fluctuation, which has occurred during the tenure of the loan repayment".

Guarantco's application, filed in NCLT Guwahati and reviewed by ET, is expected to come up for hearing latest by next week.

In 2007, Guarantco had agreed to act as a guarantor for loans availed by Calcom from banks like Axis Bank and HDFC Bank. These guarantees were invoked in 2011 by the two banks when Calcom failed to pay back the loans. Guarantco paid a total of around ₹157 crore to settle the loans and later signed a memorandum of understanding, according to which Gua-

rantCo agreed to settle and restructure the loans. Calcom was already engaged in a process of corporate debt restructuring with its other lenders.

An approval from the Reserve Bank of India was received in 2017 to pay back the loan in rupee terms. Post that, Guarant-

Co received some payments from Calcom, but alleged that the cement maker "tried to delay" making payments using "one excuse or the other". Guarantco recalled the loans in September and has now filed an application for insolvency after Calcom did not repay the requisite amount.

DCBL, which acquired a 76% stake Calcom in 2012, has said that it has kept repaying Guarantco at the exchange rate that has prevailed at the time of the respective payment and has also kept up with the payment of interest liabilities. It said that RBI has also capped the maximum principal amount, interest rate and guarantee fee that can be discharged with respect to this loan. The additional amount, DCBL has said, is "outside the RBI guidelines" with respect to the loan.

# ACC Profit Jumps 45% on Lower Input Costs

Profit rises despite fall in sales volume on better operating performance

Our Bureau

"ACC delivered a good set of numbers in an extremely tough environment as the industry reeled under the pressure of triple whammy of liquidity crunch, unusually high monsoons in September, and an early onset of festive season," Kunal Shah, analyst for institutional equities at Yes Securities said. Shah said the results beat expecta-

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## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019

(Figures are Rupees in Crores unless specified)

Sr No.	Particulars	Quarter Ended 30th September, 2019	Six Months Ended 30th September, 2019	Quarter Ended 30th September, 2018
		Unaudited	Unaudited	Unaudited
1	Total Income from Operations	200.84	387.35	201.12
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items #)	74.77	138.72	76.77
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items #)	75.47	139.42	76.77
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items #)	59.04	101.52	49.80
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	49.69	85.38	38.81
6	Equity Share Capital	27.09	27.09	27.09
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	-	-
8	Earnings Per Share (of ₹1/- each) (from continuing and discontinued operations) -			
	Basic: ₹	2.18	3.75	1.80
	Diluted: ₹	2.18	3.74	1.79

The Financial details on standalone basis are as under:

(Figures are Rupees in Crores unless specified)

Sr No.	Particulars	Quarter Ended 30th September, 2019	Six Months Ended 30th September, 2019	Quarter Ended 30th September, 2018
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The company had posted a consolidated net loss of ₹585 crore in the year-ago period, Uttam Galva said in a filing to the BSE. The consolidated income during the quarter declined to ₹141.7 crore as against ₹147.2 crore a year ago.

## Maruti Suzuki Invested ₹154 cr in CSR Last Fiscal

**NEW DELHI** Maruti Suzuki India on Tuesday said it invested over ₹154 crore towards its CSR initiatives in 2018-19. The carmaker's corporate social responsibility (CSR) efforts were focused on community development, road safety and skill development. "The projects are selected based on need-assessment and stakeholder consultation. These are closely monitored by the company and third party impact assessment is carried out," chief executive officer Kenichi Ayukawa said.

**Mumbai:** India's oldest cement maker ACC posted a healthy increase in consolidated net profit for the quarter ending September on the back of higher operating performance and lower input prices. Sales volumes, however, fell due to extended monsoons and flooding in many parts of the country. Consolidated net profit increased 45% to ₹303 crore for the quarter on the back of a 28% increase in operational Ebitda at ₹557 crore. Net sales increased by 3% to ₹3,528 crore while input cost saw a decline of 2.8% at ₹523 crore. Quarterly cement sales volumes declined 2% at 6.44 million tonnes in a year that saw record rainfall in at least the past quarter of a century. ACC follows a January-December financial calendar. The company added three new plants during the July-September quarter, bringing its operational ready mix plants in the country to 83.

tions in terms of fall in volumes, Ebitda per tonne, and operating Ebitda. "We continue to deliver significant operational efficiencies which resulted in reduction of our fixed and variable costs. ACC's capacity expansion strategy is under execution in attractive markets. We remain confident that cement demand growth will strengthen in the coming months," Neeraj Akhoury, managing director at ACC, said in a statement. While the company is expanding presence in multiple markets including Uttar Pradesh, Madhya Pradesh, Bihar, Jharkhand and West Bengal, it remains positive on demand in the coming months. "The government's recent steps, such as reduction in corporate tax and lowering of interest rates, are expected to stimulate the economy and drive demand for infrastructure and affordable housing," ACC said.

NO.	Unaudited	Unaudited	Unaudited
1	Income from Operations	119.06	238.97
2	Profit Before Tax	53.48	116.12
3	Profit After Tax	44.92	88.69
			63.51

### Note:

- 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 the websites of BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on Company's website <http://www.deltacorp.in/pdf/quarter-september-2019-20.pdf>
- # - Exceptional and/or Extraordinary items adjusted in the Statement of Profit and Loss in accordance with Ind-AS Rules / AS Rules, whichever is applicable

For Delta Corp Limited

(Jaydev Mody)  
Chairman  
DIN: 00234797

Place: Mumbai  
Date: 14<sup>th</sup> October, 2019





करतनंतरचा निवड नका (अपवादाल्मक आणि/किंवा असाधारण बाबींनंतरचा)				
इतर व्यासक निवडकत	१,८१८	१,४७३	१,४९५	६,०६०
एकूण व्यासक उत्पन्न (करतनंतर)	३	(१)	(०)	(४)
भरणा झालेले समभाग भांडवल (प्रत्येकी रु.१/-या मूल्याचे, पूर्णतः भरणा झालेले)	१,८२१	१,४७२	१,४९५	६,०५६
राखीव निधी	२१६	२१६	२१६	२१६
प्रत्येक शेअरवरील निवडकत (प्रत्येकी रु.१/-या मूल्याच्या)				७,६५१
बेसिक	१८.३८	१६.८३	१८.२८	१२७.९७
डायल्युटेड	१८.३८	१६.८३	१८.२७	१२७.९६

वर नमूद केलेला मजकूर हा, सेबीच्या (रिस्ट्रिं ऑक्टिनेशन ऑफ डिस्क्लोजर रिक्वायरमेंट्स) नियम, २०१५ च्या नियम ३३ च्या अंतर्गत स्टॉक एक्स्चेंजकडे फाइल केलेल्या दि. ३० सप्टेंबर, २०१९ रोजी संपलेल्या तिमाहीच्या तपशीलवार वित्तीय निष्कर्षांचा गोषवारा आहे. दि. ३० सप्टेंबर, २०१९ रोजी संपलेल्या तिमाहीच्या वित्तीय निष्कर्षांचा स्वतंत्र फॉरमॅट स्टॉक एक्स्चेंजच्या [www.nseindia.com](http://www.nseindia.com) या आणि [www.bseindia.com](http://www.bseindia.com) या वेबसाइट्सवर आणि आमच्या <http://www.hul.co.in> या वेबसाइटवरील इन्व्हेस्टर रिलेशनस (गुंतवणूकदार नातेसंबंध) विभागात उपलब्ध आहेत.

**तकटीचा:**

१. दि. ३० सप्टेंबर, २०१९ रोजी संपलेल्या तिमाहीची अलेखापरीक्षित वित्तीय निवेदने, संचालक मंडळाने दि. १४ ऑक्टोबर, २०१९ रोजी झालेल्या आपल्या बैठकीत नोंदवून घेतली आहेत. बैधानिक लेखापरीक्षकांनी वर नमूद केलेल्या निष्कर्षांच्या बाबतीत अहंता नसलेला रिपोर्ट व्यक्त केला आहे.

२. संचालक मंडळाने दि. १४ ऑक्टोबर, २०१९ रोजी झालेल्या आपल्या सभेत दि. ३० सप्टेंबर, २०१९ रोजी संपलेल्या कालावधीसाठी रु.१ या दर्जनी मूल्याच्या प्रत्येक समभागामासाठी रु.११ इतका अंतरिम लाभांश जाहीर केला आहे. हा अंतरिम लाभांश देण्यासाठी पात्र असणाऱ्यांची नावे निश्चित करण्यासाठी दि. २४ ऑक्टोबर, २०१९ ही रेकॉर्ड तारीख म्हणून नक्की करण्यात आली आहे.

संचालक मंडळाच्या आदेशावरून सही/-

संजीव मेहता  
अध्यक्ष आणि व्यवस्थापकीय संचालक  
[DIN: 06699923]

स्थळ : मुंबई  
दिनांक : १४ ऑक्टोबर, २०१९

मूळ इंग्रजी मसुद्याचे हे भाषांतर असून सर्व विवादोमध्ये मूळ इंग्रजी मसुदा प्रमाण मानण्यात येईल.

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1	Income from Operations	119.06	238.97	120.03
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3	Profit After Tax	44.92	88.69	63.51

**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 the websites of BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on Company's website <http://www.deltacorp.in/pdf/quater-september-2019-20.pdf>

b) # - Exceptional and/or Extraordinary items adjusted in the Statement of Profit and Loss in accordance with Ind-AS Rules / AS Rules, whichever is applicable

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