

DHFL lenders weigh options after NCLT's surprise call

Tribunal gave direction to have a look at offer by Kapil Wadhawan

SUBRATA PANDA & ABHIJIT LELE
Mumbai, 20 May

After the bankruptcy tribunal's surprise order on Dewan Housing Finance (DHFL), it is the Reserve Bank of India's (RBI) stance that will have a bearing on the future course.

Lenders are mulling over the National Company Law Tribunal's (NCLT's) direction to have a look at the offer by erstwhile promoter Kapil Wadhawan. Experts believe the ball is in the lenders' court to decide whether or not they want to go ahead with the offer by Wadhawans. The lenders, however, do not seem very hopeful on the prospects of the offer that Wadhawan has made through his letter.

A senior public sector banker, whose bank has a sizeable exposure to DHFL, said the matter will be decided in a joint meeting of the committee of creditors (CoC).

"He (Wadhawan) had given the letter earlier also and at that time it was not considered and set aside. Now, the NCLT wants us to again have a look at it. So, we will jointly discuss and take a view on the matter. There will be a discussion on his proposal and if the CoC decides to vote on it, chances of which are less, then a vote will be taken," he said.

"From our banks' side, there is no plan to move the National Company Law Appellate Tribunal (NCLAT)", he said. Since the RBI had referred the DHFL to insolvency under Section 227 of the Insolvency and Bankruptcy Code (IBC), a lot will also depend on the banking regulator's approach.

"We have to report the decision of the CoC in this matter to the RBI and take permission from it as well as NCLT," the banker, quoted above, said.

Another senior public sector banker said, "Our view is banks should move the NCLAT against this order. NCLT should not pass this kind of order in the first place. It has been classified as a fraud account, so how can we do a settlement? Since there is an order, now, legal opinion will be taken from the legal advisor of the CoC. And, based on the advice, we will decide the future course."

A private bank executive, which has exposure to DHFL, said the case was referred by the RBI to the NCLT. So, one option could be that the RBI

CLAIMS FILED BY FINANCIAL CREDITORS

Amount claimed	94,900
Amount accepted	86,972.83
Amount rejected	7,927.62

SOME TOP LENDERS' ACCEPTED CLAIMS

SBI	7,170.82
Bank of India	4,125.52
Canara Bank	3,750.72
National Housing Bank	2,436.37
Union Bank of India	2,351.05
Bank of Baroda	2,020.50

Note: Amount in ₹
Source: DHFL website

will take a call if it wants to file an application under Section 12A of IBC for exiting the corporate insolvency resolution process and then consider the case for a one-time settlement (OTS). "Given a fraud angle in this case, this is the least likely route for considering Wadhawan's plea", he added. Experts have pointed out that the proposal made by Wadhawan is most likely an OTS, which is rather difficult to compare with a resolution plan that has already received approval from not only the CoC but also from the RBI and the Competition Commission of India (CCI).

According to Nirav Shah, Partner at law firm DSK Legal, it is always difficult to make a true apples-to-apples comparison between a resolution plan approved by CoC with an OTS proposal submitted by the promoters. "But if the lenders were to consider the OTS proposal, they will have to evaluate it on various parameters such as how much amount is being brought upfront, which lender will get how much money and how much haircut the lenders will eventually have to take," he said.

In a letter to the administrator in December 2020, Wadhawan had reiterated his offer to pay the entire outstanding principal of ₹91,158 crore to creditors — an upfront payment of ₹9,000 crore and the remainder in the form of debt-to-equity conversion across 7-8 years. According to Piramal's plan (which has been accepted), recovery for lenders would total ₹35,250 crore, with upfront cash of ₹12,700 crore.



Oyo seeks \$600-million loan amid virus surge

Oyo Hotels is looking to raise \$600 million in debt to bolster its finances, according to a source, after a fresh coronavirus surge decimated travel demand and hurt the company's recovery effort. The board of Oyo, or Oravel Stays as the parent company is officially called, approved a plan for an institutional term loan at meetings over Wednesday and Thursday, the person said, asking not to be named as the deal hasn't been made public.

Oyo is one of the larger startups in Softbank Group's portfolio and its headlong global expansion was backed and fostered by the investor's billionaire founder, Masayoshi Son. While the start-up was most recently valued at \$10 billion, its business has been crushed

after the rapid spread of the virus hit travel, just as operational missteps soured partnerships with hotel owners. In March, founder Ritesh Agarwal told employees that Oyo's India business was growing and that the firm was earning the same gross profit dollars in January 2021, before it was first hit by the virus. But the pandemic has since intensified in India, leaving tens of millions infected and erasing hopes for a rebound in tourism and travel. Oyo's loan, also called

Term Loan B or TLB, is open to institutional investors for two weeks with a June 2 application deadline, the person said. Oyo is hosting a lender call on May 21 and JPMorgan Chase & Co. is arranging the deal, the person said.

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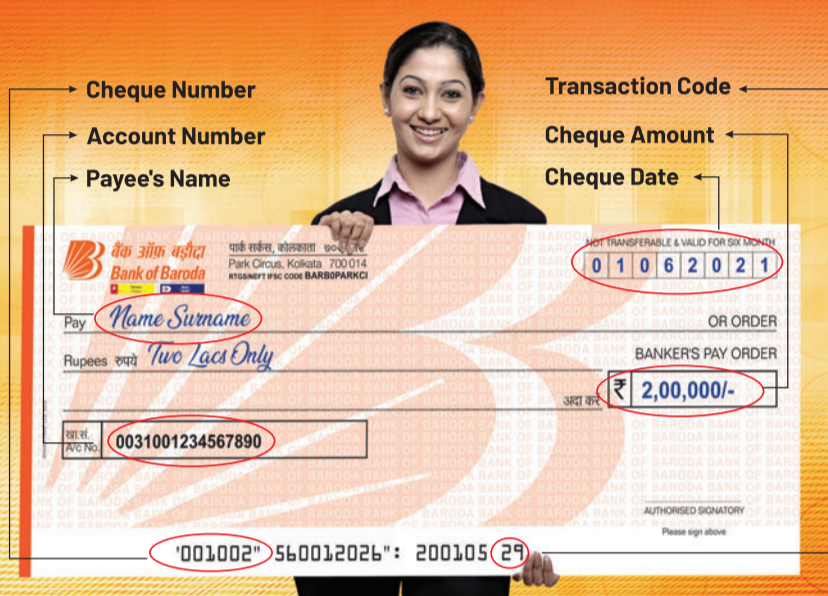


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Shortage of chips a global reality, no relief in 2021: Bosch

SHIVANI SHINDE
Mumbai, 20 May

Engineering and technology company Bosch on Thursday said the shortage of semiconductors or chips was a global reality.

Soumitra Bhattacharya, managing director of Bosch, reiterated what the company's chief executive, Volkmar Denner, had said a few days back that shortages of the chip would impact the car market till 2022. "The chip shortage affects the world markets and not just India. Tier-I suppliers like us and our competitors depend on electronic control units, which are supplied by tier-II manufacturers. But one has to remember that automotive as a user of the chips is just about 10 per cent, and the bulk of these chips are used for non-automotive segments like electronic products, which has seen a surge in demand," Bhattacharya said.

He said supply chains were getting disrupted due to the chip shortages and that the situation would continue to be challenging for CY21. He said the company had put in a lot of finances globally to sort the issue with manufac-

turers, "but we cannot wish away the challenge. At least in India, part capacities are being met. Unlike in other regions, where original equipment manufacturers (OEMs) have had to shut down," said Bhattacharya. Bhattacharya cited Bosch's positive results to claim that the auto industry was seeing itself on a road of recovery until early this year. "However, with the second wave being more severe, there is a clear uncertainty in the market. With 80 per cent of our revenues driven through mobility business, we have been affected adversely. The challenge will be to manage the fluctuating demand, supply chain crisis, and changing consumer behaviour all at once."

The company has reduced its capex for FY22 to ₹200 from ₹350-500 crore that it used to invest for the past some years. "While the capex for Bosch India, which is the group entity, should be in the range of ₹400-600 crore, it will be between ₹160 crore and ₹200 crore for Bosch," said Bhattacharya. Over the past two years, Bhattacharya said the company invested ₹800 crore in its Adugodi unit in Karnataka.

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AUDITED CONSOLIDATED FINANCIAL RESULTS

Particulars	Quarter ended		Year ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	Refer Note-2	Refer Note-2	Audited	Audited
Total Income from Operations	672	524	2,285	2,204
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	126	78	430	280
Net Profit/(Loss) for the period (before tax, and/or exceptional items)	101	37	329	163
Net Profit/(Loss) for the period before tax (after exceptional items)	101	37	329	163
Net Profit/(Loss) from ordinary activities after tax	74	21	237	113
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	76	16	243	113
Equity Share Capital	18	19	18	19
Earning Per Share (of Rs 10 each) (not annualised)				
- Basic:	41.8	10.9	127.0	59.2
- Diluted:	41.3	10.9	125.7	59.2

NOTES:

- 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 Disclosure Requirements) Regulations, 2015. The full format of the Financial Results are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on Company's website (www.cosmofilms.com).
- The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors on 20th May 2021. The figures for the quarter ended 31st March 2021 and 31st March 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 years ended 31st March 2021 and 31st March 2020 respectively.
- Key numbers of Standalone financial results are as given below. The standalone financial results are available at Company's website.

Particulars	Quarter ended		Year ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	Refer Note-2	Refer Note-2	Audited	Audited
Total Income from Operations	606	474	2,083	2,032
Net Profit/(Loss) for the period before tax (after exceptional items)	90	45	305	163
Net Profit/(Loss) from ordinary activities after tax	65	29	216	114

New Delhi
20th May 2021

ASHOK JAIPURIA
CHAIRMAN

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- Ashok Jaipuria