

# Valuation drop likely to hit HDIL's sale prospects

Suitors may prefer individual projects while bidding

DEV CHATTERJEE & RAGHAVENDRA KAMATH  
Mumbai, 5 August

Real estate major HDIL may find good offers hard to come by, given the slump in the real estate sector, litigation woes, and arrest of its promoters. The Mumbai-based firm had earlier attracted attention from top players like Adani Properties, SunTeck Realty, and Suraksha Asset Reconstruction Company (owned by the Dilip Shinghvi family).

However, the entity is now in a legal quagmire because most of its projects are either hypothecated to DHFL or PMC Bank, both of which are in financial crisis themselves. It was the HDIL scam that caused PMC Bank's downfall.

The HDIL group has several realty projects and land parcels in Mumbai, which could be taken over by new players — provided it is free of litigation. "The entire process is at an initial stage; we have just submitted the expression of interest. We will get more clarity once we get access to the data room," said a bidder. "We just want to see what is left of the company," he added.

Promoters and directors of HDIL, DHFL, and PMC Bank — all of whom are related to one other — are facing several investigations from the Enforcement Directorate, Central Bureau and Investigation (CBI), and local police. These investigations took off after several banks, fund houses, and PF bodies lost \$88,000 crore in DHFL, and depositors lost their savings in PMC Bank.

"There were so many complex transac-



## WHAT'S ON OFFER

- Mulund/Nahur Whispering Woods: 2 mn sq feet
- Goregaon West (MHADA): Potential to develop 1.5 mn sq feet
- Mumbai Airport SRA: Unlimited FSI (not yet developed)
- Other land parcels in Bandra East: 0.8 mn square feet

tions between the three — HDIL, DHFL, and PMC Bank — that it will take several months for investigating agencies to trace the funds," said an auditor involved with the forensic auditing.

"It is difficult to arrive at any valuation for HDIL projects due to the legal complications. Most of the projects are hypothecated to DHFL, which itself is facing bankruptcy proceedings. Bidders have submitted EoIs just to know the juice left in these projects," said a real estate consultant.

The symbiotic relations between HDIL and PMC Bank were exposed after the Reserve Bank of India (RBI) imposed a moratorium on the co-operative bank in September 2019. It was after the RBI's inspection revealed that the lender had lent ₹6,500 crore to HDIL, even though it had begun defaulting. After HDIL raised funds from both DHFL and PMC Bank, investigators discovered that these entities had common directors.

Waryam Singh, former chairman of PMC, had been a director in HDIL and even held 1.91 per cent stake in the firm till

September 2017 — just a few months before the realty firm was sent to the bankruptcy court by lenders, in 2018. Singh then quit the HDIL board in April 2015, to return to PMC bank as Chairman — which started lending to HDIL indiscriminately.

In August 2019, the bank lent an additional ₹100 crore to HDIL to help it repay Bank of India's (BoI) debt under the one-time settlement (OTS) scheme. If the OTS was cleared, then HDIL would have been out of the IBC process initiated by BoI.

In February, several leading local and foreign financial institutions — including Aion Capital, Adani Capital, Hero Fincorp, KKR Credit Advisors, and Blackstone — submitted their EoIs for the now-collapsed DHFL. However, no one put in a bid, owing to the legal complications surrounding the company and the pandemic.

Prospective bidders were wary and cited fraud in the retail loan book unearthed by the ED, which claims the company used over 100,000 bogus retail customer accounts to siphon off ₹12,000 crore. A similar fate awaits HDIL.

# Virgin Atlantic faces crunch vote in 3 weeks

CHRISTOPHER JASPER  
5 August

Richard Branson's Virgin Atlantic Airways faces a crunch vote in less than three weeks that will determine whether its hard-won £1.2-billion (\$1.6 billion) rescue goes ahead or if the carrier is headed for collapse.

Meetings of four creditor groups will be held on August 25 after the company began a legal process in the UK seeking to stop any holdouts from blocking the package. Virgin told a London court on Tuesday that it faces collapse next month if the financing plan fails. It filed an ancillary petition for Chapter 15 bankruptcy protection in the US to freeze creditors there and ensure the UK process is recognised.

The airline's plan, which brings in new money from Branson and US hedge fund Davidson Kempner Capital Management, will require a restructuring of existing debt. Virgin Atlantic says it has already secured backing from three of the four creditor groups: aircraft leasing firms, the providers of \$280 million in

revolving credit, and so-called related-party creditors including shareholder Delta Air Lines.

That leaves a fourth group to persuade, the airline's trade suppliers. Virgin Atlantic is one of the first companies to use the new UK court process, which allows a judge to force holdouts to go along with a financial restructuring if enough creditors approve.

Virgin Atlantic told the London court that without the plan's approval, available cash would fall below £75 million, allowing bondholders to enforce the sale of vital operating slots at London Heathrow airport.

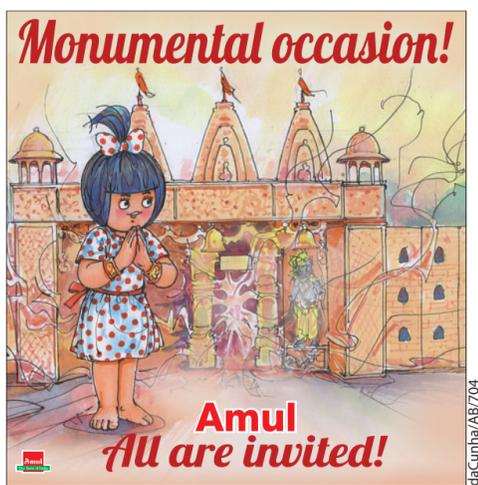
## Trans-Atlantic trade

The Crawley, England-based carrier has been hit particularly hard by the coronavirus crisis. The lucrative North Atlantic market on which it depends is still largely wiped out as the outbreak continues to rage in the US.

Since January 1, bookings are down 89 per cent year-over-year and second-half demand is at about 25 per cent of 2019 levels, according to court papers.



Virgin told a London court on Tuesday that it faces collapse next month if the financing plan fails.



# Voda-Idea leads telecom race, but in stock market

BLOOMBERG  
5 August

For investors riding a rally in the country's wireless carriers, the best returns are coming from an operator that's warned it may collapse without significant help from the government.

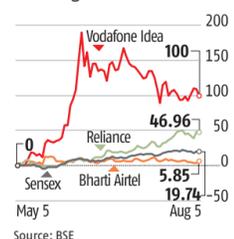
Although Vodafone Idea hasn't made a profit since 2017 and ended last financial year with a record \$10 billion loss, its shares have more than doubled in the past three months. The surge has been driven mostly on optimism that the government will rescue the beleaguered carrier after the Supreme Court burdened it with billions of dollars in fees.

Gains made by the penny stock outpaced the 51 per cent jump for Reliance Industries, the conglomerate behind the country's number one carrier, and the 3.1 per cent gain for Bharti Airtel, the second rival.

The joint venture between UK-based Vodafone Group and the group controlled by Indian billionaire Kumar Mangalam Birla had already been struggling in the face of

## BEATING THE BIGGIES

Vodafone Idea has beaten rivals Airtel and Reliance in the past three months



Source: BSE

a devastating price war since the entry of Mukesh Ambani's Reliance Jio Infocomm in 2016.

Vodafone Idea has shed millions of subscribers amid intense competition, and has said it may no longer be a "going concern." "Vodafone Idea appeals to a very different class of investor," said Vivekanand Subbaraman, associate vice president, Ambit Capital. "It is a market way of saying that if it survives, it is going to be worth a lot more."

# 'Tractor demand to remain buoyant in coming months'



Tractor sales continued to grow aided by good cash flows to farmers, higher kharif sowing, and government spending. Mahindra & Mahindra's Farm Equipment Sector (FES), part of the \$19.4-billion Mahindra Group, reported 18 per cent growth in domestic sales at 19,174 units, its highest-ever July sales.

HEMANT SIKKA, president of FES, tells T E Narasimhan, that the company started seeing a turnaround from December. Edited excerpts:

## What are the key factors driving tractor sales?

This is the peak season for tractors. The strong demand momentum continued, aided by positive sentiments because of cash flow to farmers, higher kharif sowing, a timely and normal monsoon, and continued higher rural spending by the government. While it is too early to share target figures for the entire year, it is expected that this demand will remain buoyant in the coming months

## How much of sales are happening with the help

of loans? With about 75 per cent of tractors sold on finance, we have aligned finances very well, starting in May and building out further in June and July.

How is the capacity utilisation? Were you able to address the supply chain constraints? With tractor capacity at nearly 95 per cent, localised lockdowns enforced in certain cities are hampering the ramping up of the supply chain, thus, affecting

production at original equipment manufacturers (OEMs). Over 90 per cent of our dealers have reopened.

Any fresh capex in the pipeline? We are completing a peak of capex. K2 is a large investment, and the bulk of it will be over by the end of this financial year, some will be [before] financial year 2021-22.

(Under K2 project, the company is creating a new platform with a new range of tractors, developed in collaboration with Mitsubishi of Japan, to further strengthen its position).

The company has also made engine investments in the recent past, apart from investment in Swaraj Tractors. So, it's not that we're compromising with prod-

ucts for the future. It's just that we are completing a peak of capex in this cycle.

While FES has a strong tractor portfolio, we are building technology skill sets beyond it and are working on introducing a range of farm machinery, with the idea of taking technologies used in large farms around the world and making them affordable and accessible to small farmers. This is based on having established three global technology Centers of Excellence in Japan, Finland, and Turkey, through acquisitions we made over the last couple of years.

Simultaneously, we are also focussing and developing our Farming as a Service (Faas) vertical, which will focus on giving farmers advisory and precision farming technologies to help increase their productivity.



HEMANT SIKKA  
President, Farm Equipment Sector, M&M



## MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

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CIN: L55101TN1998PLC036595; Website: www.clubmahindra.com  
Email id: investors@mahindaholidays.com

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### NOTICE TO THE ORDINARY (EQUITY) SHAREHOLDERS

**Information regarding 24<sup>th</sup> Annual General Meeting of the Company**

1. Notice is hereby given that the 24<sup>th</sup> Annual General Meeting ("AGM") of Mahindra Holidays & Resorts India Limited (hereinafter referred to as the "Company") will be held on Monday, August 31, 2020 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. 20/2020 dated May 5, 2020 read with the Circular No. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively issued by the Ministry of Corporate Affairs ("MCA") and Circular dated May 12, 2020 issued by SEBI (collectively referred to as "relevant Circulars") and all other applicable laws and circulars issued by MCA and SEBI, to transact the businesses, as set forth in the Notice of AGM.

Members will be provided with a facility to attend the AGM through electronic platform provided by the Company's Registrar and Transfer Agent viz. KFin Technologies Private Limited ("RTA" or "KFin"). The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. In compliance with the relevant Circulars, the Notice of AGM along with the Annual Report 2019-20 shall be sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that these documents shall also be available on the Company's website www.clubmahindra.com, websites of the Stock Exchanges, i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and also on the website of KFin at https://evoting.karvy.com.

3. **Manner of casting vote(s) through e-voting:** Members will be able to cast their vote electronically on the businesses as set forth in the Notice of AGM either remotely during the remote e-voting period or e-voting during the AGM.

4. **Manner of registering/ updating e-mail addresses:** Members whose e-mail address is registered with the Company/KFin/Depositories, the login credentials for casting votes through remote e-voting are being sent on the registered e-mail address. The same login credentials may also be used for attending the AGM through VC/ OAVM or voting during the AGM. Members whose e-mail address is not registered, are requested to get the same registered/ updated through the following procedure:

- Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
- Members holding shares in physical form may register their e-mail addresses and mobile number with KFin by sending an e-mail request at the email ID inward\_ris@kfinetech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of PAN Card and copy of share certificate for registering their email address and receiving the Annual Report, Notice of AGM and the e-voting instructions.

The Company has also provided the facility to Members for temporary registration of their e-mail address for receiving Annual Report in electronic mode by clicking the link https://ris.kfinetech.com/email\_registration/. Post successful registration of the e-mail address, the Members of the Company holding shares as on cut-off date i.e. August 24, 2020, would get soft copy of the Notice and the procedure for e-voting along with user ID and password to enable e-voting on the businesses as set forth in the Notice of AGM.

The Members are requested to carefully read all the Notes set out in the Notice of AGM and in particular, instructions for joining the AGM through VC/ OAVM and manner of casting vote through remote e-voting or e-voting during the AGM.

Sd/-  
Dhanraj Mulki  
General Counsel & Company Secretary

For MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Place: Mumbai  
Date: August 5, 2020

# केनरा बैंक Canara Bank

भारत सरकार का उपक्रम A Government of India Undertaking



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## REVIEWED FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2020

(₹ in Crore)

Sl. No.	Particulars	Quarter Ended 30.06.2020 (Reviewed)	Year Ended 31.03.2020* (Audited)	Quarter Ended 30.06.2019* (Reviewed)
1	Total Income from Operations (net)	20685.91	56748.14	14062.39
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	459.11	(1755.57)	540.88
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	459.11	(1755.57)	540.88
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	406.24	(2235.72)	329.07
5	Total Comprehensive Income for the period [(Comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax)]	Refer note 2	Refer note 2	Refer note 2
6	Equity Share Capital	1453.50	1030.23	753.24
7	Reserves (excluding Revaluation Reserve) as per previous Financial Year		31929.94	
8	Earning Per Share (of Rs.10/- each) (for continuing and discontinued operations)			
	1. Basic :	2.79	(26.50)	4.37
	2. Diluted :	2.79	(26.50)	4.37

\*Figures are related to standalone Canara Bank financials for pre-amalgamation period, hence not comparable with post amalgamation financials for the quarter ended 30th June 2020

**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 Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites (BSE: www.bseindia.com and NSE: www.nseindia.com) and Bank's website (www.canarabank.com).
- Information relating to Total Comprehensive Income and Other Comprehensive Income is not furnished as Ind AS is not yet made applicable to the bank.

Sd/-  
A Manimekhalai Executive Director  
Sd/-  
Debashish Mukherjee Executive Director  
Sd/-  
Krishnan S Executive Director  
Sd/-  
M V Rao Executive Director  
Sd/-  
L V Prabhakar MD & CEO  
Sd/-  
T N Manoharan Chairman

Place: Bengaluru Date: 05.08.2020

For more details, kindly visit your nearest Canara Bank branch or website: www.canarabank.com

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