

Update on DHFL holdings in TMF Schemes



Update on DHFL holdings in Tata Mutual Fund Schemes

Dewan Housing Finance Corporation Limited was downgraded to below investment grade on 5th June 2019.

On the date of Downgrade, Tata Mutual Fund (TMF) was holding following NCDs of DHFL.

Scheme Name	Security Name	Maturity Date	Face Value (Rs. in Crores)
TATA TREASURY ADVANTAGE FUND	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I A) 9.05% NCD (09/09/2019)	09-Sep-19	25
TATA TREASURY ADVANTAGE FUND	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I) 8.90% NCD (04/06/2021)	04-Jun-21	43.8
TATA FIXED MATURITY PLAN-SERIES 55 SCHEME - E 29/07/2021	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I) 8.90% NCD (04/06/2021)	04-Jun-21	9
TATA FIXED MATURITY PLAN-SERIES 55 SCHEME - F 19/08/2021	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I) 8.90% NCD (04/06/2021)	04-Jun-21	8.2
TATA MEDIUM TERM FUND	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I) 8.90% NCD (04/06/2021)	04-Jun-21	10
TATA RETIREMENT SAVINGS FUND-MODERATE PLAN	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I A) 9.05% NCD (09/09/2019)	09-Sep-19	27
TATA CORPORATE BOND FUND	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I A) 9.05% NCD (09/09/2019)	09-Sep-19	28
TATA CORPORATE BOND FUND	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I B) 9.10% NCD (09/09/2019)	09-Sep-19	25
TATA HYBRID EQUITY FUND	DEWAN HOUSING FINANCE CORPORATION LTD.(SR.-I) 8.90% NCD (04/06/2021)	04-Jun-21	35

Segregated portfolio of securities of DHFL was created in the Tata Medium Term Fund, Tata Corporate Bond Fund (now part of Tata Short Term Bond Fund due to merger of main portfolio Tata Corporate Bond Fund with Tata Short Term Bond Fund) and Tata Treasury Advantage Fund.

Exposure in Tata Hybrid Equity Fund was sold subsequently and currently there is no exposure in the scheme.

1. Efforts made by lenders to recover the due & Various options evaluated by the lenders

Post the default, Tata Mutual Fund tried to engage with DHFL management w.r.t exposure of bonds in TMF schemes. Once the issue went to IBC (Insolvency and Bankruptcy Code), a Committee of Creditors (CoC) was formed and TMF were attending the meetings of CoC to remain updated on DHFL proceedings.

Tata Mutual Fund have also voted in favour of DHFL CoC proposal to authorize SBI, Union Bank & Catalyst Trustee (acting in capacity of Debenture Trustee for debenture holders of DHFL). These nominees will act on behalf of Committee of Creditors on any order of the NCLT, Courts and for the implementation of the resolution plan. TMF believes that this is beneficial for exposure to DHFL.

2. Current Update on DHFL

- The apex body of NCLT, the NCLAT has rejected the DHFL's promoter claim to participate in the IBC process and has re-approved the offer of Piramal.
- The NCLT has, vide its June 2021 order asked CoC to consider a higher payout to select sections of investors who have invested in DHFL paper and FDs which would have been paid out of the upfront cash payout for secured lenders like us
- This Proposal was put to vote, and majority of the investors have rejected this proposal.
- Piramal group's buyout proposal of DHFL has been accepted by NCLT and the payout by Piramal has been fixed including payout to NHB.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

- Secured lenders who have voted in favour of Piramal's plan are expected to get a mix of upfront cash and coupon bearing and secured bonds issued by Piramal with tenure around 10 years
- With the higher payout to select lenders having been voted down, the DHFL resolution appears to be headed towards a resolution unless the courts step in again in the matter of higher payout to select section of investors
- Piramal group has indicated that it will need around 3 months to implement the absorption of DHFL with itself post the approval of its proposal
- As per IBC regulations, the existing Committee of Creditors (CoC) of DHFL will be dissolved post approval of the resolution plan and will be replaced by some of the largest lenders to DHFL and debenture Trustee (acting in capacity of Debenture Trustee for debenture holders of DHFL). They are to act on behalf of Committee of Creditors on any order of the NCLT, courts and for the implementation of the resolution plan. This was put up for voting and this resolution was voted in favour of by majority of the investors.

Tata Fixed Maturity Plan-Series 55 Scheme F is suitable for investors who are seeking*:

- Fixed income / capital appreciation on maturity
- Investment in Debt / Money Market instruments

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at Moderate Risk

Tata Fixed Maturity Plan Series 55 Scheme E is suitable for investors who are seeking*:

- Fixed income / capital appreciation on maturity
- Investment in Debt / Money Market instruments

Tata Medium Term Fund is suitable for investors who are seeking*:

- Income/Capital Appreciation over medium term.
- Investment in Debt / Money Market Instruments / Government Securities.

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at Moderately High Risk

Tata Treasury Advantage Fund is suitable for investors who are seeking*:

- Regular Fixed Income for Short Term.
- Investment in Debt & Money Market Instruments

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at Low to Moderate Risk

Tata Hybrid Equity Fund is suitable for investors who are seeking*:

- Long Term Capital Appreciation.
- Investment predominantly in equity & equity related instruments (65% - 80%) & some portion (between 20% to 35%) in fixed income instruments.

Tata Retirement Savings Fund - Moderate Plan is suitable for investors who are seeking*:

- Long Term Capital Appreciation & Current Income.
- An equity oriented (between 65%-85%) savings scheme which provides tool for retirement planning to individual investors.

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at Very High Risk

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.