

o/c

1st December, 2020

To,

1. Shri Shaktikanta Das,
Hon'ble Governor,
Reserve Bank of India
Central Office Building 18th Floor,
Shahid Bhagat Singh Road Mumbai-400 001.
2. Mr. Ajay Tyagi,
Chairman
Securities Exchange Board of India
SEBI Bhavan,
Plot No. C-4A, G Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai - 400 051



Dear Sir,

Sub: Manifestly illegal and malafide conduct of M/s. 63 Moons Technologies Limited ("63 Moons"), , in filing multiple proceedings in different fora for their alleged claim with an ulterior motive to frustrate and overreach the corporate insolvency resolution process ("CIRP") by seeking to take precedence over the other creditors.

1. I am constrained to address this letter to draw your attention to the unfortunate and destructive actions taken by 63 Moons which are likely to disrupt the entire resolution process of DHFL which it is presently undergoing. 63 Moons has filed a writ petition being Writ Petition No. 16749 of 2020 before the Chennai High Court seeking direction from the court to be given to the Government of Tamil Nadu and the Competent Authority under the Tamil Nadu Protection of Interests of Depositors (In Financial Establishments) Act, 1997 ("TNPID Act") to attach various assets belonging to DHFL and/or in which DHFL holds a direct/indirect interest and/or that I have offered to DHFL for the benefit of every creditor. In the guise of this writ petition, 63 Moons is seeking to get precedence over every other creditor of DHFL

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including the poor FD holders who will all be left in the lurch if any order as prayed for by 63 Moons is granted. This is apart from the substratum of the resolution process under the IBC being completely destroyed if reliefs are granted to 63 Moons. It is imperative that immediate steps be taken by every regulatory authority to prevent the malafide actions of 63 Moons from succeeding particularly since, as set out hereinafter, the petition apart from being devoid of any merits, is malafide and not maintainable.

2. A brief background is set out hereinafter to give some context to the disputes with 63 Moons:

- a. 63 Moons had subscribed to the public offer of Non-Convertible Debentures in v 2016 and invested a sum of Rs. 200 crs. These NCDs are redeemable from the year 2023 onwards. The total debt payable to 63 Moons is Rs. 200 crs as opposed to more than Rs. 80,000 crs. payable to all creditors put together.
- b. After the liquidity crisis in September 2018 on account of the collapse of ILFS the repercussions were also felt by DHFL which faced a severe liquidity crunch. Despite the liquidity crunch and in the absence of new credit, which would enable the business cycle to continue, DHFL has repaid approx. Rs. 44,000 crs to all its creditors.
- c. Ultimately, DHFL went into resolution under the RBI circulars. During the course of the resolution process, a Resolution Plan was prepared by market leaders in the field i.e. SBI Capital Markets along with Ernst & Young (which even today continue to be the advisors to the Administrator) and in consultation with the lender banks, which provided for 100% repayment of the principal amount to every creditor along with interest to certain classes of creditors. The Resolution Plan had in fact been approved in principle by all the banks and the National Housing Bank (who, being the regulatory authority and having the necessary sectoral expertise,

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considered the plan to be viable) after they had completed their due diligence on the assets of DHFL (constituting the retail and wholesale loan books).

- d. However, before the resolution process could proceed further a multitude of litigation was commenced by various creditors including 63 Moons which ultimately constrained RBI to resolve the debt of DHFL under the IBC.
- e. 63 Moons had filed a suit in the Bombay High Court being Commercial Summary Suit No. 1332 of 2019 against DHFL claiming an amount of Rs.231 crs along with interest and had also claimed various reliefs in an Interim Application filed in the said suit. As per 63 Moons themselves, the suit was filed in Bombay as:
 - i. DHFL (Defendant therein) has its registered office and place of business within the jurisdiction of the Bombay High Court;
 - ii. The debentures in question were issued in Mumbai;
 - iii. Default in payment towards the said debentures has allegedly been committed in Mumbai;
 - iv. Therefore, the cause of action has arisen in Mumbai.

Consequently, as the entire cause of action arose in Bombay, the suit could only be maintainable in Bombay.

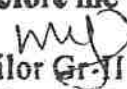
- f. Having failed to recover its monies in the said Bombay suit, which was ultimately stayed once the moratorium commenced under the IBC, 63 Moons filed one more suit in the Chennai High Court being Civil Suit No. 154 of 2020 against the shareholders of DHFL, auditors and Catalyst Trusteeship Limited, the Debenture Trustee, which has no jurisdiction and obtained ex-parte orders. Those orders are presently being contested.
- g. In its campaign to get precedence in the repayment of its dues over every other creditor, 63 Moons filed a false criminal complaint with the Economic




Offences Wing (EOW) in Chennai. It is apparent, including from the averments in the suit filed in the Bombay High Court, that Chennai has no jurisdiction to entertain any civil and/or criminal proceedings. But nonetheless, for reasons best known to 63 Moons, they have sought to initiate all further litigations in Chennai.

3. The Writ Petition being Writ Petition No. 16749 of 2020 is the next step in the spate of litigation referred to above. Without DHFL being made a party, drastic reliefs have been sought against the assets and properties of DHFL and/or assets in which DHFL has a direct and/or indirect interest. Any order passed will have grave repercussions on the resolution process presently underway under the IBC.

4. I request your urgent intervention to prevent 63 Moons from disrupting the resolution process and to ensure that thousands of crores of public money is not irretrievably lost. I would only add that the multitude of disputes between creditors of DHFL, resolution applicants and other stakeholders-could be avoided if the 2019 plan that had been approved by all banks which offered **100% repayment of the principal amount to all creditors** is considered with appropriate modifications by the CoC and Administrator. It would be in the interest of all stakeholders if the CoC/Administrator were directed to urgently consider the 2019 plan particularly as the other bids received by DHFL result in a 70% haircut to all creditors and a write off of nearly Rs. 40,000-50,000 crs of public money.

Before me

Jailor Gr-II
Taloja Central Prison
New Mumbai

Yours faithfully,


Mr. Kapil Wadhawan

Cc to:

1. Hon'ble Prime Minister of India,
South Block, Secretariat Building,
Raisina Hall,
New Delhi - 110011

2. Ministry of Corporate Affairs,
19, Teen Murti Lane
New Delhi-110011

3. Ministry of Corporate Affairs,
5th Floor, 100, Everest Building,
Netaji Subhash Road, Marine Drive
Mumbai 400002

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