Ebix makes $336 mn bid for Yatra.com

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US-based software firm Ebix has made an offer to acquire Yatra.com for $336 million in order to expand its presence in the fast growing Indian travel market.

Ebix, which in recent months made a slew of acquisitions in the leisure and corporate travel segment, submitted its bid to the board of Nasdaq-listed Yatra Online outlining its offer.

Ebix offered to pay $7 per share to acquire 100 per cent of outstanding stock of Yatra Online and the offer price constituted 84 per cent premium to its closing price of $3.80 as on March 8. Ebix intends to merge Yatra Online into its Indian EbixCash subsidiary, it said.

Yatra.com was founded by Dhruv Shringi, Manish Amin and Sabina Chopra in 2006 and counted Reliance Capital and Norwest Venture Partners as its early investors. It listed on Nasdaq following a reverse merger with Terrapin in 2016. But low margins and high marketing spends in the highly competitive travel space in India led to losses and cash flow issues. Recently, Yatra.com acquired a Chennai-based corporate travel services firm PL Worldways to boost presence in the segment and also decided to outsource non-core activities. But profits have eluded the firm (it made ₹13.7 crore profit in December-end quarter 2018)

and sources say the management has been on the lookout for investors for the past few months. Yatra.com did not immediately react to the offer.

Ebix's offer is subject to due diligence and customary regulatory and other closing conditions, it said. The offer contemplates the assumption of all Yatra Online receivables, cash and restricted cash worth at least $25 million at the time of closing and other assets, with all liabilities being paid for by Yatra Online concurrent to the closing of the transaction.

Ebix said it would pay for Yatra Online either in cash or by issuing freely-tradeable Ebix stock. Ebix also said it may reduce the offer it if does not receive positive response from Yatra's board and also reserves the right to withdraw the offer if it is not allowed to proceed with due diligence by March 18.

In recent months, Ebix has been on a buying spree in the travel and foreign exchange space within India. In January, it acquired 80 per cent stake in travel technology player Zillious Solutions and earlier bought 75 per cent stake in Weizmann Forex. Last year, it bought Mercury Travels, a firm co-owned by Oberoi group executive chairman PRS Oberoi and travel industry veteran Ashwini Kakkar.

Ebix Chairman, President and Chief Executive Officer Robin Raina said, "We believe that Yatra Online's products and services are complementary to EbixCash's travel portfolio of Via and Mercury; and a combination of the two would lend itself to significant synergies and the creation of the India's largest and most profitable travel services company. We see substantial synergies, economies of scale and expanded growth potential for the combined business."

NCLAT pulls up RCom lenders over asset sale 'golden outlook'

The National Company Law Appellate Tribunal (NCLAT) has pulled up SBI, the lead lender of Reliance Communications (RCom), along with others for giving a 'false impression' to monetise ₹37,000 crore from asset sales of the telecom company to Reliance Jio.

A two-member Bench came down heavily on the lenders, specially SBI, and asked why a "proceedings against them should not be initiated" for this. "You have failed. Joint Lenders' Forum has failed. No sale took place," the Bench observed.

According to the Bench, the lenders gave a "golden outlook" to the NCLAT to recover around ₹37,000 crore from sale of assets but nothing happened. "You clapped with RCom and claimed that you would recover around ₹37,000 crore from sale of assets to Reliance Jio...you had earlier cited losses of crore per day," said the NCLAT.

After failing to get money from assets, creditors are now trying to recover ₹260 crore which the company has got from the Income Tax refunds, it added. The NCLAT was hearing RCom's plea, which has approached it seeking waiver over the moratorium placed by it on February 4.

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Stan Life to sell 4.93% in HDFC Life for ₹3,557 cr

SUBRATA PANDA
Mumbai, 11 March

Standard Life Mauritius Holdings, the joint venture partner in HDFC Life Insurance, is planning to sell 4.93 per cent stake, or 99.5 million shares, in the life insurance firm at a floor price of ₹357.50 per equity share. This is supposed to fetch Standard Life close to ₹3,557 crore.

This comes shortly after the 9.2 per cent stake sale by BNP Paribas Cardif in SBI Life Insurance for ₹4,751 crore. It was one of the largest insurance deals since 2016, when the first insurance company got listed.

Standard Life has proposed to sell up to 70 million equity shares in the company, representing 3.47 per cent stake, to non-retail and retail investors on March 12 and March 13, respectively. Moreover, it has the option to sell 29.5 million equity shares, representing 1.46 per cent stake in the company, as over-subscription option.

"The stake sale will help the company increase its public float to 24.2 per cent, which is a step closer to it achieving minimum public shareholding prescribed by the Sebi. The above sale is a secondary offer and will not impact the capital position of the company," said a HDFC Life spokesperson.

At present, Standard Life holds 29.2 per cent stake in the life insurance company while HDFC, the majority stakeholder, has 51.5 per cent stake. After the stake sale, Standard Life's shareholding in HDFC Life will come down to 24.27 per cent.

Standard Life has appointed DSP Merrill Lynch as the broker for the deal. All listed private life insurers' stocks have been under cloud because of specific concerns. But analysts say with profitability expected to rise, their earnings prospects look better.

Also, because of market volatility, the ULIP sales of the life insurance companies have taken a hit and companies are focusing more on pure protection business, which will boost their margins.

DHFL independent director resigns

Dewan Housing Finance Corporation (DHFL) said its independent director V K Chopra had resigned. The board of directors of the company has accepted his resignation with effect from March 11, the company said in a filing to the BSE. The tenure of Chopra as an independent director was due to expire on March 31. Shareholders of the company had approved a resolution for his re-appointment on March 4.
The company is under the scanner of various authorities following allegations of siphoning off ₹31,000 crore out of total bank loans of ₹97,000 crore through layers of shell companies.

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