

Lodha repays ₹800 cr to Deutsche Bank

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LODHA Developers, one of the country's biggest builders, has paid around ₹800 crore to Deutsche Bank as part repayment of debt raised in 2007. In 2007, Deutsche Bank had invested ₹1,640 crore by subscribing to t optionally-convertible debentures issued by Cowtown, a subsidiary of Lodha Developers.

These debentures carried interest and an option to convert them to get around 99% stake in Cowtown and other entities floated by Cowtown if the developer fails to pay it the interest.

"The company reached a settlement with the bank. It's a joint decision to repay the money, instead of converting into shares.

The money to pay back Deutsche has been generated from property sales and internal accruals," said a company official. The developer will be paying another ₹700 crore to the German bank in the next three-six months, said the person said.

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nally go ahead with its maiden equity issue which has been hanging for almost a year.

Lodha Developers managing director Abhishek Lodha and Deutsche Bank spokesperson declined to comment on the story.

Cowtown had reinvested a substantial part of the funds received from Deutsche Bank for subscribing partly and optionally convertible securities issued by other Lodha group companies. Cowtown is currently undertaking three foreign direct investment-compliant real estate projects spread over 70 acres in Thane and Dahisar.

The final repayment will cut Deutsche Bank's exposure to Lodha Developer to nil, while Lodha's total debt will stand reduced at ₹1,354 crore based on the debt position mentioned in company's red herring draft

prospectus filed in 2009.

In early 2010, Lodha Developers had received capital market regulator Securities and Exchnage Board of India's approval for its initial public offer aimed at raising nearly ₹2,800 crore. However, the company is yet to announce the dates for the issue, given volatile market conditions.

PAYBACK TIME

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