

04.07.2018

FREQUENTLY ASKED QUESTIONS BY DEBENTURE HOLDERS OF D.S. KULKARNI DEVELOPERS LTD. (DSK)

1. I have not received interest / principal amount since July 2017. What steps have been taken by Catalyst Trusteeship Ltd. ('CTL') the debenture trustee in this behalf?

DSK has defaulted in payment as follows:

Option I - Quarterly Interest due from 1st July 2017 onwards and also principal amount due on 6th Sept., 2017.

Option II - Payment is due on 6th March 2020 along with interest.

Option III - Annual Interest and also part principal amount due on 6th Sept. 2017

Option IV - Monthly Interest due from 1st July 2017 onwards.

As per terms of issue / debenture trust deed, entire amount defaulted has been demanded and DSK has failed to pay the said amount. CTL therefore, has taken following action:

- i) Application with National Company Law Tribunal, Mumbai Bench (NCLT) under section 71(10) of the Companies Act, 2013 on 17th Nov., 2017.
- ii) Application with Debts Recovery Tribunal, Pune (DRT) under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 (DRT), on 22nd Jan., 2018.

The DRT has passed final order dated 21st May 2018 and allowed the claim on debentures and directing DSK to pay the dues to debenture holders, within 3 months in order. In case, DSK fails to pay the dues to debenture holders within 3 months, the mortgaged properties will be disposed of as per DRT process, for recovery of dues to debenture holders. The NCLT application may be heard as per the roster of NCLT.

2. Do I need to register any claim with the Trustee or other authority?

CTL has calculated the amount of dues of all the debenture holders on the basis of amount of debentures issued, and the interest, default interest from the date of default till 21st Jan., 2018 i.e. the date of filing the application with DRT. The DRT has passed the order for the amount claimed in the application. The recovery process will be initiated by DRT for recovery of the said amount of claim plus interest from 22nd Jan., 2018. As such, the debenture holders are not required to register any individual claim with the Trustee or any other authority.

3. Do I need to submit any documents for claiming my dues?

As of now, debenture holders are not required to submit any claims or documents with the Trustee. In case such a requirement arises in near future, the same will be communicated to the debenture holders.

4. Are the debentures secured? Is the value of security land enough to cover the dues?

The debentures are secured by way of mortgage of pieces of land situated at Village : Fursungi, Taluka & District : Pune. The valuation of the said property, as per two govt. approved valuers, at the time of issue of debentures in the year 2014 was Rs.175 crores, which was 1.57 times of the amount raised through issue of debentures i.e. Rs.111.69 crores.

5. What is the expected time period for recovery of the amount?

Recovery Officer, DRT has already initiated the action as per the provisions of DRT Act. The exact recovery of the amount will depend upon the offers for purchase that may be received at the time of auction of properties by the Recovery Officer. The time that may be taken for the said process cannot be anticipated at this stage.

6. How do I get the updates related to DSK NCDs?

NCD holders can visit our website www.catalysttrustee.com and check the 'Public Notices' or 'Press Release' tab for getting updates about the status of the case.
