

12.08.2019

Frequently asked Questions (FAQs) and Answers ICA executed by Lender Banks of DHFL

Catalyst Trusteeship Ltd. (CTL) has sought consent of the debenture holders for acceding Inter Creditor Agreement (ICA), as per its letter dt.05.08.2019. Considering the questions being asked by the debenture holders, the clarification is given below. However, the debenture holders are requested to independently examine at their level on the basis of relevant documents available on website of CTL as well as other relevant websites like BSE, NSE, DHFL, NSDL etc.

01. What is ICA?

It is an Inter Creditor Agreement. The Banks which have lent to DHFL, have recently entered into ICA as per directions of RBI.

02. How ICA is relevant to debenture holders?

The Banks have requested CTL, being debenture trustee, to consider joining ICA. CTL has therefore, sought consent from debenture holders. If debenture trustee joins ICA, all creditors, including debenture holders, would examine and finalize upon the Resolution Plan submitted by DHFL. The resolution plan is expected to include plan of paying interest and principal due to Debenture Holders.

03. What is the resolution plan of DHFL?

The Resolution plan is not given to CTL so far. Its only if debenture holders accede to ICA, the proposal will be known to CTL.

04. What is ISIN? Where it can be found?

ISIN is an identifying code which is mentioned in Holding Statement issued by Depository Participant (debentures held in electronic form) and on the Debenture Certificate (if it is in physical form).

05. What is the meaning of 'giving consent' by signing the letter?

It means you are agreeing to allow Catalyst Trusteeship Ltd. to sign the ICA.

06. What is the meaning of 75% majority?

To enable the Debenture Trustee to act on a consent, it will be necessary that at least 75 % in value of outstanding debenture in the Series give consent.

07. Whether each of the Joint Holder needs to sign?

Yes.

08. Whether separate form is to be given for each ISIN?

Yes.

09. Who is Catalyst Trusteeship Ltd.? How is it appointed? Whether debenture holders are required pay any fees / charges, if consent is given?

Catalyst Trusteeship Ltd. is a debenture trustee appointed as per SEBI Regulations at the time of issue of debentures by DHFL under various Series. No fees / charges are payable by Debenture Holders.

10. What will happen if Catalyst Trusteeship Ltd. gets consent to join the ICA?

If 75 % or more (in value terms) in a Series, give consent by signing the Consent Letter, Catalyst Trusteeship Ltd. will sign ICA on behalf of debenture holder under such Series.

The proposal of DHFL submitted to the Committee of Creditors constituted under the ICA, will examine and finalize the resolution plan.

The finalized plan will be sent to debenture-holders by Catalyst Trusteeship Ltd. for their consent. If consent is received (75% of value or more), it will convey acceptance to the Committee of Creditors for taking action accordingly.

11. What will happen if the required consent is not received?

The rights of debenture holders for enforcement of security will remain unaffected. In case of default in payment of dues by DHFL, appropriate action will be taken by debenture trustee as per the provisions of relevant documents / Laws / Regulations.

12. Whether debenture-holder can sell the Debentures in the market?

The transferability of debenture is not affected. The debenture can sold / transferred.