

12th Aug. 2020

FOR INFORMATION OF DEBENTURE HOLDERS

Updates on redemption of debentures issued by

D S Kulkarni Developers Ltd.

It is observed that investors in Debentures issued by D.S. Kulkarni Developers Ltd. (DSKDL), are anxious to know the developments regarding action taken in the context of their investments. All the developments are regularly displayed on our web-site www.catalysttrustee.com and are also available on the Mobile App named as “MyTrustee”. However, it is observed that some of the investors require more clarity and up-dation in non-technical / simple terms. We appreciate this requirement. We therefore give below a gist of the important developments and present status, for ease in understanding the situation.

01. DSKDL issued Debentures on 05.09.2014. Security for the Debentures is pieces and parcels of land in the Dream City Project of the Company at Phursingi, Pune.
02. First default in payment by DSKDL was in July 2017 and second default in August, 2017 which triggered action by the Trustee. Catalyst initiated all appropriate steps for correcting the default, including issue of demand notice of 60 days, as per provisions of trust deed and Regulations.
03. An application was filed with NCLT, Mumbai on 17.11.2017, under Companies Act, 2013 for directions to DSKDL for payment of debentures.
04. DSKDL held a meeting of Debenture Holders on 21.12.2017 seeking approval for their plan for revision in repayment period and substitution of security. Debenture Holders did not approve this proposal.
05. After completing the process, Catalyst filed an application with Debt Recovery Tribunal on 22.01.2018 and sought attachment of properties and injunction restraining DSLDL from transferring properties. Hon. DRT, Pune passed final order and the certified copy of the Recovery Certificate was received on 04.06.2018.

06. In the meanwhile, on 05.05.2018, Government of Maharashtra initiated action against DSKDL under Maharashtra Protection of Interest of Depositors Act (**MPID**). Action was initiated by Enforcement Directorate (**ED**) as well under PMLA. The properties of DSKDL were attached by these authorities.
07. The action for sale of properties are to be taken by Recovery Officer of DRT Pune. With follow-up by Catalyst, the order of attachment of the property was passed on 27.11.2018. As required, properties valuation was to be undertaken by Recovery Officer, which was done and report was received on 17.06.2019. Notice of sale was issued. However, Mr. D.S. Kulkarni objected to the valuation stating that it was on the lower side. Catalyst countered the objection and the hearing was fixed for 21.10.2019 for Proclamation of Sale of properties.
08. In the meanwhile, Bank of Maharashtra initiated proceedings under Insolvency and Bankruptcy Code, 2016 (**IBC**) on 10.08.2019 and NCLT, Mumbai passed order on 26.09.2019.
09. Under IBC, no action for recovery can be taken / continued by any creditor, until the Resolution Process is in force. In this process, all the creditors of DSKDL and all the properties are to be considered by Resolution Professional. Other than debenture holders, creditors of DSKDL mainly consist of Banks which granted credit facilities. A committee of creditors attend the meetings convened by Resolution Professional. So far nine meetings have been held. The Resolution Process is of 180 days and can be extended by 90 days. Due to the COVID-19 Pandemic, the time schedule is extended.
10. Under the extended process, eligible Resolution Applicants are expected to submit their Resolution Plans upto 30.08.2020. On receipt of the plans, Committee of Creditors would scrutinize the same.
11. The Resolution Plan is to be finally approved by all Creditors, including Debenture Holders. If this plan is approved by 75% or more in value terms and 60% in terms of number of Creditors, the plan will be taken forward. NCLT's approval for the finalized plan would have to be obtained. Repayment would

then be according to the provisions in the approved plan, keeping DSKDL as a 'going concern'.

12. If the Creditors / NCLT do not approve the Resolution Plan, NCLT may order for liquidation of DSKDL, as per provisions of IBC.

Considering the present status, the resolution process is expected to be completed by end of October, 2020. The matter involves legal process under IBC as also other related Acts / Laws like MPID Act / PMLA. As such, the amount and time of repayment to the creditors, including debenture holders, depends upon the getting acceptable resolution plans and successful implementation of such approved resolution plan.

The debenture holders are once again requested to visit website of debenture trustee / mobile App mentioned above for updates. Please also update email ID with Depository Participant with which D-mat account is maintained (and not with debenture trustee) for quick communications. Debenture Holders holding physical form of the investments should ensure that their email ID is registered with the Registrar and Transfer Agent of the Company.

The Committee of Creditors formed under IBC, which includes Debenture Trustee representing debenture holders, are trying to resolve the matter at an early date and maximise recovery of dues.
