

**FOR INFORMATION OF DEBENTURE HOLDERS**  
**Corporate insolvency resolution process of Dewan Housing Finance Corporation Ltd. (DHFL) under Insolvency and Bankruptcy Code (IBC)**

Corporate Insolvency Resolution Process (**CIRP**) initiated against DHFL vide order dated 03.12.2019 of Hon. NCLT, is presently at the stage of implementation of the resolution plan approved by Hon. NCLT vide its order dated 07.06.2021. Catalyst has made efforts to clarify the points raised by Debenture Holders from time to time, through emails and disclosures on website [www.catalysttrustee.com](http://www.catalysttrustee.com). However, for easy reference / understanding, clarifications to frequently asked questions (FAQ) are given below. The FAQs are mainly based on relevant provisions of Companies Act, 2013, SEBI (Debenture Trustee) Regulations, 1993, Insolvency and Bankruptcy Code, 2016 (**IBC**). Debenture holders are earnestly requested to examine these Acts / Rules independently. **These FAQs relate mainly to the queries raised in respect of three 'Public Issues' of debentures.**

**01. I have not cast my e-vote / My e-vote was against or in favour of the resolution plan of successful resolution applicant viz. Piramal Capital and Housing Finance Ltd., (Piramal). Will this affect the amount payable to me?**

The resolution plan of Piramal has been approved by Hon. NCLT, is now under implementation. Debenture Holders, as a "class of creditors", have voted in favour of this resolution plan. As such, all Debenture Holders are considered as 'Assenting Creditors' irrespective whether an individual debenture holder has voted or not OR voted against this plan. As such, all Debenture Holders will be paid as secured assenting creditors.

**02. What is the present status of the process of resolution?**

- a.** The successful resolution plan approved by Hon. NCLT is now binding on all stakeholders.
- b.** Hon'ble NCLT, while approving the resolution plan observed that the distribution pattern is approved by Committee of Creditors (**CoC**), including the debenture holders as a class of creditors, with vote of 86.95%.
- c.** As per directions of Hon. NCLT in the order approving the resolution plan CoC reconsidered the allocation of higher amount to the suggested category of creditors. However, earlier approved distribution pattern remains unchanged as the suggested revision in distribution pattern did not get approval of CoC.
- d.** As per the order of Hon. NCLT, a "Monitoring Committee" of seven members has been constituted for implementation of the resolution plan. The said

Committee consists of three representatives of CoC (each one from SBI, UBI and Catalyst), two of Piramal, one member appointed by Hon. NCLT, with present Administrator as Chairman. The Advisors' Teams of Administrator, CoC engaged during CIRP, continue to extend their services to this Committee.

- e. The Monitoring Committee is presently taking steps towards expeditious implementation of the resolution plan. There are several matters relating to documentation, issuance of fresh debt instruments, compliances with regulatory and legal requirements of Masala Bond Holders, External Commercial Borrowings which are being attended to.

**03. What is the amount that will be received by me?**

Specific amount which will be received by individual debenture holder will be as per approved distribution mechanism. Debenture Holders are requested to go through the para-V(b) of approved distribution mechanism. Same has been reproduced below for ready reference:

*(b) Secured NCD holders shall be categorised series wise as below basis principal as per BENPOS and their outstanding debt shall be provided by the Dewan Housing Finance Corporation (Issuer) or/ its registrar and transfer agent (RTA) with inputs as may be required from the debenture trustee based on which the distribution will be carried out.*

	<i>From INR</i>	<i>Up to INR</i>
<b>Category 1</b>	0	2,00,000
<b>Category 2</b>	2,00,001	5,00,000
<b>Category 3</b>	5,00,001	10,00,000
<b>Category 4</b>	10,00,001 and above	

*(c) The aggregate additional amounts to be distributed to the FD holders in Category 1 and **secured NCD holders in Category 1** shall be paid in full to the extent of principle from upfront cash upto 2% of the Resolution Plan Payment with the intention of providing the maximum principal recovery to them basis amounts available.*

*(d) Secured NCD holders in Category 2 and 3 shall be paid from upfront cash in the same manner and to the same extent as if such amount distributed to such Secured Financial Creditors, under the Resolution Plan had been distributed in accordance with the order of priority in sub-section (1) of section 53 of IBC.*

*(e) The following are the adjustments to be made from the Total Cash prior to distribution to the Secured FCs:*

- (1) Reduced by amounts to be paid to FD holders as secured creditors to the extent of the liquidation value of the security created for the benefit of the FD holders, along with proportion of additional amounts as described in (c) above. **[Note: The FD Holders in such categories are settled in cash, and their claims will be extinguished in their entirety thereafter].**
- (2) Reduced by amounts to be paid to Secured NCD holders falling in Category 1 to 3 including proportion of additional amounts as described in (c) above, in cash alone **[ Note: The FD Holders are settled in cash, and their claims will be extinguished in their entirety thereafter].**

**(f) NCD Holders in Category 4 shall be paid as secured FCs as set out in (VI) below.**

**04. What is the amount that will be received by me and when?**

It depends on the amount invested and is linked to principal outstanding in the category under which the investor is classified in terms of the above-mentioned chart. It is estimated that distribution should be by October 2021. However, there could be delays on account issues not envisaged and no real assurance can be given at this stage. However, as soon as the timeline is visible it would be announced on our website and MyTrustee Mobile App.

**05. Whether I will receive entire amount in cash or partly in cash and partly by way of any instrument?**

In respect of investments up to Rs. 10 lakhs, the entire recovery entitlement would be paid in cash. (For details go through point no 3 above). It would be by way of credit to the account of the first holder. In respect of investments above Rs. 10 lakhs, the investor will receive part cash (credit to first holders account) and partly by way of debentures issued by Piramal (Piramal NCDs) in D-mat form in the name/s of holders as on date of distribution.

**06. What is the interest rate on the instrument that would be given to me?**

As mentioned in approved Resolution Plan of the Piramal NCDs would be for a period of 10 years and would have a coupon rate 6.75%. Same is also reflected in NCLT order dated 07.06.2020 on page no.41

**07. I want to update details of my email ID/ mobile Number, Bank details. What process should I follow?**

Debenture Holders are required to update / Check their Email ID / Bank details / address with their respective Registrar and Transfer Agent (RTA) (In case NCDs are held in physical form)/ Depository Participant (DP) in order to get your e-mail id added in the latest Benpos:

If your Email ID is already registered, please follow the steps mentioned below in order to get your email id reflected in BENPOS. -

1. For CDSL- Ask your DP to enable EMAIL D/L Flag option.
2. For NSDL- Ask your DP to enable FLAG to receive all communications from issuer and RTA in Electronic Form.

Further, DHFL has also requested Debenture holder to update their data with respective Registrar and Transfer Agent (RTA) through newspaper advertisement. Said information was also on Stock Exchange. Link of the same has been provided for your ready reference:

<https://www.bseindia.com/xml-data/corpfiling/AttachHis/f7f35e4b-641b-4dca-8b66-dd66cd615241.pdf>

**08. What is the Record date for NCDs?**

Record date for NCDs is 13.08.2021

**09. What should I do with the present DHFL NCDs held by me in my D-mat account?**

Currently no action is required at the end of Debenture Holder.

**10. What should I do with the present DHFL NCDs held by me in physical form?**

Currently no action is required at the end of Debenture Holder.

**11. Can I sell my DHFL NCDs held by me?**

Presently, i.e., from 30.07.2021 trading on the stock exchange has been suspended for these debentures. Same has been disclosed by DHFL as per LODR to stock exchange on 19.07.2021. Link of the same has been provided for your ready reference:

<https://www.bseindia.com/xml-data/corpfiling/AttachHis/a32dba61-6092-4d06-8db4-40cbfdf8e8ab.pdf>