

CC/S&B/SA/603
27.06.2018

BSE Limited
The Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai- 400001

The National Stock Exchange of India
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai- 400051

Dear Sir/Madam,

Sub: Clarification on news item.

We refer to e-mail dated 25.06.2018 on the captioned subject.

In this connection, we submit our advices as follows:

- (a) DSK Developers Ltd. (DSKDL), incorporated in 1991, was engaged in development of Commercial and Residential Real Estate, mainly in Maharashtra. It had been availing of various credit facilities from banking system including State Bank of India under Sole Banking/ Consortium Banking Arrangement for meeting its credit requirements related to various real estate projects undertaken by it.
- (b) State Bank of India, Industrial Finance Branch, Pune has extended following two credit limits in favour of DSKDL:

Name of the Project	Banking Arrangement	Banks other than SBI	Limit Sanctioned by SBI			
			Date of sanction	Type of loan	Sanctioned limit	Present outstanding
Nandanvan and Mayurvan Projects, Pirangut, Pune	Sole Banking	N.A.	22.11.2014	Project CC	Rs.50.00 crore	Rs.32.22 crore
Phase I of DSK Dream City, Pune	Consortium (Lead Bank: SBI)	Union Bank of India, Syndicate Bank, Bank of Maharashtra, IDBI, Vijaya Bank	27.05.2015	Project TL	Rs.200.00 crore	Rs.126.01 crore



(c) As per records available with State Bank of India, Industrial Finance Branch Pune, sanction of the loans and disbursement thereof had been done in compliance with extant instructions of State Bank of India and Reserve Bank of India.

(d) Major events with State Bank of India related to the Rs.600.00 Crore Term Loan (Sanctioned by Consortium including SBI, IDBI, UBI, BoM, Syndicated Bank and Vijaya Bank) as mentioned in the news item in chronological order are as follows:

1. Total cost of Project: Rs.976.24 Crore.
2. Total loan sanctioned by consortium: Rs.600.00 crore.
3. Project Term Loan sanctioned by SBI: Rs.200.00 crore on 27.05.2015.
4. The documentation formalities including Registered Mortgage of Rs.600.00 crore were completed on 06.07.2015 by SBI Cap Trustee Co. Ltd., Security Trustee appointed by the Consortium.
5. Disbursement started by SBI in July 2015. First disbursement made on 15.07.2015.
6. Last disbursement made by SBI on 27.04.2017. Total amount disbursed by SBI: Rs.126.01 crore against sanctioned limit of Rs.200.00 crore.
7. Total loan amount disbursed by consortium member banks including SBI: Rs.377.47 crore against sanctioned limit of Rs.600.00 crore. Project Term Loan was classified as NPA as on 28.05.2017 as per RBI guidelines after slippage of Project CC (Limit: Rs.50.00 crore) account into NPA category. No further disbursement made thereafter.
8. After failure of the company's promoter/ management in adjustment of irregularities in loan accounts, branch had issued legal notice on 27.11.2017 and called up the loan in January 2018.
9. Notice under Section 13(2) of SARFAESI Act issued on 06.01.2018 by SBICAP Trustee Co. Ltd.
10. Further, hard recovery measures like filing of DRT suit, etc. is under process.

(e) Since EOW financial audit report as quoted in the said news items has not been shared with our bank, we are not in position to comment specifically upon which RBI norms are flouted and by which bank.

(f) Material impact of this news item is not ascertainable. However, SBI has taken all the required steps to safeguard bank's interest at sanction/ disbursement/ post disbursement stages as per bank's extant instructions.

Besides, SBI is having tangible primary and collateral security in the form of Land and Building. SBI's total due against DSKDL is Rs.158.23 crore (excluding interest accrued but not applied



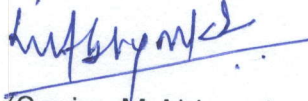
to account after NPA date) against which provision of Rs.23.73 crore has been made by the bank as on 31.03.2018 as per RBI norms.

(g) There is not any information pertaining to DSKDL which the Bank is aware of and not disclosed to Stock Exchange under Regulation 30 of Listing Regulations.

This is for your information and record.

Thanking you,

Yours faithfully



(Sanjay M Abhyankar)

Vice President Compliance & Company Secretary

