

**CLARIFICATION ISSUED ON BEHALF OF DOVE  
INFRASTRUCTURE PVT. LTD IN RESPECT OF THE MEETING  
OF UNIT BUYERS SCHEDULED ON 20.07.2019**

**Objective: To dispel apprehensions of variation in the Scheme.**

To Unit Buyers of Gateway Tower Project, Faridabad

Sir,

We have received a letter dated 05.07.2019 sent by ABW Allottees Welfare Association on behalf of a group of Unit Buyers. It has also come to our knowledge that the said letter is being circulated amongst the Unit Buyers schedule to meet on 20.07.2019 to consider the Scheme proposed by Dove Infrastructure Pvt. Ltd. [hereinafter “DIPL”] for approval.

In the aforesaid letter apprehension has been raised with regard to some of the contents of the “Notice and the Scheme”.

We intend to dispel the apprehensions expressed in the aforesaid said letter as follows.

**1. Apprehension / Misunderstanding No.1:**

**Allottee Welfare Association:** “Contrary to the sequence of meeting provided under Clause 7.1 of the Scheme, the Notice calls for a meeting to vote on the resolutions pertaining to the monetary contribution of the allottee, without calling for the first meeting to form the Interim Class of Creditors as defined under Section 5(f) of the Scheme.”

**DIPL’s Reply to Apprehension / Misunderstanding No.1:**

- (i) The meeting has been convened in terms of the order dated 23.07.2019 passed by the Hon’ble High Court of Delhi and the Chairman and Alternate Chairman has been appointed by the Hon’ble Court to conduct the meeting.
- (ii) A group of customers is of the view that the project can be completed without monetary contribution from the Unit Buyers which is not only impossible but highly unrealistic. To dispel any such notion, it was essential to seek consent of the Unit

Buyers. DIPL would endeavour to complete the project only if the Unit Buyers collectively agree to contribute.

**2. Apprehension / Misunderstanding No.2:**

**Allottee Welfare Association:** “As there is no Interim Class of Creditors, there has been no verification of the list of allottee/customers fulfilling the criteria provided under Clause 5.2 of the Scheme.”

**DIPL’s Reply to Apprehension / Misunderstanding No.2:**

- (i) DIPL has done some exercise to expedite the process. Utmost care has been taken in preparation of the list of Unit Buyers based on available documents gather/compiled by DIPL. The Unit Buyers have been identified based on a combination of documents.
- (ii) A “Voter List” containing details of the Unit Buyers, their respective area, value of their respective votes in terms of “super area” and in terms of “amount paid” would be made available for inspection by the Unit Buyers on the website of DIPL. Any Unit Buyer having any objections pertaining to the Voter List may submit his objections before the meeting which will be considered and dealt by the Chairman of the Meeting as per established procedure/law.
- (iii) The aforesaid “Voter List” would be a subject matter of further security and verification by the Interim Committee/ or Committee of the Class of Creditors of ABWIL.

**3. Apprehension / Misunderstanding No.3:**

**Allottee Welfare Association:** “Clause 7.6 of the Scheme provides that the maximum contribution by an Allottee/Customer will not exceed Rs.1017/- per square feet. The Notice and the Explanatory Statement is contradictory to the scheme of arrangement filed by Dove Infrastructure Pvt. Ltd. before the Hon’ble High Court of Delhi.”

**DIPL’s Reply to Apprehension / Misunderstanding No.3:**

- (i) The contribution of Rs.1017/- to meet the cost of construction was derived by dividing the estimated cost of construction by total super area proposed to be delivered, without taking into consideration the sub-classification of the customers as down

payment customer and/or CLP customers. This was the remaining cost per sq. ft.

- (ii) In the Scheme we had outlined the remaining costs of the project and sought approval from the Unit Buyers. However, to save time and complexities involved, it was thought appropriate that each Unit Buyer should be aware of his share of the financial obligation before choosing DIPL to complete the project.
- (iii) Kindly read Clarification No.1 dated 09.07.2019. The relevant part dealing with the contribution by the Unit Buyers is reproduced hereunder:

- “(i) *The Scheme envisages inbuilt control over the contributions receivable from the Unit Buyers and their use by a Committee of Class of Creditors (Gateway Towers).*
- (ii) *The contribution rates provided in Resolution No.2 is only a proposition by DIPL. The objective is to generate sufficient funds for completion of the project. **The Unit Buyers are entitled to propose and adopt any suitable method by a majority vote which would eventually provide funds needed for completion of construction work.***

The following estimated costs are known till date:

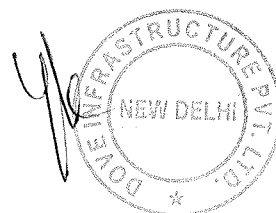
- (i) Cost of remaining Constructions: \*Rs. 66.27 crore.
- (ii) Cost of Settlement with Alchemist: \*\*Rs.12.00 crore
- (iii) Cost of Penalties/Fines for regularization: “#\_\_\_”

\* Excluding GST component. The total burden of GST is likely to be Rs.7.94 crore.

\*\* Our proposal is under consideration of Alchemist.

# This cost is not fully known to us. As per our estimates it would vary from Rs.3.00 crore to Rs.6.00 crore.

- (iii) DIPL would not have any say/objection if the amount of contribution in respect of any category of Unit Buyer is either reduced or increased provided the total contribution is sufficient enough to meet the aforesaid estimated costs.
- (iv) DIPL is also not opposed to single rate of contribution by all unit buyers over and above their respective outstanding amount. However, this mechanism would give rise to the following issues:



- (a) *The contribution rate of each individual would be different depending on the amount paid by him/her and therefore collection of contribution and consequences arising out of non-payment would lead to an unviable commercial situation.*
- (b) *In the event of default in timely payment of the contribution by any defaulting Unit Buyer(s), the remaining non-defaulting Unit Buyers would insist that the allotment of non-paying customers be cancelled and his/her/their unit/area be sold in the open market. The determination of rate at which it would be sold in the open market vis-à-vis non availability of the buyer at such rate would lead to further dispute. On the contrary if rates are categorised and fixed, DIPL would be in a position to arrange funds/ new buyers in the event of default by any of the existing buyer.*

*Therefore, DIPL has suggested method of categorization which provides for better financial manoeuvring in the event of default by some of the Unit Buyers.*

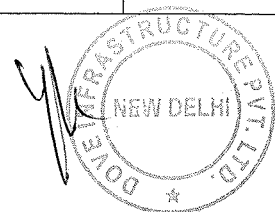
(V) **PROPOSED RATES**

*The computation of all proposed rates are based on given figures pertaining to each customers. Any variation in the given figures, upon verification of documents by the Committee of Class of Creditors (Gateway Towers) may lead to change in the amount of contribution in respect of each customer. However, as per our estimates, such increase/decrease in the rates are not likely to be more or less than 10% in respect of each Unit Buyers.*

*DIPL would enter into agreement with each Unit Buyer only upon finalization of contribution receivable from all the Unit Buyers. The Unit Buyers would be required to contribute only upon signing of individual agreement as per schedule of payment fixed by the Committee of Class of Creditors (Gateway Towers) in consonance with the project schedule.*

(a) **Proposed Rates of Contribution Under Option-I**

<b>Table: Option-I</b>			
<b>Sl.</b>	<b>Categories</b>	<b>Criteria for Categorization</b>	<b>Contribution psf.</b>
(i)	Category-I	Payment- Up to 100% [i.e. greater than or equal to 99.5%]	Rs.900/- psf.



(ii)	Category-II	Payment- Up to 60% [i.e. greater than or equal to 60% or 60% to 99%]	Rs.1200/- psf.
(iii)	Category-III	Payment- Up to 30% [i.e. greater than or equal to 30% or 30% to 59%]	Rs.1600/- psf.
(iv)	Category-IV	Payment- Up to 10% [[i.e. greater than or equal to 10% to 29%	Rs.2100/- psf.

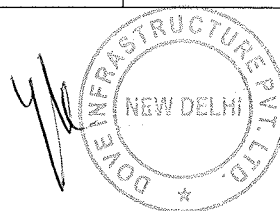
**Notes:**

(i) Ordinarily the Customer who have paid less than 10% is not to be counted as Allottee

(ii) However, it is seen that ABWIL have executed documents in some cases without receipt of minimum 10%. Therefore, considering various grievances/allegation, all the customers who have paid less than 10% but in possession of valid document of allotment may also be treated as Category-IV customer.

(b) **Proposed Rates of Contribution Under Option-2**

<b>Table: Option-2</b>			
<b>Sl.</b>	<b>Categories</b>	<b>Criteria for Categorization</b>	<b>Contribution psf.</b>
(i)	Category-I	Payment- Up to 100% [i.e. greater than or equal to 99.5%]	Rs.600/- psf.



(ii)	Category-II	Payment- Up to 60% [i.e. greater than or equal to 60% or 60% to 99%]	Rs.1300/- psf.
(iii)	Category-III	Payment- Up to 30% [i.e. greater than or equal to 30% or 30% to 59%]	Rs.2000/- psf.
(iv)	Category-IV	Payment- Up to 10% [[i.e. greater than or equal to 10% to 29%	Rs.2900/- psf.

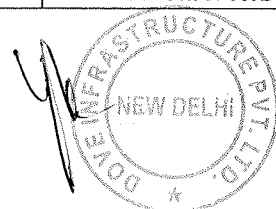
**Notes:**

(i) Ordinarily the Customer who have paid less than 10% is not to be counted as Allottee

(ii) However, it is seen that ABWIL have executed documents in some cases without receipt of minimum 10%. Therefore, considering various grievances/allegation, all the customers who have paid less than 10% but in possession of valid document of allotment may also be treated as Category-IV customer.

(c) **Proposed Rates of Contribution Under Option-3**

<b>Table: Option-3</b>			
<b>Sl.</b>	<b>Categories</b>	<b>Criteria for Categorization</b>	<b>Contribution psf.</b>
(i)	Category-I	Payment- Up to 100% [i.e. greater than or equal to 99.5%]	(i) Individual Outstanding rate: <b>NIL</b>  <b>And/Plus</b>

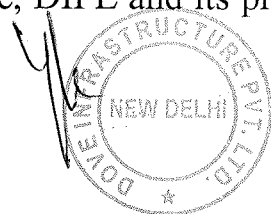


			(ii) Rs.600/- psf.
(ii)	Category-II	All Other customers not falling in Category-I	(i) Individual Rate i.e Outstanding BSP divided by area.  And/Plus  (ii) Rs.600/- psf.
<p><i>Notes: To avoid the complexities involved in this option DIPL does not recommend individual rates for each customer and prefers rates based on categorization. However, if the Unit Buyers ultimately approve this option, then DIPL would accept the same.</i></p>			

#### 4. Proposed Modification

We request Unit Buyers / or their group to suggest a modification in the Resolution No.2 reflecting a consensus amongst the Unit Buyers about the most suitable option of determining the amount of contribution payable by each Unit Buyers with or without categorization. The following aspects requires thoughtful consideration by the Unit Buyers:

- (i) Any proposed modification to be considered in the meeting must be in consonance with the Scheme and provide for collection of funds to the ranging between Rs.80.00 to 85.00 crores. As per estimates of DIPL, the total cost of the project henceforth and up to the date of delivery of the Units to the Buyers cannot be less than Rs. 80.00 crore [excluding GST] including the cost of discharging the obligation towards Alchemist (Secured Creditor) and regularization of the project.
- (ii) The relationship between DIPL and Unit Buyers, upon approval and commencement of the Scheme, would be under high level of the scrutiny by each Unit Buyers/Litigants suffering on account of failure of ABWIL. Therefore, DIPL and its present

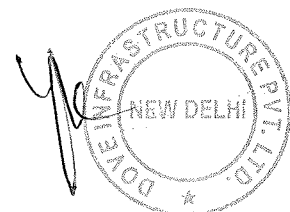


management is abstaining from making any promise which is dependent on contingencies i.e. a future event or circumstance which is possible but cannot be predicted with certainty.

- (iii) DIPL is aware of the strain faced by the Unit Buyers for agreeing to make further contribution for completion of the project. Therefore, DIPL would endeavour [not to be treated as promise or inducement] to compensate the Unit Buyers by allotting suitable additional area provided the surplus/additional area becomes available on account of either cancellation of the allotment/surrender of the area or upon grant of additional FAR, under any policy of Govt. of Haryana, after meeting all the financial obligation of the project.
- (iv) There is no point in doubting the good and sincere efforts of DIPL till date. If the Scheme of hiving off the project from liquidation proceeding of ABWIL is rejected by the Meeting of Unit Buyers, then DIPL would be left with only option i.e. to pursue its alternate prayer placed before the Hon'ble High Court i.e. complete immunity and separation from the affairs pertaining to Gateway Tower except signing of the Sale Deed as and when the project is completed.

Further, through your association, all the Unit Buyers are advised not to indulge into too much of litigation/ activism. The litigation/activism is not a panacea for all ills. What has been lost cannot be recovered merely by litigation/activism. It is one thing to corner some persons in default [ex-management of ABWIL] and it is another to run a business/ project and to deal with Unit Buyers on a day-to-day basis. The Unit Buyers of Gateway Tower are poised in a much better position to secure their right and interest as compared to homebuyers of other companies under liquidation/insolvency proceedings.

Needless to say that with the passage of time more and more claims of ABWIL would come to light and new and complicated issue would arise. Therefore, it is not in the interest of the Unit Buyers to prolong the decision making process on the false and unrealistic expectation or premise that there could be a Scheme without contribution from the Unit Buyers.





We hope that Unit Buyers would find the aforesaid clarifications satisfactory.

Thanking you.

Yours faithfully,

For **Dove Infrastructure Pvt. Ltd.**

  
**Yogesh Gupta**  
**Director**

