

STATUS REPORT

Sheltrex Karjat Private Limited

Sheltrex Karjat Private Limited (“Issue”) issued 900 (Nine Hundred) listed, secured, redeemable, 12% non-convertible debentures with the face value of Rs. 10,00,000/- (Rs. Ten Lakh Only) each, in one or more tranches, for an aggregate amount of Rs 90,00,00,000 (Rupees Ninety Crore only), on a private placement basis.

Background of transaction:

ECL Finance Limited, a Non-Banking Financial Company, on the request of the principal borrower, namely, ‘Sheltrex Karjat Pvt. Ltd.’ agreed to subscribe to secured **Non-Convertible Debentures (“NCDs”) of aggregate face value of Rs. 90 crore (Rupees Ninety Crores Only).**

Catalyst Trusteeship Ltd.(CTL/DT) was appointed as the Debenture Trustee vide Debenture Trustee Agreement dated 27.03.2017, in respect of the NCDs. The said NCDs of aggregate face value of Rs. 90 crores were to be secured inter alia by execution of **unconditional and irrevocable Corporate Guarantee by the Sheltrex Developers Pvt. Ltd** in favour of the CTL, being the Debenture Trustee.

Subsequently, the principal borrower i.e. Sheltrex Karjat Pvt. Ltd. failed to adhere to the terms and conditions of the Debenture Trust Deed dated 07.04.2017 and committed Default in Payment of Interest on 30.09.2019 & Principal on 30.06.2020 in respect of the NCDs. Meeting of Debenture Holders was not required since DT is communicating with Debenture holders on regular basis for instructions and actions. Rating agency, Stock Exchange, SEBI have been informed about default and also placed on our website. We have also communicated to the Issuer regarding appointment of nominee director on the Board of the Issuer on 02.07.2020. However, we have not received any revert from the Issuer. The Debenture Holders are updated on the same. No specific instructions have been given by the Debenture Holders till date.

Action Taken by CTL

Meanwhile some flat owners of the Sheltrex Developers Pvt. Ltd (SDPL) in capacity as a financial creditor initiated corporate insolvency resolution process against the SDPL on 10.12.2019. Accordingly as SDPL owed the CTL, being the Debenture Trustee, in respect of the NCDs, an amount (inclusive of interest) of Rupees 1,15,33,42,322/- filed as claim vide form C under IBC but said claim was rejected by the Resolution Professional (RP) stating that execution of corporate guarantee are not reflected in the audited financial statements for the year 2017-18 of the SDPL, further, the amount so claimed does not match with the amount as mentioned in the said audited financial statements. Moreover, the asset base of the SDPL is very small.

CTL being aggrieved due to rejection of the said claim filed application u/s 60(5) of IBC vide the present application – MA No. 521/2021 and submitted that rejection of the said claim by the RP is unlawful and arbitrary.

Current Status of the Matter:

This matter had come up for virtual hearing on 31.10.2022 before the Hon'ble NCLT, Chennai bench along with a batch of other connected applications. As per the update provided to us, the matter could not be taken up due to paucity of time and was simply adjourned to 20.12.2022.

