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LEGL: HO: DT: REF: 59:2021-22

Date: 22.07.2021

To,

Mr. Arun Kumar Jain  
Vice President  
PA&SF Group, Kolkata  
SBI Capital Markets Ltd.

Dear Sir,

**Sub:** Default on payment of interest & principal by Neelachal Ispat Nigam Limited on NCD NINL 2021 Bonds (ISIN INE514F07075) – reg.

This is with reference to the Strategic Disinvestment of Neelachal Ispat Nigam Limited (NINL), which issued 2000 numbers of NINL Bonds 2021 (ISIN INE514F07075) of face value of Rs.10,00,000/- each aggregating to Rs. 200 Crores during the year 2009, for which Indian Bank is acting as Debenture Trustee. During the years 2018, 2019, 2020 NINL redeemed 3 instalments of each 1/4th of the face value of the said Bonds aggregating to Rs. 150 Crs. NINL defaulted on payment of 4<sup>th</sup> instalment of principal amount to the tune of Rs. 50 Crs and interest thereon which was due on 19.02.2021. Besides the above NINL also defaulted in payment of annual fees for trusteeship to Indian Bank for the said NCD for financial years FY 2019-20 & 2020-21 & 2021 - 22.

We have issued regular reminders and notices to NINL to speed up the payment of outstanding principal amount of Rs.50 Crores plus applicable interest and penal interest thereon along with the Trusteeship fees. We received a letter dated 24.03.2021 from NINL, wherein NINL has stated that the Government of India has initiated strategic disinvestment of NINL and requested to give time for repayment of dues to the Bondholders of the said NCD (ISIN INE514F07075), till the disinvestment completes.

On request, SBICAPS has been provided with the list of Bondholders along with the due amount as on 31.03.2021 vide our email dated 28.04.2021

With regard to claim details; please take on the record the amount due to the bondholders of NCD (ISIN INE514F07075) by NINL as on 30.06.2021 and Annual fee due to debenture trustee for FY 2019-20 & 2020-21 & 2021 - 22 as on 30.06.2021 are given below:

**TOTAL AMOUNT DUE TO BONDHOLDERS OF NINL 2021 BONDS (ISIN INE514F07075) AS ON 30.06.2021:**

	Amount in Rs	
Total Amount Due to Bondholders as on 19.02.2021 (Principal plus applicable interest)	52,61,25,000	Fifty Two Crore Sixty One Lakh Twenty Five Thousand Rupees
*Default Interest from 20.02.2021 to 30.06.2021 (*Default interest is subject to changes)	1,97,32,570	One Crore Ninety Seven Lakh Thirty Two Thousand Five Hundred Rupees
Total Amount Due to Bondholders as on 30.06.2021	54,58,57,570	Fifty Four Crore Fifty Eight Lakh Fifty Seven Thousand Five Hundred Seventy Rupees

\*\* plus penal interest + any other charges (If any) as per trust deed



TOTAL ANNUAL FEE DUE TO DEBENTURE TRUSTEE AS ON 30.06.2021:

	Amount in Rs.	
Total Annual Fee due Debenture Trustee for FY 2019 - 20 & 2020- 21 & 2021 - 22	3,72,480	Three lakh Seventy Two Thousand Four Hundred Eighty Rupees only

Because of the continuous requests from bondholders for immediate settlement of dues to the bondholders, as per the terms of agreement and trust deed dated 13.05.2009 executed between Indian Bank and NINL; we conducted two Bondholders' meeting to discuss further action wherein the bondholders expressed in clear terms to the debenture trustee to take necessary steps on their behalf in a time bound manner for the early realization of Bondholder's dues on NCD NINL 2020 Bonds (ISIN INE514F07075) as no specific timelines for completion of disinvestment process were advised by NINL.

To this end it was resolved in the meeting, for submission of consent forms by the bondholders, as per the trust deed and SEBI guidelines/applicable laws authorizing the debenture trustee on their behalf to initiate appropriate actions against NINL & M/S. MMTC (Corporate guarantor for the said NCD issued by NINL) and to enforce the Security interest or to opting for ICA. In this regard some of the bondholders have already submitted their consent to us for enforcement of security interest.

In light of the above, we on behalf and in the interests of bondholders of the said NCD, request you to furnish us the following details:

- 1) The present status of disinvestment process.
- 2) The probable date of payment of dues to the bondholders of NCD (ISIN INE514F07075).

We request you for arranging the fund with preferential rights under the disinvestment process, as the Bondholders of the said NCD not ready to wait till the completion of the entire disinvestment process involving multiple stages for its completion. As the disinvestment process may take considerable time, the funds which relates to provident/pension funds have got locked and have become dead investment for the retirees.

Hence before embarking on further process, we once again request you to provide us with probable time line for payment of the bondholder's dues, which may facilitate the decision making process and as Debenture Trustee we may have to comply with the mandate provided by the bondholders.

Looking forward to your early reply.

Yours faithfully



**Assistant General Manager (Law)**



CC: SEBI, SEBI Bhavan, Mumbai