



No. MMTC/CO/STEEL/NINL/IB/2020-21/12810

31st March, 2021

The Branch Manager
Indian Bank
Main Branch, G-41, Connaught Circus,
New Delhi-110001

Sub :- Claim against the Corporate Guarantee issued by you in favor of Indian Bank Main Branch, New Delhi in respect to NINL Bonds 2021 ISIN INE514F07075 issued by M/s. Neelachal Ispat Nigam Limited (NINL) – reg.

Ref : (i) MMTC unconditional and irrevocable CG letter dated 19.03.2009.
(ii) MMTC's letter dated 24th March 2021 addressed to AGM(Law), Indian Bank, Chennai.

Dear Sir,

This has reference to Indian Bank letter dated 26.03.2021 on the subject cited above. MMTC vide letter dated 24.03.2021 (copy enclosed) has already submitted its reply to Indian Bank Chennai with a request to take up with NINL suitably in respect of the interest overdue payment of Indian Bank. Besides this, Company Secretary, NINL vide letter dated 24.03.2021 (copy enclosed) had also replied to the compliance officer, debenture trustee, legal department Chennai and assured for overdue payment after disinvestment process gets completed through DIPAM.

As clarified earlier, due to MMTC's own precarious financial condition, MMTC has sought restructuring of loans with its lenders. However, the divestment process of NINL is on fast track through DIPAM and it is gathered that good response has been received against the EOI floated by DIPAM, which closed on 29.03.2021.

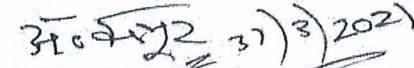
Further, as informed earlier, Department of Mines, Govt. of India has already given clearance for commercial mining for 50% of the annual iron ore production (2 million ton approx.) of NINL for a period of 2 years to till the completion of the divestment of NINL, whichever is earlier. The Iron Ore mining is being undertaken by NINL with assistance of NMDC and the same is expected to commence production shortly and the proceeds are expected to be good enough enabling NINL to disburse statutory dues, operational creditors and pending principal and interest dues to its lenders including Bond interest payment.

In view of above, MMTC would again request you to revoke the invocation of Corporate Guarantee (CG) given by MMTC and take up further with the borrower M/s. NINL.

This issues with the approval of Competent Authority.

Thanking you,

Yours faithfully
MMTC Ltd.


Authorized Signatory


Authorized Signatory

Copy to :-
1. MD, NINL – for information and necessary action please.
2. Dir(Fin.), NINL – for information and necessary action please.

“हिन्दी में लिखे पत्रों का स्वागत है”

कोर-1, “स्कोप कॉम्प्लेक्स”, 7 इंस्टीट्यूशनल एरिया, लोधी रोड, नई दिल्ली-110 003 भारत
Core-1, “SCOPE COMPLEX”, 7 Institutional Area, Lodhi Road, New Delhi-110 003 INDIA
दूरभाष / Tel. : 011- 24362200

E-mail : mmtc@mmtclimited.com



No. MMTC/CO/STEEL/NINL/INDIAN BANK/2020-21

24th March, 2021

The Assistant General Manager (Law)

Indian Bank,
Head Office, Legal Department,
No.66, Rajaji Salai,
CHENNAI-600001

Sub : Notice on the Default on payment of interest & principal of 10.45% NINL 2021 Bonds (ISIN INE514F07075).
Ref : Indian Bank letter LEGL: HO : DT-REF: 83:2020-21
Ref : NPCIL letter NPCIL/PFG/PF/2020-21/158 dt. 22.2.2021

Dear Sir,

This has reference to your letter No. LEGL: HO: DT-REF: 90: 2020-21 dt. 22nd February, 2021 on the subject cited above. It may be mentioned that MMTC is a CPSE under the aegis of Ministry of Commerce & Industry, Govt. of India. NINL is a joint venture company promoted by CPSE like MMTC, NMDC, BHEL, MECON and State PSUs of Government of Odisha.

As you are kindly aware that NINL had issued 10.45% Secured, Redeemable, Non-Convertible, Rated Bonds aggregating to Rs.200 Crores (hereinafter referred to as "Issuer") on 19.2.2019. Indian Bank is acting as the Debenture Trustee for the bondholders of NINL. Out of the said Bonds, 3 instalments of 1st 4th of the face value (Rs. 50 Crore each) amounting to Rs. 150 Crores have been redeemed by NINL. 4th instalment payment of Rs. 50 Crores and interest accrued was due on 19.2.2021 which has not been confirmed by NINL. As Indian Bank have not received any confirmation from NINL, Indian bank have referred Clause 7 of the Trust Deed dt. 13.5.2009, between NINL and Indian Bank on the Event of Default.

Indian Bank is well aware that the divestment process of NINL is on fast track through DIPAM and PIM/EOI had already been floated inviting expression of interest to participate in strategic divestment of NINL by 29.03.2021.

Department of Mines, Govt. of India has already given clearance for commercial mining for 50% of the annual iron ore production of NINL for a period of 2 years or till the completion of the divestment of NINL, whichever is earlier. The Iron ore mining is being undertaken by NINL with assistance of NMDC and the same is expected to commence production shortly and the proceeds are expected to be good enough enabling NINL to disburse the statutory dues, operational creditors and pending interest dues to its lenders including Bond interest payment.

"हिन्दी में लिखे पत्रों का स्वागत है"

Contd. 2/-
J. P. Singh

कोर-1, "स्कोप कॉम्प्लेक्स", 7 इंस्टीट्यूशनल एरिया, लोधी रोड, नई दिल्ली-110 003 भारत
Core-1, "SCOPE COMPLEX", 7 Institutional Area, Lodhi Road, New Delhi-110 003 INDIA
दूरभाष / Tel. : 011- 24362200

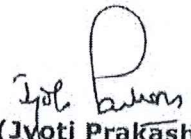
E-mail : mmtd@mmtclimited.com Website : www.mmtclimited.gov.in

Since NINL is in the process of generating its own financial resources, we request you to kindly refrain from taking any action on Invocation of Corporate Guarantee issued by MMTC as a promoter, which itself is in poor financial condition at the moment and is not able to service its own bank dues for which application has been made to lenders for restructuring of loan of MMTC.

In view of above, you are requested to kindly take up with NINL suitably in respect of the interest overdue payment of Indian Bank.

Yours faithfully,
For MMTC Limited


(Abhay Kumar) 24/3/2021
General Manager (Mktg.)


(Jyoti Prakash)
Addl. General Manager (F&A)

Copy to.:

1. MD, NINL - for kind information please.
2. Director (Finance), NINL - for necessary action and follow up please.



NEELACHAL ISPAT NIGAM LIMITED
IPICOL HOUSE (1ST FLOOR ANNEXEE), BHUBANESWAR – 751022, ORISSA, INDIA
TEL : (0674) 2543231, 2543354, 2543741, FAX : 2541763,
website : www.ninl.in, CIN : U27109OR1982GOI001050

Ref. NINL/CS/09/012/

Date : March 24, 2021

The Compliance Officer
Debenture Trustee
Head Office, Legal Dept.
Indian Bank,
Chennai – 600001

Sub: Indian Bank Notice on the Default on payment of principal & interest of 10.45% on NINL 2021 Bonds (ISIN INE514F07075) - REG.

Dear Sir/Madam,

With reference to the captioned subject, we wish to inform you that the operational activity of NINL plant has been stopped since March 2020 and employees are not being paid their salary since last 10 months. The Bank dues are unpaid since February 2020. The Central Government has taken the initiative for strategic disinvestment and Expression of Interest (EOI) has already been floated. The process is undergoing.

We assure you for overdue payment after disinvestment process completes, through water fall arrangements for disbursal of liability of NINL provision of same is kept. Request you to bear with us and give us some time.

Thanking you.
For Neelachal Ispat Nigam Limited

[K. C. Mohanta]
Company Secretary

debenturetrustee

From: debenturetrustee
Sent: Thursday, April 01, 2021 2:47 PM
To: ABHAY KUMAR MMTC; rkjha1960; mdsecttninl NINL; SV Shahi Dir(F) NINL;

Subject: RE: Claim against the Corporate Guarantee issued by you in favour of Indian Bank Main Branch, New Delhi in respect to NINL Bonds 2021 ISIN INE514F07075 issued by M/s. Neelachal Ispat Nigam Limited (NINL) – reg.
Attachments: INDIAN BANK LETTER DTD. 31.03.2021.PDF
Importance: High

Dear Sirs,

Sub : Claim against the Corporate Guarantee issued by you in favour of Indian Bank Main Branch, New Delhi in respect to NINL Bonds 2021 ISIN INE514F04075 issued by M/s Neelachal Ispat Nigam Limited – reg.

Ref: MMTC unconditional and Irrevocable Corporate Guarantee letter dated 19.03.2009

Ref: MMTC letter No. MMTC/CO/STEEL/NINL/INDIAN BANK/2020-21 dated 24.03.2021

Ref: NINL Letter No. NINL/CS/09/012 dated 24.03.2021

Ref: MMTC letter No. MMTC/CO/STEEL/NINL/IB/2020-21/12810 dated 31.03.2021

This has reference to your trailing mail given below and our New Delhi Main Branch Letter No. IB/NDM/CRM/NINL/2020-21 dated 26.03.2021, on the captioned subject, wherein we through our New Delhi Main Branch, have invoked the corporate guarantee issued by MMTC with respect to default by M/s NINL in payment to bondholders of NINL 2021 Bonds (ISIN INE514F07075).

In this regard, we received your letter No. MMTC/CO/STEEL/NINL/IB/2020-21/12810 dated 31.03.2021(copy attached) addressed to Branch Manager, New Delhi Main Branch through email on 31.03.2021, wherein you requested us, to revoke the invocation of Corporate Guarantee (CG) and take up further with the borrower M/s NINL.

In view of the above, we reiterate that the Bondholders of the said bonds are continuously demanding for immediate payment of principal amount and along with accrued interest. We could not consider your request for revocation of the invocation of corporate guarantee made vide our New Delhi Main Branch letter dated 26.03.2021.

The bondholders are concerned about recovery of their invested money in NINL Bonds 2021(ISIN INE514F07075) and as such we request again for immediate deposit of the amount as mentioned in the said corporate guarantee invocation letter dated 26.03.2021.

If, the amount is not received immediately, further course of action will be initiated in consultation with the Bondholders of the NINL 2021 Bonds (ISIN INE514F07075).

With regards

Anil Babu (Manager / Compliance Officer)

Debenture Trustee, HO Legal Dept.

Indian Bank, Chennai - 1

Landline: 044 2527 9954

Mobile: 8008763135