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LEGL: HO: DT-REF: 64 :2021-22

HEAD OFFICE
LEGAL DEPARTMENT
No.66, Rajaji Salai
CHENNAI – 600 001

04.08.2021

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

Dear Sir,

Sub: Strategic Disinvestment of Neelachal Ispat Nigam Limited (NINL) – accruing of claim amount till the payment of due to bondholders on the NCD NINL 2021 (ISIN INE514F07075) and objections to pre-payment of operational creditors dues– reg.

Ref: Our letter no. LEGL: HO: DT: REF: 59:2021-22 dated 22.07.2021

Ref: Your letter no. KRO/PASF/NINL-DIPAM/139 dated 03.08.2021

This is with reference to your letter KRO/PASF/NINL-DIPAM/139 dated 03.08.2021 on the subject update on Strategic Disinvestment of Neelachal Ispat Nigam Limited (NINL) in light of default on payment of interest & principal on NCD NINL 2021 Bonds (ISIN INE514F07075), wherein we observe that the amount due to bondholders as on 30th June 2021 has been taken on record for distribution and payment from and out of the proceeds.

In this regard, we inform you the following:

1. The claim amount payable towards dues to Bondholders of NINL 2021 Bonds (ISIN INE514F07075), is on an accruing basis till the date of payment of dues to Bondholders and the same is to be informed to Shortlisted Bidders
2. The claim amount towards trusteeship fee to Indian Bank (Debenture Trustee) by NINL for the FY's 2019 -20,2020-21,2021-22, the details of which were provided to you vide our letter no. LEGL: HO: DT: REF:59:2021-22 dated 22.07.2021 has not been included and please note to include the said dues and provide us a confirmation to that effect.
3. We object to pre-payment of operational creditors dues before the payment of dues towards the bondholders of NCD NINL 2021 Bonds (ISIN INE514F07075) as the amount involves provident/pension funds payable to retirees. We will be forced to initiate necessary recovery action for enforcement of security interest on behalf and in the interests of bondholders.

In light of the above, we request you to take on record the claim amount due to bondholders of above said NCD and annual trustee fee due to debenture trustee on accrual basis till the date of payment of dues and kindly reply to refrain from pre-payment of operational creditors before the payment of bondholders.

Warm Regards


Assistant General Manager



CC to: 1. SEBI, SEBI Bhavan, Mumbai – For information.

2. SBI Capital Trustee Ltd. (Debenture Trustee for ISIN INE514F07083) – For Information and necessary follow-up.