



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

24<sup>th</sup> 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. 22<sup>nd</sup> 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 1\4<sup>th</sup> of the face value (Rs. 50 Crore each) amounting to Rs. 150 Crores have been redeemed by NINL. 4<sup>th</sup> 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/-

कोर-1, "स्कोप कॉम्प्लैक्स", 7 इंस्टीट्यूशनल एरिया, लोधी रोड, नई दिल्ली-110 003 भारत  
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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)**  
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.