



No.1896/SBICAP/DT/2016-17

Date: 30th August, 2016

To,

James Warren Tea Limited Employees Gratuity Fund 12,Dr Harendra Coomer Mukherje 'E Sarani', Kolkata 700071	ESPN EPF Trust 'Star House 30th Floor 'Urmi Estate 95 Ganpatrao Kadam Marg 'Lower Parel (West)' Mumbai 400013
Ferro Scrap Nigam Limited Staff Provident Fund FSNL Bhawan Central Avenue Equipment Chowk Bhilai 490001	The State Trading Corporation Of India Limited Employees Provident Fund Trust Jawahar Vyapar Bhawan Tolstoy Marg New Delhi 110001
Pune Zilla Madhyawarti Sahakari Bank Maryaditprovident Fund 4/B 'B J Road Pune 411001	VIP Industries Limited Employees Provident Fund 78 M I D C Estate Satpur Nashik 422007
The Indian Seamless Metal Tubes Ltd Provident fund Lunkad Towers Viman Nagar Off Pune Nagar Road Pune 411014	CPF For The Staff of OMC Ltd Orissa Mining Corporation Ltd Bhubaneswar 751001
Warren Staff Provident Fund Suvira House 4b Hungerford Street Kolkata 700017	The West Bengal Power Development Corporation Limited Employees Contributory Provident Fund Bidyut Unnayan Bhaban 3 / C, La Block 'Sector – III Saltlake, West Bengal 700098
APCPDCL Pension And Gratuity Trust D No 6-1-50,APCPDCL Corporate Office 3rd Floor Mint Compound Hyderabad 500063	The Mysore Paper Mills Employees Provident Fund Trust The Mysore Paper Mills EPF Trust Paper Town Bhadravathi Bangalore 577301
Karnataka State Financial Corporation Epf Trust No 1/1 K S F C Bhavan, Thimmaiah Road Bangalore 560052	CBT EPF-11-C-DM Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor C-38/39 G-Block, Bkc Bandra (East) Mumbai India 400051
United India Insurance Company (Employees) Pension Fund C/O United India Insurance Company Ltd Head Office 24 Whites Road Chennai 600014	SESA Group Employees Provident Fund Sesa Ghor 20 Edc Complex Patto Panjim Goa 403001
Gujarat Alkalies And Chemicals Ltd Employees Provident Fund Trust Gacl P O Petrochemicals 'Dist Vadodara 391346	Issal Superannuation Fund Indian Seamless Steels And Alloys ltd Kapha Building '174 Dhole Patil Road Pune 411001
Bhel Employees Provident Fund Trust Bhopal Administrative Building Bhel Raisen Road Piplani Bhopal 462022	Hindustan Steelworks Construction Ltd Employees Provident Fund Trust 5/1, Commissariat Road, Hastings Kolkata 700022
Ray Engineering Private Limited Employees Provident Fund Trust Ray Compound Plot No -2 Opp IIT, Market Post IIT, Powai Mumbai 400076	Trustee Goodyear India Ltd Factory Provident Fund Trustee Goodyear India Ltd Factory provident Fund Ballabgarh 121004



Dear Sir/Madam,

Re: Hindustan Organic Chemicals Limited ("Company") - 10.57% Government of India Guaranteed Taxable Redeemable Non-Convertible Bonds in the nature of Debentures aggregating to Rs.100 Crores.

We refer to above mentioned NCDs wherein we, SBICAP Trustee Company Limited, are acting as Trustee.

In this connection, we may inform you that the due date of payment of interest for the abovementioned Bond Series was on 29th August, 2016 (28th August 2016 being Sunday). As per information memorandum Company was required to deposit the interest on or before 06th Aug 2016 in Designated Account.

However, the requisite amount was not deposited in the Designated Account, due to which, we in our capacity as Trustee invoked the Government of India (GOI) Guarantee on 18th August, 2016.

As per the structure, the Government of India was required to deposit the required amount in the Designated Account on 27th August, 2016. However, we have still not received any confirmation that the amount is deposited in the designated account. We are in receipt of letter from Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals dated 05th August, 2016 and 29th August, 2016 informing that the payment of interest is under process.

In this case, this is treated as Default (non-payment of Interest) and request you to take a note of the same and advise further course of action.

Please treat this as "MOST URGENT".

Yours faithfully,
For SBICAP Trustee Company Limited



Ajit Joshi
Company Secretary



Enclosure: 1. Invocation letter by SBICAP Trustee company Limited dated 18th August, 2016.
2. Letter from Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals dated 05th August, 2016 & 29th August, 2016.

CC:

- 1. Secretary**
Government of India
Ministry of Chemicals & Fertilizers,
Department of Chemicals & Petrochemicals,
Dr. Rajendra Prasad Road, Shastri Bhawan,
New Delhi - 110 001.
- 2. Credit Analysis & Research Limited (CARE Ratings)**
4th Floor, Godrej Colisium,
Somaiya Hospital Road, Off: Eastern Express Highway,
Sion (East), Mumbai – 400 022



3. Hindustan Organic Chemicals Limited

At & Post Rasayani,
Dist. Raigad, Pin - 410207

4. Kind Attention: Ms. Medha Sonparote, Deputy General Manager,

Market Intermediaries Regulation & Supervision Division – 5

The Securities Exchange Board of India

Investment Management Department

Division of Funds I, Plot No. C 4 A, G block,

Bandra Kurla Complex, Bandra (East),

Mumbai- 400 051

5. BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street Mumbai- 400001



No:1757/SBICTCL/DT/2016-17

Date: 18th August, 2016

To
Joint Secretary (Chemicals)
Department of Chemicals and Petrochemicals,
Ministry of Chemicals and Fertilizers,
Government of India,
Shastri Bhavan, Dr.Rajendra Prasad Road,
New Delhi - 110001

Dear Sirs,

Sub : Hindustan Organic Chemicals Limited (the "HOCL") - Payment of Interest to Bond Holders on Interest due date.

We, SBICAP Trustee Company Ltd, are acting as Bond Trustee for 10.57% HOCL Bonds (Series XX) 2017 aggregating to Rs.100 Crores. The said Bond series is guaranteed by Government of India vide Guarantee Letter ref. no. P.51015/12-2012-CH III dated 13th August 2013 issued by the Government of India (GOI), Ministry of Chemical and Fertilizers, in favour of HOCL, a copy of which is annexed hereto.

We hereby advise that an amount of Rs.10,57,00,000 (Rupees Ten Crores Fifty Seven Lakhs Only) (the "**Due Amount**") being the interest for the aforesaid Bond series, is payable by the Company to the Bondholders on 28th day of August 2015 (the "**Due Date**"), however 28th August, 2016 being a holiday the interest will be paid on next working day i.e. 29th August, 2016. As per the terms of the issue of Bonds, HOCL was required to deposit the Due Amount in the designated account no. 00600350009073 with HDFC Bank Limited, Fort Branch, Mumbai, 15 days prior to the Due Date i.e. on 6th August, 2016. We have written a letter to HOCL, no 1327/SBICTCL/DT/2016-17 dated 11th July 2016 for depositing funds in aforesaid designated account. However HOCL has not made the funds available in the said designated account. As per the terms of the Debenture Trust Deed and the Govt. of India guarantee, if the funds are not made available on the required date, we in our capacity as Debenture Trustee are required to invoke the guarantee and request the Govt. of India to deposit the funds the designated account.

As the funds are not made available, we hereby invoke the guarantee and call upon you to deposit the Due Amount on or before 27th August 2016 in the aforesaid designated account and direct HOCL to make the interest payment to the Bondholders on 29th August 2016 under advice to us.

Yours faithfully,
For SBICAP Trustee Company Limited

Ajit Joshi
Company Secretary

CC:

1. Mr. P Sathyanarayanan - General Manager (Corporate Finance)
Hindustan Organic Chemicals Limited
At & Post Rasayani,
Dist. Raigad, Pin - 410207
2. **Credit Analysis & Research Limited (CARE Ratings)**
4th Floor, Godrej Colisium,
Somaiya Hospital Road, Off: Eastern Express Highway,
Sion (East), Mumbai – 400 022



XXV. ANNEXURES

A. GOVERNMENT OF INDIA GUARANTEE LETTER

01/01/2013 10:07 FAX

01/01/2013

MOST IMMEDIATE

No.P.51015/12/2012-CH III
Government of India
Ministry of Chemicals and Fertilizers
Department of Chemicals & Petrochemicals

New Delhi, dated 13th August, 2013

Shri V B R. Nair,
Chairman & Managing Director,
Hindustan Organic Chemicals Ltd
81 Mahurabi Carve Road,
Harchandrai Marg, Mumbai

Subject: Revision of the terms and conditions of the Rehabilitation package for Hindustan Organic Chemicals Limited (HOCL), a CPSE under the Department of Chemicals & Petrochemicals, approved in 2006

Sir,

I am directed to say that the Department of Chemicals and Petrochemicals has submitted before the Cabinet Committee on Economic Affairs (CCEA) a proposal in respect of HOCL on the subject mentioned above.

2. The above proposal was considered by the Cabinet Committee on Economic Affairs in its meeting held on 1st August, 2013 and the Committee has approved as under:

a. Postponement of the redemption of shares issued to the Government of India, worth Rs. 270 crore (total of 27 crore shares, 8% Redeemable Non-Cumulative Preference Shares, each of Rs.10), in favour of the President of India, from the financial year 2011-12 to 2015-16, onwards in 4 equal installments of 25% each on the payment of interest @ 1.5% on the redemption value for the period of postponement and penal interest @ 1% on the default in payment of Preference shares by the due date. As per the existing terms, these shares were due for redemption from 2011-12 onwards @ 25% each year in 4 years from the date of allotment of 24th 2006.

b. Extension of Government of India guarantee for Rs.100 crore for a period of 5 years (i.e. up to 28 August 2017), in order to enable HOCL to tide over its liquidity problems and facilitate smooth running of the company, subject to the cost of borrowings being benchmarked with G-Sec rate of comparable maturity plus a small spread say 50 to 75 bps. Any increase in the cost of borrowing beyond the above rate shall not have the cover of Sovereign guarantee and it will be an administrative decision on the part of Department of Chemicals & Petrochemicals and HOCL for fixing the cost of borrowing beyond the guaranteed interest rates. The Government guarantee will continue to be valid even on referral of HOCL to BIFR under the Sick Industrial Companies Act (SICA).



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3 Accordingly, HODs are requested to take further necessary action in the matter as per the implementation schedule attached herewith and submit monthly implementation status to this Department for inclusion in the Monthly Summary of the Department for the information of the Members of the Council of Ministers.

Yours faithfully

Arun Agarwal
(Arun Agarwal) 13/8/15
Director



IMPLEMENTATION SCHEDULE

Subject - Cabinet Note for consideration of the CCEA for revision of the terms and conditions of the Rehabilitation package approved in 2006 for Hindustan Organic Chemicals Limited (HOCL) a Central Public Sector Undertaking under the administrative control of the Department of Chemicals & Petrochemicals.

List of decision required	Project benefits	Time schedule and manner of Implementation
<p>a. Postponement of the redemption of shares to the Govt of India, worth Rs.270 crore (total No. of 27 crore shares, 8% Redeemable Non-Cumulative Preference Shares) each year for issued in favour of the President of India (GOI) from the financial year 2011-12 to 2015-16 onwards in 4 equal installments of 25% each on the payment of interest @ 1.5% on the redemption value for the period of postponement may be changed with stipulation penal interest @ 1% on the default in payment of Preference shares by the due date. As per the existing terms, those shares are due for redemption from 2011-12 onwards @ 20% each year (i.e. 4th year from the date of allotment of 24-01-2005).</p>	<p>The decision will help in turning around HOCL.</p>	<p>The decision of the Cabinet will be communicated to the BPPSE, HOCL and other concerned Departments within 7 days of the approval of the Cabinet.</p>
<p>b. Extension of Government of India guarantee to Rs 100 crore for a period of 5 years i.e. up to 28 August 2017 in order to enable HOCL to tide over its liquidity problems and facilitate smooth running of the company subject to the cost of borrowings being benchmarked with G-Soc rate of comparable maturity and a small spread say 50 to 70 bps. Any increase in the cost of borrowing beyond the above rate shall not have the cover of Sovereign guaranteed and it will be an administrative decision on the part of Department of Chemicals & Petrochemicals and HOCL for fixing the cost of borrowing beyond the guaranteed interest rates. The Sovereign guaranteed will continue to be available to the extent of HOCL to BPPSE under the Government of India guarantee Act, 1956.</p>		



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2001

MOST IMMEDIATE

No 51/04/2009-CH-III
Government of India
Ministry of Chemicals and Fertilizers
Department of Chemicals & Petrochemicals

New Delhi, dated 13th August, 2013

✓

Sri V B R Nair
Chairman-cum-Managing Director
Hindustan Organic Chemicals Limited
Kanchandral House,
214, Mandarshi Karia Marg
Mumbai-400 002

Subject Extension of Government Guarantee for Rs 100 crore in respect of HOCL

Sir

I am directed to refer to your letter dated 13.08.2013 on the above subject. It has been decided by the Cabinet to extend the validity of the said Government Guarantee for a further period of five years upto 28.08.2017 subject to the following conditions:-

1. "Extension of Government of India guarantee for Rs 100 crore for a period of 5 years i.e. up to 28 August 2017 in order to enable HOCL to tide over its liquidity problems and facilitate smooth running of the company subject to the cost of borrowings being kept in line with 10.5% rate of comparable maturity plus a small spread say 50 to 70 bps. Any increase in the cost of borrowing beyond the above rate shall not have the cover of sovereign guarantee and it will be an administrative decision on the part of Department of Chemicals & Petrochemicals and HOCL for fixing the cost of borrowing beyond the guaranteed interest rates. The Government guarantee will continue to be valid even on referral of HOCL to BIFR under the Sick Industrial Companies Act (SICA)."

2. All other terms and conditions including the rate of Guarantee fee, as mentioned in the first Guarantee letter No 51.8/2001-CH III dated 19.12.2001 referred to above, shall remain unchanged

Yours faithfully,

(Signature)
13/8/13
(Arun Agrawal)
Director

Copy to -

Finance Division, D/o C&PC, New Delhi.

Corporate Office: Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.
Tel : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com



**SBICAP Trustee
Company Ltd.**

No.1327/SBICTCL/DT/2016-17

Date: 11th July, 2016

Hindustan Organic Chemicals Limited
At & Post Rasayani,
Dist. Raigad, Pin - 410207

Kind Attn: Ms. Susheela S Kulkarni (Company Secretary)

Dear Sir,

Ref: 10.57% Government of India Guaranteed Taxable Redeemable Non-Convertible Bonds in the nature of Debentures aggregating to Rs.100 Crores Series XX (T- 45 Reminder)

We refer to above mentioned NCDs wherein we, SBICAP Trustee Company Limited, are acting as Trustee.

The due date of payment of interest for the abovementioned Bond Series is **28th Aug 2016**. As per information memorandum HOCL is required to deposit the interest on or before **6th Aug 2016** in Designated Account.

Please note that if the requisite amount is not deposited in the Designated Account as per the structure, it will tantamount to a default and we in our capacity as Trustee will be required to invoke the Government of India Guarantee.

Therefore we request you to kindly make necessary arrangements to deposit interest amount in the Designated Account.

Please treat this as "MOST URGENT".

Yours faithfully,
For **SBICAP Trustee Company Limited**

Ajit Joshi
Company Secretary

CC:

1. Secretary

Government of India
Ministry of Chemicals & Fertilizers,
Department of Chemicals & Petrochemicals,
Dr. Rajendra Prasad Road, Shastri Bhawan,
New Delhi - 110 001.

2. **Credit Analysis & Research Limited (CARE Ratings)**

4th Floor, Godrej Colisium,
Somaiya Hospital Road, Off: Eastern Express Highway,
Sion (East), Mumbai - 400 022

URGENT

No.P.51012/04/2013-Ch.III (Pt.)
Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals & Petrochemicals

Shastri Bhawan, New Delhi

Dated 05th August, 2016

Shri Ajit Joshi,
Company Secretary,
SBICAP Trustee Company Ltd.
Appejay House, 6th Floor,
3 Dinshaw Wachha Road,
Churchgate, Mumbai – 400 020

**Subject: 10.57% Govt. of India guaranteed redeemable non-convertible bonds
in the nature of Debentures aggregating Rs.100 crore (Series XX)**

Sir,

Please refer to your letter No.1327/SBICTCL/DT/2016-17 dated 11.07.2016 on the above mentioned subject vide which HOCL has been requested to deposit interest payment on the Rs.100 crore bonds in the designated account on or before 06.08.2016.

2. HOCL is registered with BIFR under the provisions of Sick Industrial Companies Act (SICA), 1985, as a sick company. In view of the poor financial position of the company, it is not in a position to pay interest on the Rs.100 crore bonds from its internal resources.

3. A proposal for providing financial assistance to HOCL to enable it to make the interest payment by the due date of 28th August, 2016, has been approved by Ministry of Finance and included in the First Supplementary Demands for Grants, 2016-17 laid down in the Parliament on 01.08.2016. The funds will be released to HOCL after the Parliamentary procedure is completed and Notification in this regard is issued by the Ministry of Finance. As this process will take some time, it is not possible for funds to be released to HOCL for depositing the interest amount in the designated account by 06.08.2016.

4. It is, therefore, requested that any decision regarding invocation of Govt. guarantee may be deferred until the Parliamentary procedure is completed and the requisite Notification issued by Ministry of Finance following which funds would be expeditiously released to HOCL for interest payment on the Rs.100 crore bonds.

Yours faithfully,

Ram Prabhakar

(Ram Prabhakar)

Under Secretary to the Govt. of India

TEL: 011-23388635

Copy to:

1. CARE Ratings, 4th Floor, Godrej Colisium, Somaiya Hospital Road. Off. Eastern Express Highway, Sion (East), Mumbai – 400 022
2. CMD, HOCL – with the request that the matter may be further followed up with SBICAP and CARE Ratings

URGENT

**No.P.51012/04/2013-Ch.III (Pt.)
Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals & Petrochemicals**

Shastri Bhawan, New Delhi
Dated 29th August, 2016

Shri Ajit Joshi,
Company Secretary,
SBICAP Trustee Company Ltd.
Apejay House, 6th Floor,
3 Dinshaw Wachha Road,
Churchgate, Mumbai – 400 020

**Subject: 10.57% Govt. of India guaranteed redeemable non-convertible bonds
in the nature of Debentures aggregating Rs.100 crore (Series XX)**

Sir,

Please refer to your letter No.1757/SBICTCL/DT/2016-17 dated 18.07.2016 on the above mentioned subject vide which the Govt. of India has been requested to deposit the requisite interest payment of Rs.10.57 crore on the Rs.100 crore HOCL Bonds (Series XX) in the designated account on or before 27.08.2016.

2. As already informed vide this Department's letter of even number dated 5th August, 2016, a proposal for providing financial assistance to HOCL to enable it to make the above interest payment has been approved by the Ministry of Finance and included in the First Supplementary Demands for Grants, 2016-17 laid down in the Parliament on 01.08.2016. It was mentioned in the letter that the requisite funds will be released to HOCL after the Parliamentary procedure is completed and Notification in this regard is issued by the Ministry of Finance. The said Notification is expected to be issued shortly following which necessary action will be taken for making the interest payment.

3. In view of the position brought out above, it is requested that your letter dated 18.07.2016 referred to in para 1 above may please be withdrawn immediately.

Yours faithfully,


(Dinesh Kumar)

Director

TEL: 011-23386047

Copy to:

1. CARE Ratings, 4th Floor, Godrej Colisium, Somaiya Hospital Road, Off. Eastern Express Highway, Sion (East), Mumbai – 400 022
2. CMD, HOCL – with the request that the matter may be further followed up with SBICAP and CARE Ratings