

Chronology of Events –Default in NCDs aggregating to ₹100 crore issued by Madhya Pradesh Financial Corporation (MPFC)

ATSL, acting as Bond Trustee under the Bond Trust Deed dated January 5, 2015, for the 9.20% unsecured, redeemable, non-convertible bonds (ISIN INE348F08043) aggregating to ₹100 crore issued by Madhya Pradesh Financial Corporation (MPFC), received an email from the issuer dated November 20, 2024. In this communication, MPFC confirmed that interest payments up to the due date of November 19, 2024, had been made to all bondholders, and principal redemption of ₹3.08 crore was paid to 32 bondholders.

However, payment of ₹36.92 crore to 8 remaining bondholders were pending, to be made from funds sanctioned by the Government of Madhya Pradesh. ATSL noted that the non-payment of principal constituted an Event of Default under Clause 8.2 of the Bond Trust Deed and initiated enforcement action against the issuer.

S. No.	Date	Event / Update
1	29-Aug-2013	The Government of Madhya Pradesh issued a guarantee notification for ₹100 crore bonds issued by MPFC.
2	28-Oct-2014	The Government of Madhya Pradesh executed a Guarantee Deed backing the MPFC bonds.
3	05-Jan-2015	MPFC entered into a Bond Trustee Agreement with Axis Trustee Services Ltd. (ATSL).
4	18-Nov-2024	The Government of Madhya Pradesh issued an order (Ref: F-2/7/2021/E/4) approving funds for MPFC to pay remaining bondholders.
5	19-Nov-2024	Due date for final principal redemption (40%) and interest payment. Interest was paid to all bondholders; principal paid to 32 bondholders (₹3.08 crore). Payment to 8 bondholders (₹36.92 crore) remained unpaid.
6	19-Nov-2024	Event of Default occurred due to non-payment of principal and interest to 8 bondholders.
7	20-Nov-2024	MPFC confirmed partial payment and pending dues via email. ATSL informed debenture holders of the default.
8	21-Nov-2024	ATSL issued a formal Letter to Issuer declaring an Event of Default and invoked right to appoint a nominee director.
9	21-Nov-2024	ATSL sent a Letter to Debenture Holders informing them of the event of default and convened a meeting on 29-Nov-2024.
10	22-Nov-2024	MPFC sent a letter to ATSL requesting an extension until 19-Dec-2024 for payment of ₹36.92 crore to 8 remaining bondholders. MPFC confirmed that ₹3.08 crore had already been paid to 32 bondholders and interest was paid to all

11	28-Nov-2024	ATSL sent an Invocation Letter to the Governor of Madhya Pradesh under the Guarantee Deed.
12	29-Nov-2024	Meeting of Debenture Holders was held. Issuer assured payment by 19-Dec-2024. Debenture holders instructed ATSL to follow up with the Governor and monitor payment.
13	03-Dec-2024	ATSL sent a Letter to Debenture Holders enclosing minutes of the 29-Nov-2024 meeting.
14	03-Jan-2025	A second meeting of Debenture Holders was held. ATSL informed that payment was still pending despite the extension. Issuer assured payment upon receipt of funds from GoMP and promised confirmation by around 15-Jan-2025.
15	17-Jan-2025	ATSL sent a Letter to Debenture Holders enclosing minutes of the 03-Jan-2025 meeting.
16	30-Jan-2025	The Government of Madhya Pradesh issued a payment order for ₹150 crore, including ₹115.76 crore for MPFC and ₹34.24 crore for bond redemption, to be credited to IDBI Bank account of MPFC.
19	27-Jan-2025	A meeting of Debenture Holders was held. Issuer confirmed they were in the final stage of obtaining approvals and that the subsidy from GoMP was earmarked for full payment of principal, interest, and penal interest. ATSL suggested legal remedies and appointment of legal counsel.
20	27-Feb-2025	MPFC made principal payment of ₹36.92 crore to the remaining 8 bondholders, as confirmed in the bank statement and email dated 20-Mar-2025.
21	11-Mar-2025	MPFC made penal interest payment of ₹1.13 crore to bondholders, as confirmed in the bank statement and email dated 20-Mar-2025.