JINDAL STRIPS LIMITED

(CIN No: - U26940DL1983PLC016782)
Regd. Office: 28, Najafgarh Road, New Delhi-110015

November 18, 2021

BSE Limited

Listing Department,
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001
Email: corp.relations@bseindia.com
Security Code No.: 539597

National Stock Exchange of India Ltd.

Listing Department,
Exchange Plaza, 5th Floor,
Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051
Email: cmlist@nse.co.in
Security Code No.: JSLHISAR

Subject: Disclosure of reasons for encumbrance of shares of Jindal Stainless (Hisar) Limited

Dear Sirs,

With reference to SEBI Circular number SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated August 7, 2019, prescribing to submit an additional disclosure by the promoter of listed companies under Regulation 31(1) read with Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, with the stock exchanges and the listed company.

In this regard, please find enclosed herewith disclosure of reasons for encumbrance of shares of Jindal Stainless (Hisar) Limited in prescribed format – Annexure II.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For Jindal Strips Limited
(Acting on behalf of Promoter/Promoter Group of Jindal Stainless (Hisar) Limited)

(Mahabir Prashad Gupta)
Director

CC:
The Company Secretary
Jindal Stainless (Hisar) Limited
O.P. Jindal Marg, Hisar – 125 005
Email: b.harit@jshl.in

Enclosed as above

Annexure II

Format for disclosure of reasons for encumbrance

(In addition to Annexure-I prescribed by way of circular dated August 5, 2015)

Name of Listed Company	Jindal Stainless (Hisar) Limited ("**JSHL**")
Name of the recognised stock exchanges where the shares of the Company are listed	i. The National Stock Exchange of India Limited ii. BSE Limited
Name of the promoters / PACs whose shares have been encumbered	As per enclosed **Annexure 1** mentioning entities of Promoter Group of JSHL whose shares have been encumbered
Total promoter shareholding in the listed company	The total promoter equity shareholding comprises of 13,89,06,250 shares constituting 58.87% of the total shareholding of JSHL
Encumbered shares as a % of promoter shareholding	As mentioned in **Annexure 1**
Whether encumbered share is 50% or more of promoter shareholding	Yes
Whether encumbered share is 20% or more of total share capital	Yes

This disclosure is further to disclosures submitted with the Exchanges, wherein reason of encumbrance created earlier on equity shares of Jindal Stainless (Hisar) Limited held by Promoter Group was mentioned in detail.

Details of all the existing events/ agreements pertaining to encumbrance

		Encumbrance 1 **Date of creation of encumbrance** **Unattested Agreement for pledge of shares dated 16th November, 2021 ("the Agreement") was executed amongst SBICAP Trustee Company Limited, Security Trustee (acting on behalf of and for the benefit of IndusInd Bank, the Lender) and certain promoter group companies of Jindal Stainless (Hisar) Limited ("JSHL"). These shares were already pledged in favour of SBICAP Trustee Company Limited ("SBICAP") on behalf of the existing lenders of Jindal Stainless (Hisar) Limited ("JSHL"). Now JSHL has further availed a term loan facility of Rs. 150 Crore from IndusInd Bank Limited ("IBL"), which is primarily secured by JSHL's assets. In addition, the said term loan is also secured inter-alia by collateral securities by certain entities of the promoter group of JSHL by way of pari passu pledge of equity shares held by them in JSHL.**
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)		Pari passu Pledge
No. and % of shares encumbered		As per enclosed **Annexure 1**
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	SBICAP Trustee Company Limited, Security Trustee, acting on behalf of and for the benefit of IndusInd Bank Limited, the lender for term loan of Rs. 150 Crore term loan being availed by Jindal Stainless (Hisar) Limited.
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	SBICAP Trustee Company Limited, Security Trustee, acting on behalf of and for the benefit of IndusInd Bank Limited ("IBL") is registered with SEBI. Jindal Stainless (Hisar) Limited ("JSHL") has availed a term loan of Rs. 150 Crore from IBL, a scheduled commercial bank.
	Names of all other entities in the agreement	In terms of facility agreement dated 1st October, 2021, executed between IBL and JSHL. JSHL has availed a term loan facility of INR 150,00,00,000/- (Rupees One Hundred fifty Crores Only) from IBL. The aforesaid term loan is primarily secured by JSHL's assets on pari-passu basis with existing lenders of JSHL. In addition the said term loan is also secured inter-alia by collateral securities by certain entities of promoter group of JSHL by way of pledge of equity shares held by them in JSHL on pari-passu basis with existing lenders of JSHL. Accordingly, the Agreement(s) were executed amongst the promoter group companies of JSHL (mentioned in Annexure 1), SBICAP Trustee Company Limited, Security Trustee (acting on behalf of and for the benefit of IndusInd Bank Limited) and JSHL.



	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	No, the present pari-passu pledge created on shares of JSHL is not related to any debt instrument.
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	There is no stipulation of any minimum security cover/ asset cover linked to value of shares. As explained above, security by way of pledge of equity shares is not a primary security. The said pledged shares are only in the nature of additional/collateral security without any possibility of marginal calls that IBL can make in the event of decline in the trading price of the shares so pledged, on the stock exchanges. The primary security continues to remain over the assets of JSHL, which continues to maintain comfortable Fixed Asset Coverage Ratio.
	Amount involved (against which shares have been encumbered) (B)	
	Ratio of A / B	
End use of money	Borrowed amount to be utilized for what purpose – a. Personal use by promoters and PACs b.For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. a. Any other reason (please specify)	The equity shares as referred to in **Annexure 1** have been pledged as collateral security by Promoters to secure term loan of Rs. 150 Crore availed by JSHL to fund the maintenance capex incurred/to be incurred by JSHL and Long Term Working Capital requirements of JSHL. Repayment in 32 structured quarterly instalments including moratorium of 8 quarters. The borrowed amount was not meant for any personal use by promoters and PACs.

Signature of Authorised Signatory:

Place: Hisar

Date: 18th November, 2021

Annexure 1

Sl. No.	Name of the Promoter Group Company	No. of Equity shares held in JSHL	No. of Equity Shares Pledged to secure Term Loan	Pledged shares as % of total Shareholding of JSHL	Pledged shares as % of total Promoters Shareholding of JSHL
1	NALWA ENGINEERING CO LTD	7,47,290	7,47,290	0.32	0.54
2	ABHINANDAN INVESTMENTS LIMITED	8,11,350	8,11,350	0.34	0.58
3	GOSWAMIS CREDITS & INVESTMENTS LTD	8,77,795	8,77,795	0.37	0.63
4	RENUKA FINANCIAL SERVICES LTD	8,86,620	8,86,620	0.38	0.64
5	JINDAL REX EXPLORATION PRIVATE LIMITED	9,29,730	9,29,730	0.39	0.67
6	MANJULA FINANCES LTD	10,12,080	10,12,080	0.43	0.73
7	EVER PLUS SECURITIES AND FINANCE LIMITED	11,57,835	11,57,835	0.49	0.83
8	STAINLESS INVESTMENTS LIMITED	14,42,895	14,42,895	0.61	1.04
9	NALWA INVESTMENTS LIMITED	17,07,110	17,07,110	0.72	1.23
10	COLARADO TRADING CO LTD	20,74,930	20,74,930	0.88	1.49
11	GAGAN TRADING COMPANY LIMITED	24,54,295	24,49,070	1.04	1.76
12	SIDDESHWARI TRADEX PRIVATE LIMITED	27,55,890	27,55,890	1.17	1.98
13	MANSAROVER TRADEX LIMITED	37,97,210	37,97,210	1.61	2.73
14	HEXA SECURITIES AND FINANCE CO LTD	49,31,175	49,31,175	2.09	3.55
15	VRINDAVAN SERVICES PRIVATE LIMITED	49,46,705	49,46,705	2.10	3.56
16	JINDAL STRIPS LIMITED	53,14,090	53,14,090	2.25	3.83
17	JINDAL EQUIPMENT LEASING AND CONSULTANCY SERVICES LTD	57,35,555	57,35,555	2.43	4.13
18	SUN INVESTMENTS PVT LIMITED	92,96,780	92,96,235	3.94	6.69
19	JSL LIMITED	23,74,620	23,74,620	1.01	1.71
20	JINDAL INFRASTRUCTURE AND UTILITIES LIMITED	23,74,620	23,74,620	1.01	1.71
21	RATAN JINDAL	74,24,148	74,24,148	3.15	5.34
22	JSL OVERSEAS LIMITED	2,94,10,376	2,65,60,440	11.26	19.12
23	JSL OVERSEAS HOLDING LTD**	4,44,34,984	2,97,13,995	12.59	21.39
	Total	**13,68,98,083**	**11,93,21,388**	**50.57**	85.90

** included 71,17,492 shares representing 1,42,34,984 GDS of the Company.

