

VIRTUOUS TRADECORP PRIVATE LIMITED

(CIN: U51909HR2014PTC078360)

Regd. Office: JSL Complex, O.P. Jindal Marg, Hisar-125005(Haryana), India;
Phone No: 01662-222471; E-Mail- virtuoustradecorp@gmail.com

10th August, 2022

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.: 532508

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: cmllist@nse.co.in
Security Code No.: JSL

Subject: Disclosure of reasons for encumbrance of shares of Jindal Stainless 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 Limited ("JSL") in prescribed format – Annexure II, by Virtuous Tradecorp Private Limited, a promoter group entity of JSL.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For Virtuous Tradecorp Private Limited



Mahabir Prashad Gupta
Director


CC:
The Company Secretary
Jindal Stainless Limited
O.P.Jindal Marg
Hisar

Enclosed as above

Format for disclosure of reasons for encumbrance

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

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|--|---|
| Name of Listed Company | Jindal Stainless Limited ("JSL") |
| 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 | Virtuous Tradecorp Private Limited, a promoter group entity of JSL |
| Total promoter shareholding in the listed company | The total promoter equity shareholding comprises of 36,83,63,553 shares constituting 70.10% of the total shareholding of JSL |
| Encumbered shares as a % of promoter shareholding | 4.88 % of promoters shareholding |
| Whether encumbered share is 50% or more of promoter shareholding | Yes |
| Whether encumbered share is 20% or more of total share capital | Yes |
| Details of all the existing events/ agreements pertaining to encumbrance | |
| Encumbrance 1 | |
| Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance) | Arrangement in the nature of encumbrance (Please refer note below) |
| No. and % of shares encumbered | Declaration-cum- Undertaking w.r.t. additional 1,79,78,848 (3.42% of total encumbered shares of JSL) equity shares of JSL held by Virtuous Tradecorp Private Limited, a promoter group entity in favour of SBICAP Trustee Company Limited, the Lenders' security trustee providing not to take any action in respect of the aforesaid equity shares in contravention of the sanction conditions of the lenders. |
| Name of the entity in whose favour shares encumbered (X) | SBICAP Trustee Company Limited, the Lenders' security trustee |
| 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 is registered with SEBI. |

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| <p>Specific details about the encumbrance</p> | <p>Names of all other entities in the agreement</p> <p>As disclosed from time to time, the terms of the part of the financing facilities (term loan / working capital) availed / being availed by JSL includes a stipulation on the promoter/promoter group entities to create pledge of certain shareholding on the equity shares held by them in JSL. The primary security in favour of the lenders continues to remain over the assets of JSL, which continues to maintain comfortable Fixed Asset Coverage Ratio. Accordingly, Virtuoso Tradecorp Private Limited, a promoter group entity which was allotted 3,52,52,643 equity shares in the aggregate on August 25, 2021 and March 28, 2022 has now executed a Declaration-cum-Undertaking on 8 August, 2022 in favour of SBICAP Trustee Company Limited, the lenders' security trustee, that it shall not take any action in respect of 1,79,78,848 equity shares of JSL in contravention of the sanction conditions of the lenders. Please note that execution of the aforesaid Declaration-cum-Undertaking is not in relation to the new credit facilities but in compliance with the existing credit facilities being availed by JSL.</p> |
| <p>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</p> | <p>Not Applicable</p> |
| <p>Value of shares on the date of event / agreement (A)</p> | <p>The ratio of security cover to asset cover is not applicable as the amount borrowed by JSL is primarily secured by assets of JSL.</p> |
| <p>Amount involved (against which shares have been encumbered) (B)</p> | |
| <p>Security Cover / Asset Cover</p> | |
| <p>Ratio of A / B</p> | |
| <p>Borrowed amount to be utilized for what purpose – a. Personal use by promoters and PACs b. For the benefit of listed company</p> | <p>The borrowed amount was utilized for the benefit of JSL for setting up and implementing the manufacturing facilities and also for its operational requirements. To reiterate the promoters/promoter group shareholding in the Company is pledged in favour of SBICAP Trustee Company Limited to secure the financial obligations of JSL and not by the Promoters for their private ventures.</p> |
| <p>End use of money 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)</p> | |
| <p>Signature of Authorised Signatory: </p> | |
| <p>Place: 10-Aug-22 Date: Hisar</p> | |