



The Indian Hume Pipe Co. Ltd.

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CIN : L51500MH1926PLC001255

HP/SEC/

30th September, 2021

1. BSE Ltd.
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai - 400 001

2. National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051

Dear Sirs,

Sub : Propose creation of pledge of equity shares held by M/s. IHP Finvest Limited (Holding Company), in the Company for substitution and release of 2nd charge of equitable mortgage on the Company's Vadgaon land, Pune as collateral security, from time to time and subsequent release/ revocation, for securing working capital loans availed by the Company from its Bankers.

The Company had decided to permanently close its erstwhile Vadgaon (Budruk) factory, Pune w.e.f. 1st November, 2015. In this regard, the Company had intimated to Stock Exchanges on 28th October, 2015. The land at the Company's erstwhile Vadgaon factory is admeasuring about 59,784.29 sq. mtrs. at Vadgaon (Budruk), Pune (Vadgaon land) and it is underutilised.

The Company wishes to monetise the Vadgaon land and has entered into a MOU with M/s. Kalpataru Gardens Pvt. Ltd., the developer, for development of the Vadgaon land into residential / commercial project(s) on revenue sharing basis. In this regard, the Company had intimated to Stock Exchanges on 10th September, 2018. However, the Company had mortgaged the Vadgaon land with its consortium banks in the name of SBICAP Trustee Company Ltd. (Security Trustee) for and on behalf of the Consortium of Banks and Lenders of the Company led by State Bank of India and other consortium member Banks and created 2nd charge of Equitable mortgage for securing working capital facilities as collateral security.

The Company has requested the Consortium of Banks and Lenders of the Company to release the 2nd charge of equitable mortgage on Vadgaon Land in place of propose creation of pledge of equity shares of the Company held by the Holding Company. In response to the request made by the Company, State Bank of India, (Lead Bank) and ICICI Bank Ltd. have approved the request for release of 2nd charge of equitable mortgage on Vadgaon Land, Pune, with substitution of another collateral security by way of pledge of equity shares held by M/s IHP Finvest Limited (Holding Company), in the Company of the value of Rs.187.50 Crores (Rupees One Hundred Eighty Seven Crores and Fifty Lakhs only) from time to time and subsequent release/ revocation of the such pledged equity shares.



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The methodology for valuation of equity shares to be pledged is as under:

The average will be calculated on Closing price of twelve months - (Maximum Closing price of 1 year + Minimum Closing price of 1 year)/2.

IHP Finvest Limited, the Holding company will initiate the pledge of equity shares and the valuation of equity shares pledged will be monitored on quarterly basis, and in case the amount falls below the stipulated level of Rs.187.50 Crores (Rupees One Hundred Eighty Seven Crores and Fifty Lakhs only), the Holding company will top up the shortfall by pledging the additional equity shares to the extent of shortfall.

The approval of other consortium member Banks is being obtained.

The Holding company of the Company, M/s. IHP Finvest Ltd. has informed the Company vide its letter dated 30th September, 2021 that the Board of Directors of the Holding company at their meeting held today has approved the propose creation of pledge of equity shares held by M/s IHP Finvest Limited (Holding Company), in the Company of the value of Rs.187.50 Crores (Rupees One Hundred Eighty Seven Crores and Fifty Lakhs only) from time to time and subsequent release/ revocation of the such pledged equity shares in substitution and release of 2nd charge of equitable mortgage on the Company's Vadgaon Land, Pune, subject to such approvals, sanctions, consents and permissions as may be necessary. The Holding company is now in the process of seeking approval of its shareholders by postal ballot for the above stated propose creation of pledge of equity shares of the Company.

The propose creation of pledge of equity shares held by the Holding Company in the Company will be in favour of SBICAP Trustee Company Ltd. (Security Trustee) acting for and on behalf of the Consortium of Banks (Lenders of the Company) led by State Bank of India and other consortium member.

On receipt of all approvals, sanctions and permissions, M/s. IHP Finvest Limited, the Holding company will initiate the pledge of equity shares and the valuation of equity shares pledged will be monitored on quarterly basis, and in case the amount falls below the stipulated level of Rs. 187.50 Crore, the holding company will top up the shortfall by pledging the additional equity shares to the extent of shortfall.

We will keep the Exchange informed about further material developments in this regard from time to time.

Thanking you,



Yours faithfully,
For The Indian Hume Pipe Company Limited,

S. M. Mandke
Company Secretary
FCS 2723