



# The Indian Hume Pipe Co. Ltd.

Registered Office : Construction House, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001. INDIA  
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CIN : L51500MH1926PLC001255

HP/SEC/

8<sup>th</sup> October, 2021

1. BSE Ltd.

Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, Mumbai - 400 001

2. National Stock Exchange of India Ltd.

Exchange Plaza, 5<sup>th</sup> floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

Dear Sirs,

Ref : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sub: Outcome of the Board Meeting held on 8<sup>th</sup> October, 2021.

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The Company vide its letter dated 28<sup>th</sup> October, 2015 had intimated about the permanent closure of its erstwhile Vadgaon (Budruk) factory, Pune w.e.f. 1<sup>st</sup> November, 2015. The erstwhile Vadgaon factory land is admeasuring about 59,784.29 sq. mtrs. situated at Vadgaon (Budruk), Pune (Vadgaon land) and it is underutilised.

The Company vide letter dated 10<sup>th</sup> September, 2018 had informed that it 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.

The Company had mortgaged the Vadgaon land in the name of SBICAP Trustee Company Ltd. (Security Trustee) for and on behalf of the Consortium of Banks (Lenders of the Company) led by State Bank of India and other consortium member Banks and created 2<sup>nd</sup> 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 2<sup>nd</sup> charge of equitable mortgage on Vadgaon Land in place of proposed creation of pledge of equity shares of the Company held by M/s. IHP Finvest Ltd., 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 2<sup>nd</sup> charge of equitable mortgage on Vadgaon Land, Pune, with substitution of another collateral security by way of pledge of equity shares held by the 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, subject to obtaining approvals from other Consortium Member Banks, which is being obtained.

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.

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.



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The Company vide its letter No. HP/SEC dated 30<sup>th</sup> September, 2021 had intimated that the Board of Directors of M/s. IHP Finvest Ltd., the Holding Company at its meeting held on Thursday, 30<sup>th</sup> September, 2021 approved the proposed creation of pledge of equity shares held by the 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 2<sup>nd</sup> 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 in the process of seeking approval of its shareholders by Postal Ballot for the above stated proposed creation of pledge of equity shares of the Company.

In furtherance to the above, pursuant to the approval of the Audit Committee, the Board of Directors of the Company at their meeting held on Friday, 8<sup>th</sup> October, 2021 has approved the following businesses, subject to such approvals, consents, sanctions and permissions as may be necessary and the approval of the Members to be taken through Postal Ballot, being a Material Related Party Transaction under Section 188 of the Companies Act, 2013 read with Regulation 23 of SEBI (LODR), 2015.

- 1) Entering in to material related party contracts/ arrangements/ transactions with related party/ parties from the financial year 2021-22 and subsequent/ succeeding financial years upto the limit of Rs.200 Crores (Rupees Two Hundred Crores Only), per annum. (under section 188 read with Regulation 23 of SEBI (LODR), 2015).
- 2) Related Party Transaction(s) to be entered into for creation of pledge on such number of equity shares of the Company held by IHP Finvest Ltd., (Holding Company) as a collateral security for substitution and release of 2<sup>nd</sup> charge of Equitable mortgage on the Company's land at Vadgaon (Budruk), Pune (Vadgaon land) held by the Consortium of Banks (Lenders of the Company) led by State Bank of India for securing working capital facilities advanced to the Company and subsequent release/ revocation of pledge on such equity shares created from time to time. (under section 188 read with Regulation 23 of SEBI (LODR), 2015).

The proposed 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 members.

On receipt of all approvals, sanctions and permissions to be obtained by M/s. IHP Finvest Limited, the Holding Company and the Company, 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 additional equity shares to the extent of shortfall.

The Company 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