



भारतीय प्रतिभूति
और विनियम बोर्ड

**Securities and Exchange
Board of India**

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CFD/DIL-1/OW/2019/2726/1
January 28, 2019

Jindal Steel & Power Limited
Jindal Centre,
12 Bhikaiji Cama Place,
New Delhi 110066

Dear Sir,

Sub: Request for Interpretative Letter under the SEBI (Informal Guidance Process) Scheme, 2003, in connection with the release of locked-in shares under the proviso to Regulation 78(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

1. This is with reference to your letter dated January 01, 2019 on the captioned subject.
2. In your letter under reference, you have inter-alia, represented as under:
 - a. JSPL having its Registered Office at O.P. Jindal Marg, Hisar-125005 (Haryana) is a company listed on NSE and BSE Ltd. Opelina Finance and Investment Limited (Opelina) is one of the promoter/promoter group entity of the Company.
 - b. On November 10, 2017, the Company issued 4,80,00,000 warrants to Opelina on Preferential basis under the provisions of Chapter VII of SEBI(ICDR), 2009 (old regulations).
 - c. The Warrants are unlisted and are convertible into equity shares of the Company at any time before the expiry of 18 months from the date of issue of the Warrants i.e. May 09, 2019.



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- d. The entire pre-preferential allotment shareholding of Opelina is under lock-in till Nov 30, 2019, based on the Company's interpretation of the prevailing Regulation 78(6) of SEBI (ICDR) Regulations, 2009.
 - e. The warrants are unlisted, hence regulation 78(6) were to be applied assuming the trading approval of the resultant shares on conversion of the warrant, i.e. conversion and listing/trading of the resultant shares shall be on May 2019.
 - f. SEBI has provided Informal Guidance in the matter of Kesoram Industries Limited, PC Jewellers Limited and Balasore Alloys Limited wherein it has been clarified that in the event of unlisted convertible warrants/securities, the lock-in of pre-preferential holding shall be for a period of six months from the date of allotment of such securities.
3. Based on the above facts as stated in your letter, you have sought interpretative guidance from SEBI on the following issue:
- i. *Periodicity of Lock-In of pre-preferential holding of the promoters' share in the event of issue and allotment of warrants convertible into equity shares.*
 - ii. *Whether the pre-preferential holding of the promoters, which were put under lock-in assuming applicability of the Regulation 78(6) of SEBI (ICDR) Regulations, 2009 can be released in the view of the above SEBI informal guidance.*
- 4.1 Without necessarily agreeing with your analysis given in your above mentioned letter, our views on the query raised by you are as follows:

Response to Query no. (i):

- 4.2 Regulation 78(6) of the ICDR Regulations *inter alia* provides that the entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of "trading approval". However, where the requirement of trading approval is not applicable to the warrants (i.e., where the holder of the warrants do not intend to list the them within 18 months from the date of allotment), lock-in period shall commence from the relevant date and end on the expiry of six months from the date of allotment of the warrants.

Response to Query no. (ii):



अनुवर्ती :
Continuation :

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- 4.3 As mentioned above, where the requirement of trading approval is not applicable to the warrants (i.e., where the holder of the warrants do not intend to list the them within 18 months from the date of allotment), the lock-in period shall commence from the relevant date and end on the expiry of six months from the date of allotment of the warrants. Since, the convertible securities were issued by the company on November 10, 2017 to Opelina Finance and Investment Limited on preferential basis, the pre-preferential allotment shareholding of the allottee, if any shall be locked-in from the relevant date upto a period of six months from the date of allotment of the warrants.
4. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the question referred.
5. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Securities and Exchange Board of India (ICDR) Regulations, 2009 and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours truly,


Yogita Jadhav

