

November 25, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra East
Mumbai- 400 051

Dear Sir,

Sub: Open Offer to acquire upto 7,52,86,269 Equity Shares of Rs. 5.00/- each of ISMT Limited ("the Target Company") representing 25.05% of its Emerging Voting Capital by Kirloskar Ferrous Industries Limited ("Acquirer") at a price of Rs. 31.84/- per Equity Share under Regulation 3(1) & 4 of the SEBI (SAST) Regulations, 2011.

Ref: Submission of Public Announcement

Kirloskar Ferrous Industries Limited ("Acquirer") has made an Open Offer for acquisition of 7,52,86,269 fully paid-up equity shares of Rs. 5.00/- each ("Equity Shares") from the shareholders of ISMT Limited ("Target Company"), representing 25.05% of the Emerging Voting Capital, at a price of Rs. 31.84/- per Equity Share ("Offer Price") aggregating to a total consideration of Rs. 2,39,71,14,805 payable in 'cash' ("Offer").

The Offer is made pursuant to and in compliance with Regulation 3(1) & 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI (SAST) Regulations").

We are pleased to inform you that we have been appointed as the "Manager" to the captioned Offer and as required under Regulation 14(1) of the SEBI (SAST) Regulations, we are enclosing herewith a copy of public announcement dated November 25, 2021 ("the Public Announcement" or "the PA") in relation to the Offer.

We request you to take this PA on your records and disseminate the same on your website at the earliest.

Thanking You,
Yours truly,
For Systematix Corporate Services Limited

Amit Kumar
Senior Vice President



Encl: as above.

CC: 1. ISMT Limited
2. Kirloskar Ferrous Industries Limited

Systematix Corporate Services Limited

Registered Office : 206 - 207, Bansi Trade Centre, 581/5, M. G. Road, Indore - 452 001. Tel. : +91-0731-4068253
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SEBI Merchant Banking Registration No. : INM000004224



PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1) AND 4 READ WITH REGULATIONS 13, 14 AND 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED

FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF ISMT LIMITED

Open offer for acquisition of up to 7,52,86,269 fully paid-up equity shares of face value of Rs. 5 (“Equity Shares”), representing 25.05% of the Emerging Voting Capital (*as defined below*) of ISMT Limited (“Target Company”), from the Public Shareholders (*as defined below*) of the Target Company by Kirloskar Ferrous Industries Limited (“Acquirer”) (“Open Offer”). No other person is acting in concert with the Acquirer for the purpose of this Open Offer.

This public announcement (“**Public Announcement**”) is being issued by Systematix Corporate Services Limited (“**Manager to the Offer**”) for and on behalf of the Acquirer, to the Public Shareholders of the Target Company pursuant to and in compliance with Regulations 3 (1) and 4, read with Regulation 13, 14 and 15 (1), and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).

For the purpose of this Public Announcement, the following terms have the meanings assigned to them below:

- a) “**Emerging Voting Capital**” shall mean the total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10th (Tenth) working day from the closure of the tendering period for the Open Offer. This shall be total voting equity share capital of Rs. 150,25,06,915 consisting of 30,05,01,383 Equity Shares of Rs.5 each inclusive of 15,40,00,000 Equity Shares to be allotted by the Target Company to the Acquirer in terms of the SSA (*as defined below*), subject to the approval of the shareholders of the Target Company and other statutory/ regulatory approvals.
- b) “**Public Shareholders**” shall mean all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, except the Acquirer, existing members of the promoter and promoter group of the Target Company and the parties to the underlying SSA and SHA (*as defined below*) including persons deemed to be acting in concert with such parties to the SSA and SHA, pursuant to and in compliance with the SEBI (SAST) Regulations.

1. Open Offer Details

- 1.1 Open Offer Size:** The Acquirer hereby makes this Open Offer to the Public Shareholders to acquire up to 7,52,86,269 Equity Shares (“**Offer Shares**”), constituting 25.05% of the Emerging Voting Capital, at a price of Rs. 31.84 per Offer Share aggregating to a total consideration of Rs. 2,39,71,14,805

(assuming full acceptance) (“**Offer Size**”), subject to the terms and conditions mentioned in this Public Announcement and to be set out in the detailed public statement (“**DPS**”) and the letter of offer (“**LOF**”) that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- 1.2 Price/ Consideration:** The Open Offer is made at a price of Rs.31.84 per Offer Share (“**Offer Price**”) which has been determined in accordance with Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable in the Open Offer will be Rs. 2,39,71,14,805.
- 1.3 Mode of Payment:** As per Regulation 9(1)(a) of the SEBI (SAST) Regulations, the Offer Price will be paid in cash.
- 1.4 Type of Open Offer:** This Open Offer is a mandatory offer made by the Acquirer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the SSA (*as defined below*). This Open Offer is not subject to any minimum level of acceptance.
- 2. Transaction which has triggered the Open Offer obligations (“Underlying Transactions”)**

Details of Underlying Transactions ⁽¹⁾						
Type of Transaction (direct/ indirect)	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for shares/ Voting Rights (VR) acquired (in Rs.)	Mode of payment (Cash/ securities)	Regulation which has triggered
		Number of Equity Shares	% vis a vis total equity/ voting capital ⁽²⁾			
Direct	1. <u>Share Subscription Agreement:</u> The board of directors of the Target Company passed a board resolution on November 25, 2021 authorizing the issuance and allotment of 15,40,00,000 Equity Shares at a price of Rs. 30.95 per Equity Share to the Acquirer by way of preferential allotment for a	15,40,00,000 (“Subscription Shares”)	51.25%	Rs. 4,76,63,00,000	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

Details of Underlying Transactions ⁽¹⁾						
Type of Transaction	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for	Mode of payment	Regulation which has triggered
	total consideration of Rs. 4,76,63,00,000. The terms and conditions of the preferential allotment are set out in the share subscription agreement dated November 25, 2021 (“SSA”) entered into between the Acquirer, Target Company and certain members of the existing promoter and promoter group of the Target Company ⁽³⁾ .					
	2. <u>Shareholder’s Agreement:</u> A Shareholders’ agreement dated November 25, 2021 entered into between the Acquirer and members of the existing promoter and promoter group of the Target Company ⁽³⁾ (“SHA”).	-	-	-	-	
	3. <u>Unsecured Loan Agreement:</u> An Unsecured Loan Agreement dated November 25, 2021 entered into between the Acquirer and the Target	-	-	-	-	

Details of Underlying Transactions ⁽¹⁾						
Type of Transaction	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for	Mode of payment	Regulation which has triggered
	Company for granting an unsecured loan of Rs. 194,00,00,000 to the Target Company.					

NOTES:

- 1) The Acquirer will acquire sole control over the Target Company on the earlier of the date falling after: (i) expiry of 21 (twenty first) working days from the date of the DPS to be issued in connection with the Open Offer subject to the Acquirer complying with the requirements under Regulation 22(2) of the SEBI (SAST) Regulations; and (ii) the expiry of the offer period of the Open Offer; in each case upon consummation of the transactions envisaged in the SSA.
- 2) As a percentage of the Emerging Voting Capital.
- 3) Certain members of promoter and promoter group of the Target Company are Indian Seamless Enterprises Limited, Baldevraj Topanram Taneja, B R Taneja (HUF), Alka Mehta, Salil Taneja, Laurus Tradecon Private Limited and Vishkul Enterprises Private Limited.

3. Acquirer/ PACs

Details	Acquirer
Name of Acquirer	Kirloskar Ferrous Industries Limited ⁽¹⁾ (CIN: L27101PN1991PLC063223)
Address	13, Laxmanrao Kirloskar Road, Khadki, Pune - 411003, Maharashtra
Name(s) of persons in control/ promoters of Acquirer/ PACs where Acquirer/ PACs are companies	The Acquirer is a public limited company listed on BSE Limited and its shares are permitted to be traded on the National Stock Exchange of India Limited and is a subsidiary of Kirloskar Industries Limited.

Details	Acquirer
Name of the Group, if any, to which the Acquirer/ PACs belongs to	Kirloskar Group
Pre- transaction shareholding: <ul style="list-style-type: none"> • Number • % of total share capital 	Nil
Proposed shareholding after the acquisition of shares which triggered the Open Offer	15,40,00,000 Equity Shares (51.25% of the Emerging Voting Capital)
Proposed shareholding after the acquisition of shares (including Offer Shares assuming full acceptance) which triggered the Open Offer	22,92,86,269 Equity Shares (76.30% of the Emerging Voting Capital) ⁽²⁾
Any other interest in the Target Company	<p>The Acquirer had supplied raw materials worth Rs.34.53 crores during the Financial Year 2020-21 to the Target Company which is 1.60% of the total revenue of the Acquirer as per the audited financials of the Acquirer. The above transaction was done at arm's length basis.</p> <p>Except the Underlying Transactions, we do not have any other relationship/interest in the Target Company.</p>

NOTES:

- 1) No person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("**Deemed PACs**"), however, such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 2) In the event the shareholding of the Acquirer and the existing members of the promoter and promoter group of the Target Company, after completion of the Open Offer and the Underlying Transactions, exceeds 75% of the equity share capital of the Target Company, the Acquirer will ensure compliance with the minimum public shareholding requirements in the manner and timelines prescribed under applicable law.

4. **Details of selling shareholders, if applicable** – Not applicable

5. **Target Company**

Name:	ISMT Limited (CIN: L27109PN1999PLC016417)
Registered Office:	Panama House (earlier known as Lunkad Towers), Viman Nagar, Pune – 411014, Maharashtra
Exchanges where listed:	The Equity Shares of the Target Company are listed on BSE Limited (“ BSE ”) and National Stock Exchange of India Limited (“ NSE ”). The ISIN of Equity Shares of the Target Company is INE732F01019.

6. **Other Details**

- 6.1 Further details of the Open Offer shall be published in the DPS which shall be published on or before December 02, 2021 i.e. within 5 (five) working days from the Public Announcement as required under Regulation 13(4) of the SEBI (SAST) Regulations. The DPS shall contain details of the Open Offer including information on the Offer Price, the Acquirer, the Target Company, the background to the Open Offer (including details of and conditions precedent to the Open Offer and completion of the transactions contemplated by the transaction agreements), the statutory approvals required for the Open Offer, if any, and details of financial arrangements and other terms of the Open Offer. The DPS will be published, as required by Regulation 14(3) of the SEBI (SAST) Regulations, in all editions of any one English national daily newspaper with wide circulation, any one Hindi national daily newspaper with wide circulation and any one regional language daily newspaper with wide circulation at the place where the registered office of the Target Company is situated, and any one regional language daily newspaper at the place of the stock exchange where the maximum volume of trading in the Equity Shares was recorded during the 60 (sixty) trading days preceding the date of this Public Announcement.
- 6.2 The Acquirer undertakes that it is aware of and will comply with their obligations in terms of Regulation 25 of the SEBI (SAST) Regulations and that it has adequate financial resources for meeting the Open Offer obligations.
- 6.3 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.4 This Open Offer is not conditional upon any minimum level of acceptance as per Regulation 19(1) of the SEBI (SAST) Regulations.
- 6.5 This Open Offer and the Underlying Transactions are subject to the satisfaction of certain conditions precedent (including statutory and regulatory approvals) as specified under the SSA. This Open Offer is also subject to the other terms and conditions mentioned in this Public Announcement,

and as will be set out in the DPS, the draft letter of offer and the letter of offer, that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

6.6 The Acquirer and its directors accept full responsibility for the information contained in the Public Announcement other than the information pertaining to the Target Company, which has been obtained from publicly available sources.

6.7 In this Public Announcement, any discrepancy in figures as a result of multiplication or totaling is due to rounding off.

Issued by the Manager to the Offer



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Email: ecm@systematixgroup.in

Contact Person: Amit Kumar

SEBI Registration Number: INM000004224

On behalf of Kirloskar Ferrous Industries Limited (Acquirer)

Place: Pune

Date: November 25, 2021.