

Ref No. 2696/21

25 November 2021

The Department of Corporate Services  
BSE Limited  
P. J. Towers, Dalal Street, Fort,  
Mumbai 400001  
(Scrip Code : 500245)

Kind Attention : Mr. Abhay Mungekar / Mr. Saurabh Poojari / Mr. Mangesh Tayde

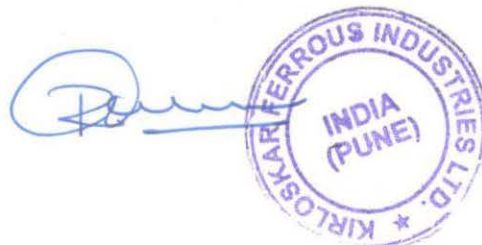
Dear Sir,

Subject : Execution of agreements to acquire a majority stake in and sole control of ISMT Limited

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; we wish to inform that Kirloskar Ferrous Industries Limited ("**Company**") has agreed to acquire a majority stake in ISMT Limited ("**Target Company**") by subscribing to equity shares of the Target Company through preferential allotment and sole control over the Target Company, subject to the approvals of the members of the Company and the Target Company and necessary statutory and regulatory approvals.

For the above, the Company has entered into the following agreements :

- Share Subscription Agreement dated 25 November 2021 executed between Kirloskar Ferrous Industries Limited, ISMT Limited and certain persons forming the Promoter Group of the Target Company, to record *inter alia* the terms and conditions for subscription of the equity shares of the Target Company.
- Shareholders Agreement dated 25 November 2021 executed between Kirloskar Ferrous Industries Limited and certain persons forming the Promoter Group of the Target Company, to record *inter alia* certain inter se rights and obligations in relation to their equity shares of the Target Company.
- Unsecured Loan Agreement dated 25 November 2021 executed between Kirloskar Ferrous Industries Limited and ISMT Limited, to record *inter alia* the terms and conditions in relation to unsecured loan agreed to be granted by the Company to the Target Company.



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**Kirloskar Ferrous Industries Limited**  
A Kirloskar Group Company

Registered Office: 13, Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra  
Telephone : +91 (20) 66084645 Telefax : +91 (20) 25813208 / 25810209  
Email : [kfilinvestor@kirloskar.com](mailto:kfilinvestor@kirloskar.com) | Website : [www.kirloskarferrous.com](http://www.kirloskarferrous.com)  
CIN: L27101PN1991PLC063223

The details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015 is enclosed as Annexure I.

You are requested to take the same on record.

Thanking you,

Yours faithfully,  
For Kirloskar Ferrous Industries Limited



R. V. Gumaste  
Managing Director  
(DIN: 00082829)



Enclosed : as above

Disclosure under sub-para (1) of Para A of Part A of Schedule III of the Regulation 30 of SEBI LODR Regulations

1.	Name of the Target Company and brief details such as size, turnover	<p>Name of the Target Company : ISMT Limited</p> <p>Details of the Target Company : ISMT Limited is engaged in the business of manufacturing steel, billets, alloy and carbon casts. It has a total of 10 direct and indirect subsidiaries both in India and abroad. The Target Company is listed on the BSE (532479) and the NSE (ISMTLTD).</p> <p>The Authorised Share Capital of the Target Company is INR 158,50,00,000 and the paid-up share capital of the Target Company is INR 73,25,06,915.</p> <p>The turnover of the Target Company for the financial year 2020-2021 was Rs. 1,234.67 Crores.</p>
2.	Whether the acquisition will fall within related party transaction(s) and whether the promoter / promoter group companies have any interest in the entity being acquired? If Yes, nature of interest and details thereof and whether the same is done at "arms length"	<p>The subscription of the shares of the Target Company by the Company is not a related party transaction as per the Companies Act, 2013.</p> <p>The promoter / promoter group of the Company have no material shareholding interest in the Target Company.</p>
3.	Industry to which the entity acquired belongs	Steel Industry
4.	Objects and Effects of acquisition (disclosure of reasons for acquisition of target entity if its business is outside the main line of business)	The proposed transaction would enable the Company to enter the business segment of steel manufacturing and seamless tubes.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	The transaction will be subject to the approval of the Competition Commission of India (CCI) and the Securities and Exchange Board of India (SEBI).



6.	Indicative time period for completion of the acquisition	Subject to the timely receipt of the approval of regulatory approvals listed above, the transaction is expected to be completed in the last quarter of the financial year 2021-2022.
7.	Nature of consideration	The consideration for the transaction will be paid in cash.
8.	Cost of acquisition	The Company will subscribe to shares for an aggregate consideration of Rs. 476.63 Crores at a per share price of Rs. 30.95. Further, an unsecured loan of Rs. 194 Crores will be extended to the Target Company by the Company.
9.	percentage of shareholding / control acquired and / or number of shares acquired	The Company has entered into a Share Subscription Agreement dated 25 November 2021 with the Target Company and certain members of the Promoters Group ("SSA"). Pursuant to the SSA, the Company will subscribe to 15,40,00,000 equity shares of Rs. 5 each by way of preferential allotment. These shares will represent 51.25 percent of the resultant share capital of the Target Company. Further, in accordance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Company has also commenced an open offer for acquiring upto 25.05 percent of the resultant voting capital of the Target Company.
10.	Brief background of the entity acquired (product/line of business acquired, date of incorporation/ history of last three years turnover)	ISMT Limited (earlier known as The Indian Seamless Metal Tubes Limited) was incorporated as a public limited company in the year 1977 and commenced production of seamless tubes in the year 1980. The steel production facility of the Target Company is located at Jejuri in Maharashtra, and seamless tube and pipes manufacturing units are located at Ahmednagar and Baramati in Maharashtra. Further, the Target Company has a captive power plant (presently not in operation) located at Chandrapur in Maharashtra.

