

ISMT/SEC/21-22

November 25, 2021

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai-400051

Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai-400001

Symbol: ISMTLTD

Scrip Code: 532479

Dear Sir / Madam,

**Sub: Outcome of Board Meeting**

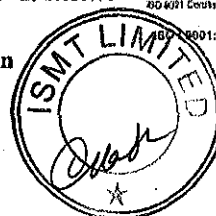
Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and in furtherance to our earlier letters dated July 20, 2021 and November 22, 2021, we hereby inform you that a meeting of the Board of Directors of the Company (“**Board**”) was held today i.e., November 25, 2021 at 04:00 p.m. and concluded at 06:40 p.m.

At such meeting, the Board *inter alia* considered and approved, the following:

1. **Share Subscription Agreement:** Execution of a Share Subscription Agreement (“**SSA**”) dated November 25, 2021 between the Company, Kirloskar Ferrous Industries Limited (“**KFIL**”) and the promoters listed at enclosed **Annexure B** (“**SSA**”), pursuant to which, the Company has agreed to issue 15,40,00,000 equity shares of the Company at an issue price of INR 30.95/- per equity share for an aggregate subscription amount of INR 476,63,00,000, to KFIL, on a preferential allotment basis in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**SEBI ICDR Regulations**) and other applicable laws (“**Preferential Allotment**”), subject *inter alia* to fulfillment of various conditions precedent set out in the SSA.
2. **Unsecured Loan Agreement:** Execution of an unsecured loan agreement between KFIL and the Company (“**Unsecured Loan Agreement**”), pursuant to which, the Company has agreed to avail an unsecured loan of a sum of INR 194,00,00,000 (Rupees One Ninety Four Crore) from KFIL (“**Unsecured Loan**”). The Unsecured Loan will be provided by KFIL to the Company, simultaneously with the completion of the share subscription and accordingly remains subject to *inter alia* the fulfillment of all the conditions precedent set out under the SSA.



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3. Classification of authorized share capital: Classification of the existing unclassified shares amounting to Rs. 71,00,00,000 (Rupees Seventy One Crore only) into 14,20,00,000 (Fourteen Crore Twenty Lakhs) equity shares of Rs. 5/- each, pursuant to which the authorised share capital of the Company shall stand altered to Rs. 158,50,00,000 (Rupees One Fifty Eight Crore and Fifty Lakhs Only) divided into 31,70,00,000 (Thirty one Crore and Seventy Lakhs) Equity Shares of Rs. 5/- each, and consequent amendments to Clause V of the Memorandum of Association of the Company and Article 3 of the Articles of Association of the Company, each in accordance with applicable laws.

In accordance with Regulation 30 of Listing Regulations read with SEBI circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, details of the Preferential Allotment are enclosed herewith and marked as **Annexure A**, details of the SSA are enclosed herewith and marked as **Annexure B** and details of the Unsecured Loan Agreement are enclosed herewith and marked as **Annexure C**.

Please note that the Company will be convening an extra ordinary general meeting of its shareholders ("EGM") to *inter alia* approve the Preferential Allotment on Wednesday, December 22, 2021.

We request you to take the same on record.

Thanking you,

Yours faithfully,  
For ISMT Limited

*Chetan Nathani*

Chetan Nathani  
Company Secretary



**Encl:** As above



ISO 9001:2015, SL-0102



ISO 27001:2016

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ISO 9001:2015



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ISO 14001:2015

Annexure A

Details of the Preferential Allotment

Sr. No.	Particulars	Description														
1.	Type of securities proposed to be issued	Equity shares of face value of INR 5 each														
2.	Type of issuance (further public offering, rights issue, depository receipts, qualified institutions placement, preferential allotment etc.).	Preferential Allotment														
3.	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	15,40,00,000 equity shares of the Company at an issue price of INR 30.95 per share for an aggregate subscription amount of INR 476,63,00,000														
4.	Additional Information in case of preferential issue:															
i.	Names of investors	Kirloskar Ferrous Industries Limited														
ii.	Post allotment of securities - outcome of the subscription, issue price /allotted price (in case of convertibles), number of investors	<p><b>Outcome of subscription:</b> Details of the shareholding of the proposed allottees in the Company, prior to and after the proposed Preferential Allotment, are as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Name of the Investor</th> <th colspan="2">Pre-Preferential Allotment</th> <th colspan="2">Post-Preferential Allotment*</th> </tr> <tr> <th>No. of equity shares held</th> <th>% held</th> <th>No. of equity shares held</th> <th>% held</th> </tr> </thead> <tbody> <tr> <td>Kirloskar Ferrous Industries Limited</td> <td>Nil</td> <td>-</td> <td>15,40,00,000</td> <td>51.25%</td> </tr> </tbody> </table>	Name of the Investor	Pre-Preferential Allotment		Post-Preferential Allotment*		No. of equity shares held	% held	No. of equity shares held	% held	Kirloskar Ferrous Industries Limited	Nil	-	15,40,00,000	51.25%
Name of the Investor	Pre-Preferential Allotment			Post-Preferential Allotment*												
	No. of equity shares held	% held	No. of equity shares held	% held												
Kirloskar Ferrous Industries Limited	Nil	-	15,40,00,000	51.25%												
		*Assuming post issuance of equity shares on fully diluted basis														



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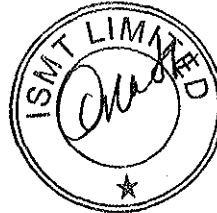


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ISO : 14001:2015

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		<p><b>Issue Price:</b> Equity shares having face value of INR 5 each to be issued to the aforementioned allottee at a price of INR 30.95 per share which is not lower than the floor price i.e. INR 30.93 calculated in accordance with Regulation 164 of the SEBI ICDR Regulations.</p> <p><b>Number of Investors:</b> 1 (one)</p>
iii.	In case of convertibles, intimation on conversion of securities or on lapse of the tenure of the instrument	Not Applicable
5.	Any cancellation or termination of proposal for issuance of securities including reasons thereof.	Not Applicable



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**Annexure B**

**Details of the SSA**

Sr. No.	Particulars	Description
1.	Names of the parties:	<p>1. ISMT Limited ("Company");</p> <p>2. Kirloskar Ferrous Industries Limited ("KFIL"); and</p> <p>3. Promoters listed below:</p> <p>a. Indian Seamless Enterprises Limited (Promoter);</p> <p>b. Mr. Baldevraj Topanram Taneja (Promoter);</p> <p>c. M/s. B R Taneja (HUF) (Promoter Group);</p> <p>d. Ms. Alka Mehta (Promoter Group);</p> <p>e. Mr. Salil Taneja (Promoter Group);</p> <p>f. Laurus Tradecon Pvt. Ltd. (Promoter Group); and</p> <p>g. Vishkul Enterprises Pvt. Ltd. (Promoter Group).</p>
2.	Purpose of entering into the agreement:	<p>The SSA records the terms of raising funds through preferential allotment of 15,40,00,000 equity shares of the Company, at an issue price of INR 30.95, to KFIL.</p> <p>The proceeds from the Preferential Allotment are required to be utilized primarily for settlement of all outstanding obligations of the Company in relation to the facilities availed by the Company from existing lenders of the Company.</p>
3.	Shareholding, if any, in the entity with whom the agreement is executed:	None
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.:	<p>The following are <i>inter alia</i> the key conditions precedent to the transaction:</p> <p>1. Approval from the Competition Commission of India;</p> <p>2. Approval of the shareholders of the Company in its extraordinary general meeting;</p>

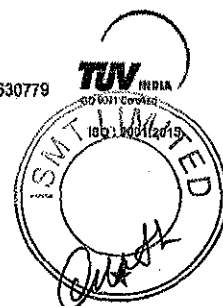


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		<p>3. Approval of the shareholders of KFIL in its extraordinary general meeting;</p> <p>4. Approval of the lenders of the Company; and</p> <p>5. Execution of the One Time Settlement agreement between the Company, the lenders of the Company and promoters of the Company as mentioned above.</p> <p>The transaction could be terminated in case the above stated conditions precedent are not fulfilled.</p> <p>Upon completion of the preferential allotment by the Company, KFIL shall acquire sole control of the Company and shall be classified as a 'promoter' of the Company.</p>
5.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship:	No
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length":	The transaction is not a related party transaction.
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued:	Issue and allotment of 15,40,00,000 equity shares at an issue price of INR 30.95.
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.:	Nil



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**Annexure C**

**Details of the Unsecured Loan Agreement**

Sr. No.	Particulars	Description
1.	Names of the parties:	1. ISMT Limited ("Company"); and 2. Kirloskar Ferrous Industries Limited ("KFIL").
2.	Purpose of entering into the agreement:	The Company has entered into this Unsecured Loan Agreement to borrow, and KFIL has agreed to grant, an unsecured loan amounting to INR 194,00,00,000 to the Company, proceeds of which shall be utilized primarily towards settlement of all outstanding obligations of the Company in relation to the facilities availed by the Company from existing lenders of the Company.
3.	Shareholding, if any, in the entity with whom the agreement is executed:	Not applicable
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.:	<b>Tenure:</b> The unsecured loan is granted by KFIL to the Company for a period of 3 months from the closing date with the provision for extension.  <b>Interest:</b> The Company will pay a simple interest computed at the rate of 9% (nine percent) per annum on the unsecured loan.
5.	Whether, the said parties are related to promoter/promoter group/group companies in any manner. If yes, nature of relationship:	No.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length":	The transaction is not a related party transaction.
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued:	Not applicable
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.:	Nil



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