

BSE Limited
Listing Department,
P J Towers, Dalal Street,
Mumbai – 400001
Scrip Code: 542479

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Plot no. C/1,
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051
Scrip Symbol: ISMTLTD

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) - One-time Settlement

Dear Sirs,

Pursuant to Regulation 30 of the Listing Regulations and in furtherance to our earlier intimations dt. July 20, 2021 and November 25, 2021, please find below disclosure in relation to the One-time Settlement of the outstanding debt of the Company:

Reasons for opting for One-time Settlement & brief summary of One-time Settlement:

Lenders of the Company had in the past pursued various schemes for resolution of the debt Company as per RBI guidelines, prevailing from time to time, including Outside Strategic Debt Restructuring which could not get implemented due to RBI Circular dated February 12, 2018, scrapping various schemes dealing with stressed assets. Lenders of the Company then decided to explore assignment of debt of the Company as a Resolution Plan. Accordingly, lenders holding 70% of principal debt of the Company assigned the same to Asset Reconstruction Companies (ARCs)/ Asset Management entities and in September, 2019, majority of lenders of the Company (consisting of both ARCs and banks) signed Inter Creditor Agreement, as per RBI guidelines, for restructuring the debt of the Company.

All lenders again considered restructuring of the debt of the Company, prior and subsequent to COVID-19 Pandemic, which however could not be implemented. Lenders have since decided to go for One-time Settlement of the outstanding debt of the Company along with change in Management.

As already informed, the Board of Directors of the Company proposed to make Preferential Allotment of 15.40 Crore equity shares at a price of Rs. 30.95 per equity share (equivalent to 51.25% of the post issue equity share capital of the Company) to Kirloskar Ferrous Industries Limited (KFIL), for a total consideration of Rs. 476.63 Crore, which was duly approved by shareholders of the Company at the Extra-ordinary General Meeting held on December 22, 2021, subject to receipt of statutory approvals. The proceeds of the Preferential Allotment together with proposed unsecured loan from KFIL will be utilized towards One-time Settlement of the outstanding debt of the Company.

Lenders, after due process, have approved the One-time Settlement of the outstanding debt of the Company and the Agreement for One-time Settlement executed with the lenders, inter alia, provides for timelines for payment of One-time Settlement amount, other terms and conditions as well as steps to be undertaken by the Company and lenders for release of primary and collateral securities so given in relation to the loans availed by the Company.

Pursuant to the One-time Settlement, the Company will pay Rs. 670 Crore towards full and final settlement of its outstanding debt to the lenders.

This is for your information and records.

Thanking you,

Yours faithfully
For ISMT Limited

Chetan Nathani
Company Secretary



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