

ISMT/SEC/23-24

25 July 2023

BSE Ltd
PJ Towers
Dalal Street, Fort
Mumbai - 400 001.
Scrip Code: 532479

National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051.
Symbol: ISMTLTD

Dear Sir/ Madam,

Subject: Update to the disclosure dated 5 November 2022 made in respect of the Scheme of Arrangement and Merger of ISMT Limited ('Transferor Company') with Kirloskar Ferrous Industries Limited ('Transferee Company') and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of and as an update to the earlier communications dated 5 November 2022 and 2 December 2022, this is to inform you that BSE Limited, vide its letter dated 25 July 2023, has issued an 'Observation Letter regarding the Scheme of Arrangement amongst ISMT Limited and Kirloskar Ferrous Industries Limited and their respective shareholders and creditors.'

A copy of the said letter is enclosed herewith.

You are requested to take the same on record.

Thanking You,

Yours faithfully,
For ISMT Limited

Chetan Nathani
Company Secretary
Encl.: As above



SCT-0123, 5L-0102



ISO/IATF : 16949:2016

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ISO : 9001:2015



BS OHSAS 18001:2007
ISO : 14001:2015

DCS/AMAL/TL/R37/2840/2023-24

July 25, 2023

The Company Secretary,
KIRLOSKAR FERROUS INDUSTRIES LTD.
13, Laxmanrao Kirloskar Road, Khadki, Pune,
Maharashtra, 411003

The Company Secretary,
ISMT LTD.
Panama House (earlier known as Lunkad
Towers), Viman Nagar, Pune, Maharashtra,
411014

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement amongst ISMT Limited and Kirloskar Ferrous Industries Limited and their respective shareholders and creditors

We are in receipt of the Scheme of Arrangement amongst ISMT Limited and Kirloskar Ferrous Industries Limited and their respective shareholders and creditors filed by ISMT Limited and Kirloskar Ferrous Industries Limited as required under SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations, 2015; SEBI vide its letter dated July 24, 2023 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a) "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b) "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c) "Company shall ensure compliance with the SEBI circulars issued from time to time."
- d) "The entities involved in the Scheme shall duly comply with various provisions of the Circular."
- e) "Company is advised that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f) "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g) "Company is advised to disclose the details of assets and liabilities and revenue of the Transferee Company prior to and after the scheme of amalgamation along with the details of assets and liabilities and revenue of the Transferor Company that are being merged in the Transferee Company, as a part of explanatory statement or Notice or Proposal accompanying resolution to be passed to be forwarded by the Company to its shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013, so that public shareholders can make an informed decision in the matter."
- h) "Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."

- i) "Company is advised that the proposed equity shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."
- j) "Company shall ensure that the Scheme shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
- k) "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- l) "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- m) "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- n) "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as

the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Rupal Khandelwal
Rupal Khandelwal
Deputy General Manager

Tanmayi Lele
Tanmayi Lele
Assistant Manager