

March 09, 2022

The Manager
Dept. of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001

National Stock Exchange Limited
Dept. of Corporate Services
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai- 400 051

Dear Sir,

Sub: Submission of Letter of Offer ("LOF")

Ref: 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.

On receipt of the SEBI Observations Letter dated March 04, 2022 and with reference to the subject mentioned as above, we have carried out amendments in DLOF in accordance with the referred letter. Please find enclosed a copy of the Letter of Offer dated March 07, 2022 which is scheduled for dispatch to the equity shareholders (except the Acquirer and the PACs) on or before March 14, 2022.

Further, we also wish to inform you that a copy of the Letter of Offer has also been submitted with SEBI and the Target Company. Kindly acknowledge the same and take this to your records.

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
Corporate Office : The Capital, A-Wing, No. 603 - 606, 6th Floor, Bandra Kurla Complex, Bandra (East), Mumbai -400051.
Tel: +91-22-6619 8000 / 4035 8000 Fax: +91-22-6619 8029 /40358029

CIN: L91990MP1985PLC002969 Website: www.systematixgroup.in Email: secretarial@systematixgroup.in

SEBI Merchant Banking Registration No. : INM000004224



LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("**Letter of Offer**" / "**LOF**") is sent to you as a Public Shareholder (*as defined below*) of ISMT Limited ("**Target Company**"). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the LOF and the accompanying Form of Acceptance (*as defined below*) and the transfer deed to the member of stock exchange through whom the said sale was effected.

OPEN OFFER ("OPEN OFFER" / "OFFER")

BY

KIRLOSKAR FERROUS INDUSTRIES LIMITED

(CIN: L27101PN1991PLC063223)

Registered Office: 13, Laxmanrao Kirloskar Road, Khadki, Pune – 411 003, Maharashtra

Tel No.: +91 20 66084664; **Fax No.:** +91 20 25813208;

Email: mayuresh.gharpure@kirloskar.com; **Website:** www.kirloskarferrous.com

(hereinafter referred to as "**Acquirer**")

MAKES A CASH OFFER TO ACQUIRE UP TO 7,52,86,269 FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS. 5 (RUPEES FIVE ONLY) EACH ("OFFER SHARES") AT A PRICE OF RS. 31.84 PER EQUITY SHARE ("OFFER PRICE"), REPRESENTING 25.05% OF THE EMERGING VOTING CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY ("OFFER SIZE"), IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO FROM TIME TO TIME ("SEBI (SAST) REGULATIONS") FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW)

OF

ISMT LIMITED

(CIN: L27109PN1999PLC016417)



Registered Office: Panama House (earlier known as Lunkad Towers), Viman Nagar, Pune – 411 014, Maharashtra, India.

Tel No.: +91-20-4143 4100/ 26630144; **Fax No.:** +91-20-26630779

Email: secretarial@ismt.co.in; **Website:** www.ismt.co.in

1. This Open Offer is being made by the Acquirer pursuant to and in compliance with Regulations 3(1) and 4, and other applicable regulations of the SEBI (SAST) Regulations. No other person is acting in concert with the Acquirer for the purpose of this Open Offer.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. As on the date of this LOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction (*as defined below*). The approval set out in paragraph 7.4 of this LOF has been obtained by the Acquirer. However, in case any other statutory or other approval(s) become applicable and are required by the Acquirer prior to the completion of the Offer, this Open Offer shall be subject to receipt of such statutory or other approval(s) being obtained.
4. In case of delay in receipt of any statutory approval(s) mentioned in paragraph 7.4 (*Statutory and other Approvals*) of this LOF or any other statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the escrow account shall become liable to forfeiture. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
5. The marketable lot for the Equity Shares for the purpose of this Offer shall be one (1) only.
6. Pursuant to Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to make upward revision of the Offer Price (*as defined below*) or the number of Offer Shares (*as defined below*) at any time prior to the commencement of 1 Working Day (*as defined below*) before the commencement of the Tendering Period (*as defined below*). In the event of such revision, the Acquirer shall (i) make a corresponding increase to the escrow amount, (ii) make an announcement in the same newspapers in which the DPS (*as defined below*) has been published, and (iii) simultaneously notify the Stock Exchanges (*as defined below*), SEBI (*as defined below*) and the Target Company at its registered office of such revisions. Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations. The same price shall be payable by the Acquirer for all the Equity Shares tendered during the Open Offer.
7. Public Shareholders classified as OCBs (*as defined below*), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI (*as defined below*) under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs (*as defined below*)) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
8. **There is no competing offer to this Offer and this Offer is also not a competing offer.**
9. Copies of the Public Announcement ("**PA**") and the Detailed Public Statement ("**DPS**") are available on the website of SEBI at www.sebi.gov.in and copies of DLOF and LOF (including the Form of Acceptance) will be available on the website of SEBI at www.sebi.gov.in.

All future correspondence should be addressed to the Manager to the Offer/ Registrar to the Offer at the addresses mentioned below:

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|--|---|
|  <p>SYSTEMATIX GROUP Investments Re-defined</p> |  <p>KFINTECH EXPERIENCE TRANSFORMATION</p> |
| <p>Systematix Corporate Services Limited The Capital, A Wing, 603-606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. Telephone: +91 22 6704 8000 Fax: +91 22 6704 8022 E-mail: ecm@systematixgroup.in Website: www.systematixgroup.in Contact Person: Amit Kumar SEBI Registration Number: INM000004224</p> | <p>KFin Technologies Limited Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India Telephone: +91 40 6716 2222/ Toll Free No.: 1800 3094 001 Fax: +91 40 2343 1551 Email: ismt.openoffer@kfintech.com Website: www.kfintech.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221</p> |
| OFFER/TENDERING PERIOD | |
| STARTS ON: MONDAY, MARCH 21, 2022 | CLOSES ON: FRIDAY, APRIL 01, 2022 |

SCHEDULE OF ACTIVITIES

| Sr.No. | Activity | Original Schedule (Day and Date) | Revised Schedule (Day and Date) ⁽¹⁾ |
|--------|--|-------------------------------------|---|
| 1. | Date of PA | Thursday, November 25, 2021 | Thursday, November 25, 2021 |
| 2. | Date of publication of the DPS | Wednesday, December 01, 2021 | Wednesday, December 01, 2021 |
| 3. | Last date of filing of the draft letter of offer with SEBI | Wednesday, December 08, 2021 | Wednesday, December 08, 2021 |
| 4. | Last date for public announcement for Competing Bid/ offer(s) ⁽²⁾ | Wednesday, December 22, 2021 | Wednesday, December 22, 2021 |
| 5. | Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Open Offer) | Wednesday, December 29, 2021 | Friday, March 04, 2022 ⁽³⁾ |
| 6. | Identified Date [#] | Friday, December 31, 2021 | Friday, March 04, 2022 |
| 7. | Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date | Friday, January 07, 2022 | Monday, March 14, 2022 |
| 8. | Last date of publication of recommendations by the committee of the independent directors of the Target Company to the Public Shareholders in relation to the Open Offer | Wednesday, January 12, 2022 | Wednesday, March 16, 2022 |
| 9. | Last date for upward revision of the Offer Price/the size of the Open Offer | Thursday, January 13, 2022 | Thursday, March 17, 2022 |
| 10. | Date of publication of opening of Open Offer public announcement in the newspapers in which the DPS has been published | Thursday, January 13, 2022 | Thursday, March 17, 2022 |
| 11. | Date of commencement of the tendering period (" Offer Opening Date ") | Friday, January 14, 2022 | Monday, March 21, 2022 |
| 12. | Date of closure of the tendering period (" Offer Closing Date ") | Friday, January 28, 2022 | Friday, April 01, 2022 |
| 13. | Last date of communicating the rejection/acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders | Friday, February 11, 2022 | Tuesday, April 19, 2022 |
| 14. | Last date for publication of post-Open Offer public announcement in the newspapers in which the DPS has been published | Friday, February 18, 2022 | Tuesday, April 26, 2022 |

| Sr.No. | Activity | Original Schedule (Day and Date) | Revised Schedule (Day and Date) ⁽¹⁾ |
|--------|--|-------------------------------------|---|
| 15. | Submission of Final Report by the Manager to the Offer with SEBI | Friday, February 18, 2022 | Thursday, May 26, 2022 |

⁽¹⁾ - Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.

⁽²⁾ - There is no competing offer.

⁽³⁾ - Actual date of receipt of SEBI's final observations on the DLOF.

#- Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirer, existing members of the promoter and promoter group of the Target Company and the parties to the underlying SSA and SHA 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) are eligible to participate in the Open Offer any time before the Offer Closing Date.

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates. Duly Signed Form of Acceptance ("FOA") and Transfer Deed(s) together with Share Certificate(s) in case of physical shares and duly signed FOA and delivery instruction slip in case of dematerialized shares should be dispatched by Registered Post / Courier or Hand Delivery to KFin Technologies Limited to arrive not later than 5:00 pm on or before Tuesday, April 05, 2022 i.e. within two working days from closure of the Tendering Period.

This space is left blank intentionally

RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE OPEN OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER:

The risk factors set forth below are limited to this Open Offer, the Underlying Transaction (*as defined below*) and the Acquirer and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of all the risks involved in the participation by Public Shareholders in this Open Offer, or in association with the Acquirer, but are merely indicative in nature. Public Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for understanding and analyzing all risks associated with respect to their participation in this Open Offer.

For capitalized terms used herein, please refer to the “Definitions” chapter below.

A. Risks relating to Underlying Transaction

1. The obligations of the Acquirer to subscribe to the Subscription Shares and pay the Subscription Amount to the Target Company is conditional upon Target Company and the Taneja Group fulfilling each of the conditions precedent as set out in the SSA to the satisfaction of the Acquirer on or before the Long Stop Date (*as defined in the SSA*) (unless waived by the Acquirer), which include, among others, the conditions specified in paragraph 3.1.7(I) (*Salient features of the SSA*) of this LOF.
2. The transactions contemplated under the SSA are subject to completion risks as would be applicable to similar transactions.
3. The Target Company, the Taneja Group and the Lenders (*as defined in the SSA*) of the Target Company have agreed to enter into a one-time settlement agreement as a condition precedent to the SSA, for the settlement of the Facilities (*as defined in the SSA*), on or before December 20, 2021 or such other period as may be agreed by the Acquirer and the Target Company in writing. The one-time settlement agreement dated January 31, 2022 has been executed between the Lenders, the Target Company, Mr. B.R. Taneja and Indian Seamless Enterprises Limited. Pursuant to the execution of the said one-time settlement agreement, the Equity Shares of the Target Company being pledged with the Lenders of the Target Company will be released by such Lenders, free and clear from all encumbrances.
4. The Unsecured Loan Agreement is listed as a ‘transaction document’ under the SSA and a specific obligation has been cast on the Acquirer under the SSA to extend the Unsecured Loan (*as defined in the SSA*). The grant of the Unsecured Loan is subject to fulfilment of the conditions precedent as set out in the SSA to the satisfaction of the Acquirer on or before the Long Stop Date (*as defined in the SSA*) (unless waived by the Acquirer) and the Unsecured Loan will be transferred simultaneous with the remittance of the Subscription Amount (*as defined under the SSA*).

B. Risks relating to the Open Offer

1. The Open Offer is an offer made under the SEBI (SAST) Regulations to acquire up to 7,52,86,269 Equity Shares representing 25.05% of the Emerging Voting Capital of the Target Company, from the Public Shareholders of the Target Company.
2. As on the date of this LOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transactions, other than as indicated in paragraph 7.4 (Statutory and other Approvals) of this LOF. However, in case any other statutory approvals become applicable and are required by the Acquirer at a later date before the closure of the tendering period, this Open Offer shall be subject to receipt of such further approvals. If there is a delay in receipt of any applicable statutory or other approvals, then the Open Offer process may be delayed beyond the dates indicated in the tentative schedule of major activities of the Open Offer disclosed in this LOF (on page number 2). In case the Equity Shares are tendered in the Open Offer and a delay is caused due to delay in receipt of any applicable statutory or other approvals, the payment of consideration to Public Shareholders whose Equity Shares have been accepted under the Open Offer as well as return of Equity Shares not accepted by the Acquirer may be delayed. Where the required statutory or other approvals apply to some but not all of the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
3. In case of delay/non-receipt of any statutory or other approvals referred to in paragraph 7.4 of this LOF, SEBI may, if satisfied that non-receipt of the requisite approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) or Regulation 18(11A) of the SEBI (SAST) Regulations.
4. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals specified in paragraph 7.4 or those which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirer, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager to the Offer) shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
5. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation/Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During

such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.

6. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, including without limitation, the approval from the RBI, if any, to tender the Equity Shares held by them in this Offer and submit such approvals / exemptions along with the documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
7. This LOF, together with the DPS and the PA in connection with the Open Offer has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, and has not been filed, registered, or approved in any jurisdiction outside India. Recipients of this LOF who are resident in jurisdictions outside India should inform themselves of and comply with any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
8. The information contained in this LOF is as of the date of this LOF unless expressly stated otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this LOF.
9. Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares to the Acquirer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer does not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOF.
10. In the event that either: (a) there is any injunction or stay on this Open Offer or any litigation that restricts or restrains the Acquirer from performing any of its obligations hereunder; or (b) SEBI instructs the Acquirer to suspend this Open Offer, then this Open Offer process may be delayed beyond the dates indicated in the tentative schedule of major activities of the Open Offer disclosed in this LOF (on page number 2). In the event of any delay in proceeding with this Open Offer, the payment of consideration to the Public Shareholders whose Equity Shares are accepted in this Open Offer as well as the return of the Equity Shares not accepted in this Open Offer, may be delayed. In the event SEBI instructs the Acquirer to not proceed with this

Open Offer, then this Open Offer process shall be withdrawn and the Acquirer (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

11. In relation to the Open Offer, the Acquirer and the Manager to the Offer accept responsibility only for statements made by them in the PA, DPS, DLOF, LOF or in the post Open Offer advertisement or any corrigenda or any materials issued by or at the instance of the Acquirer, or the Manager to the Offer in relation to the Open Offer (other than (a) information pertaining to the Target Company which been obtained from publicly available sources or provided by the Target Company; and (b) information pertaining to the Promoter which been obtained from the Promoter). Anyone placing reliance on any sources of information (other than as mentioned in this paragraph) would be doing so at his/her/its own risk.
12. Neither the Acquirer nor the Manager to the Offer nor the Registrar to the Offer accept any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
13. No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% of the voting rights of the Target Company, the Acquirer may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.
14. This LOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this LOF residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This LOF does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

C. Relating to Acquirer

1. The Acquirer and the Manager to the Offer make no assurance with respect to the future performance of the Target Company, nor do they make any assurances with respect to the market price of the Equity Shares before, during or after the Open Offer. The Public Shareholders should not be guided by the past performance of the Target Company / Acquirer or any of their group companies while arriving at their decision to participate in the Open Offer. The

Acquirer and the Manager to the Offer expressly disclaim any responsibility of any kind (except as required by applicable law) with respect to any decision of Public Shareholders on whether to participate in the Open Offer or not. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

2. The Acquirer and the Manager to the Offer make no assurance with respect to Acquirer's investment/divestment decisions relating to their proposed shareholding in the Target Company.
3. For the purpose of disclosures in the LOF, all information relating to the Target Company has been obtained from publicly available sources or from the Target Company. All information relating to the Promoter has been obtained from the Promoter. The accuracy of such details of the Target Company and the Promoter of the Target Company have not been independently verified by the Acquirer and the Manager to the Offer.
4. Under Regulation 38 of the SEBI (LODR) Regulation read with Rule 19A of SCRR, the Target Company is required to maintain at least 25% public shareholding (as determined in accordance with the SCRR) on a continuous basis. Pursuant to completion of this Open Offer and the Underlying Transaction, the public shareholding in the Target Company may fall below such minimum public shareholding requirement. In such an event, the Acquirer will ensure compliance with the minimum public shareholding requirement in the manner and timeline prescribed under applicable law.

NOTICE TO SHAREHOLDERS IN OTHER COUNTRIES

This LOF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

The Open Offer described in this LOF is not being made to, nor will tenders of shares be accepted from or on behalf of Public Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

NOTICE TO SHAREHOLDERS IN UNITED STATES

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian company and Public Shareholders in the U.S. should be aware that this LOF and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this LOF or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. accounting standard and/or generally accepted accounting principles.

CURRENCY OF PRESENTATION

In this LOF, all references to “Rupees” or “Rs.” Or “INR” are references to the Indian Rupee(s) (“**Rs.**”).

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

TABLE OF CONTENTS

| | |
|--|----|
| 1. DEFINITIONS/ ABBREVIATIONS..... | 11 |
| 2. DISCLAIMER CLAUSE | 15 |
| 3. DETAILS OF THE OPEN OFFER..... | 17 |
| 4. BACKGROUND OF THE ACQUIRER | 26 |
| 5. BACKGROUND OF THE TARGET COMPANY | 34 |
| 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS..... | 41 |
| 7. TERMS AND CONDITIONS OF THE OPEN OFFER | 45 |
| 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER | 50 |
| 9. NOTE ON TAXATION..... | 60 |
| 10. DOCUMENTS FOR INSPECTION | 70 |
| 11. DECLARATION BY THE ACQUIRER..... | 73 |

This space is left blank intentionally

1. DEFINITIONS/ ABBREVIATIONS

| Term | Definitions/Description |
|---------------------------|---|
| Acquirer | Kirloskar Ferrous Industries Limited |
| Bank Guarantee | As has been defined in paragraph 6.2.2 of this LOF |
| Buying Broker | Systematix Shares and Stocks (India) Limited |
| BSE | BSE Limited |
| CCI | Competition Commission of India |
| CIN | Corporate Identification Number |
| Clearing Corporation | The Clearing Corporation of India Limited |
| Control Date | The date of completion of the Underlying Transaction stipulated under the SSA i.e., the Closing Date (<i>defined under the SSA</i>). |
| DIN | Director Identification Number |
| Depositories | Central Depository Services (India) Limited and National Securities Depository Limited |
| Designated Stock Exchange | As has been defined in paragraph 9.2 of this LOF |
| DLOF | Draft Letter of Offer dated December 8, 2021 |
| DPS | Detailed Public Statement dated November 30, 2021 issued by Manager to the Offer on behalf of the Acquirer in relation to the Offer and published in Newspapers on December 1, 2021 in accordance with Regulation 3(1) and Regulation 4 read with Regulations 13(4) and 15(2) of the SEBI (SAST) Regulations |
| DP | Depository Participant |
| DP Agent | Systematix Shares and Stocks (India) Limited |
| DP Escrow Agreement | DP Escrow Agreement dated December 7, 2021 entered into between the Acquirer, DP Agent, Registrar to the Offer and Manager to the Offer |
| DP Escrow Account | The DP escrow account opened with the DP Agent pursuant to the DP Escrow Agreement |
| Equity Share(s) | Fully paid-up equity shares of Target Company of face value of Rs.5 each |
| Escrow Agreement | Escrow Agreement dated November 26, 2021 entered into between the Acquirer, Escrow Bank and Manager to the Offer |
| Escrow Bank | Kotak Mahindra Bank Limited |
| Emerging Voting Capital | The total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10 th (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. |
| FEMA | The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and subsequent amendments |

| Term | Definitions/Description |
|-------------------------------|--|
| | thereto from time to time |
| FII/FPI | Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA |
| Form of Acceptance/FOA | Form of Acceptance-cum-Acknowledgement |
| GAAR | General Anti Avoidance Rules |
| SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and subsequent amendments thereto from time to time |
| Identified Date | The date falling on the 10 th Working Day prior to the commencement of the Tendering Period for the purposes of determining the Public Shareholders to whom the LOF shall be sent |
| IT Act | Income Tax Act, 1961, and subsequent amendments thereto from time to time |
| LOF | This Letter of Offer dated March 07, 2022 (duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance cum Acknowledgement) |
| Manager to the Offer | Systematix Corporate Services Limited |
| Multilateral Instrument/MLI | Multilateral Instrument shall mean the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting |
| Newspapers | The Financial Express – English (all editions), Jansatta – Hindi (all editions), Mumbai Lakshadeep – Marathi (Mumbai edition) and Loksatta – Marathi (Pune edition) |
| NRI | Non-Resident Indian as defined in FEMA |
| NSE | National Stock Exchange of India Limited |
| OCB(s) | Erstwhile Overseas Corporate Bodies |
| Offer Consideration | Rs. 2,39,71,14,805 (assuming full acceptance) |
| Offer Price | Rs. 31.84 per Offer Share payable in cash |
| Offer Period | The period between the date on which the PA was issued by the Acquirer and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be |
| Offer Shares | 7,52,86,269 Equity Shares |
| One Time Settlement Agreement | The one time settlement agreement dated January 31, 2022, entered into for a full and final settlement of all the Facilities (<i>as defined in SSA</i>) between the Lenders, the Target Company, Mr. B.R. Taneja and Indian Seamless Enterprises Limited. |
| Open Offer | Open offer for acquisition of up to 7,52,86,269 Equity Shares representing 25.05% of Emerging Voting Capital of the Target Company at the Offer Price, payable in cash |
| PA | Public Announcement dated November 25, 2021 |
| PAN | Permanent Account Number |
| Preferential | The proposed issuance and allotment of Subscription Shares on |

| Term | Definitions/Description |
|----------------------------------|---|
| Allotment/ Preferential Issue | preferential issue and private placement basis of face value Rs. 5 each, to the Acquirer |
| Public Shareholders | All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the 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 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 |
| RBI | Reserve Bank of India |
| Registrar to the Offer | KFin Technologies Limited |
| Rupees or Rs | Indian Rupees |
| SCRR | Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereto from time to time |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, and subsequent amendments thereto from time to time |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subsequent amendments thereto from time to time |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto from time to time |
| SHA | The shareholders' agreement dated November 25, 2021, entered into between the Acquirer and the Taneja Group |
| SSA | The share subscription agreement dated November 25, 2021, entered into between the Acquirer, Target Company and the Taneja Group, pursuant to which 15,40,00,000 Equity Shares will be issued and allotted to the Acquirer at a price of Rs. 30.95 per Equity Share by way of preferential allotment for a total consideration of Rs. 4,76,63,00,000 |
| Stock Exchanges | BSE and NSE |
| Subscription Amount | Rs. 4,76,63,00,000 |
| Subscription Shares | 15,40,00,000 Equity Shares representing 51.25% of the Emerging Voting Capital of the Target Company |
| STT | Securities Transaction Tax |
| Taneja Group | The members of Promoter and Promoter Group of the Target Company namely Indian Seamless Enterprises Limited, Baldevraj Topanram Taneja, B R Taneja (HUF), Alka Mehta, Salil Baldev Taneja, Laurus Tradecon Private Limited and Vishkul Enterprises Private Limited |
| Target Company | ISMT Limited |
| Tendering Period | Period expected to commence from Monday, March 21, 2022 and close on Friday, April 01, 2022, both days inclusive |

| Term | Definitions/Description |
|--------------------------|--|
| TRS | Transaction Registration Slip |
| Underlying Transaction | The Preferential Issue of the Subscription Shares in accordance with the SSA, SHA and Unsecured Loan Agreement |
| Unsecured Loan Agreement | The unsecured loan agreement dated November 25, 2021 entered between the Acquirer and the Target Company for the proposed grant of the unsecured loan of Rs. 194,00,00,000 by the Acquirer to the Target Company (“ Unsecured Loan ”) |
| Working Day | Working days of SEBI as defined under the SEBI (SAST) Regulations |

Notes:

1. All capitalized terms used in this LOF and not specifically defined herein shall have the meaning as ascribed to them in the SEBI (SAST) Regulations.
2. In this LOF, any reference to the singular will include the plural and vice-versa.

This space is left blank intentionally

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS LOF WITH SEBI SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF ISMT LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LOF. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LOF, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER/MERCHANT BANKER SYSTEMATIX CORPORATE SERVICES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 8, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.

2.1. General Disclaimer

- 2.1.1. This LOF together with the PA dated November 25, 2021 and the DPS that was published on December 1, 2021 in connection with the Offer has been prepared for the purposes of compliance with SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the applicable laws and regulations of any jurisdiction outside of India. The delivery of this LOF, under any circumstances, shall not create any implication that there has been no change in the affairs of the Target Company and the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date nor is it to be implied that the Acquirer is under any obligation to update the information contained herein at any time after this date.
- 2.1.2. No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the LOF by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the LOF under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

- 2.1.3. Persons in possession of the PA, the DPS, this LOF and/or any other advertisement/publication made or delivered in connection with the Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

This space is left blank intentionally

3. DETAILS OF THE OPEN OFFER

3.1. Background of the Open Offer

- 3.1.1. The Open Offer is a mandatory offer made in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations for substantial acquisition of Equity Shares and change in control of the Target Company, pursuant to the execution of SSA and the SHA.
- 3.1.2. The Board of Directors of the Target Company, at its meeting held on November 25, 2021, subject to *inter alia* receipt of approval from the shareholders of the Target Company and receipt of other statutory/regulatory approvals, as the case may be, approved the issuance and allotment of 15,40,00,000 Equity Shares of the Target Company ("**Subscription Shares**"), representing 51.25% of the Emerging Voting Capital of the Target Company on preferential issue and private allotment basis, to the Acquirer at a price of Rs. 30.95 per Subscription Shares aggregating to Rs. 4,76,63,00,000 ("**Subscription Amount**"), to be paid in cash ("**Preferential Issue**"). In relation to the Preferential Issue, on November 25, 2021, the Acquirer, Target Company and Taneja Group entered into a Share Subscription Agreement ("**SSA**"), under which the Target Company will, subject to *inter alia* receipt of the shareholders' approval and receipt of the other statutory/regulatory approvals, as may be required, and fulfilment of certain other conditions precedent (unless waived by the Acquirer), issue and allot the Subscription Shares to the Acquirer.
- 3.1.3. The Acquirer and Taneja Group have entered into a shareholders' agreement on November 25, 2021 ("**SHA**") to record *inter alia* certain *inter se* rights and obligations in relation to their Equity Shares.
- 3.1.4. Furthermore, the unsecured loan agreement dated November 25, 2021 has been entered into between the Acquirer and the Target Company ("**Unsecured Loan Agreement**") for granting an unsecured loan of Rs. 194,00,00,000 by the Acquirer to the Target Company ("**Unsecured Loan**"). The Unsecured Loan Agreement is listed as a 'transaction document' under the SSA and a specific obligation has been cast on the Acquirer under the SSA to extend this Unsecured Loan. Simultaneously with the remittance of the Subscription Amount (*as defined under the SSA*) to the Target Company, the Acquirer will transfer the Unsecured Loan to the Designated Bank Account (*as defined under the Unsecured Loan Agreement*) of the Target Company.
- 3.1.5. A one time settlement agreement dated January 31, 2022 was entered into for full and final settlement of all the Facilities (*as defined in the SSA*) between the Lenders, the Target Company, Mr. B.R. Taneja and Indian Seamless Enterprises Limited .
- 3.1.6. On and from the Control Date (i.e. the Effective Date (*as defined under the SHA*)) the Acquirer will be in sole control of the Target Company. The Acquirer will acquire sole control over the Target Company on the earlier of: (a) the Closing Date (*as defined under the SSA*) (i.e., the date falling after expiry of 21 Working Days from the date of publication of the DPS subject to the Acquirer having deposited the

entire Offer Consideration in the Escrow Account as per the requirements under Regulation 22(2) of the SEBI (SAST) Regulations); or (b) the date falling after expiry of the offer period of the Open Offer, as determined in accordance with the SEBI (SAST) Regulations; in each case upon consummation of the transactions envisaged in the SSA. Such date of acquisition of sole control over the Target Company by the Acquirer to be referred to as the “**Control Date**”.

3.1.7. Salient features of the SSA, the SHA and the Unsecured Loan Agreement are set out below:

I. **Salient Features of the SSA:**

- a) The obligations of the Acquirer to subscribe to the Subscription Shares and pay the Subscription Amount to the Target Company is conditional upon the Target Company fulfilling each of the conditions precedent set out under Clauses 3.1 and 3.3 of the SSA to the satisfaction of the Acquirer, unless waived by the Acquirer in writing, on or before the Long Stop Date (*as defined in the SSA*), which include, among others, the following conditions:
- (i) obtaining shareholder’s approval for (1) preferential allotment of the Subscription Shares, (2) authorizing the issue of Subscription Shares, and (3) increase in the authorised share capital of the Company/ reclassification of the share capital of the Company;
 - (ii) complying with all necessary conditions required in relation to the preferential allotment of the Subscription Shares in compliance with Section 42 of the Companies Act, 2013, as may be required in relation to the transactions contemplated in SSA;
 - (iii) there having been no breach of any of the Fundamental Warranties (*as defined in the SSA*) or breach in any material respect of any of the other Warranties (*as defined in the SSA*), as on November 25, 2021, and on the Closing Date (*as defined in the SSA*), other than as disclosed in the Updated Disclosure Letter (*as defined in the SSA*);
 - (iv) there having been no material breach of the covenants, statements, obligations under the SSA required to be performed by the Target Company and/or the Taneja Group;
 - (v) receipt of the in-principle approval of the Stock Exchanges for the issue and allotment of the Subscription Shares;
 - (vi) comply with the Standstill Obligations (*as defined in the SSA*);
 - (vii) no Material Adverse Effect (*as defined in the SSA*) subsisting on the Closing Date; and

- (viii) *inter-alia*, the Target Company and the lenders of the Target Company executing a One Time Settlement Agreement (*as defined in the SSA*) on or before December 20, 2021 or such other period as may be agreed by the Subscriber and the Company in writing.
- b) The obligation of the Target Company and Taneja Group to issue and allot the Subscription Shares to the Acquirer is subject to the Acquirer fulfilling each of the conditions precedent set out under Clauses 3.2 and 3.3 of the SSA to the satisfaction of the Target Company and Taneja Group, on or before the Long Stop Date (*as defined in the SSA*), the following conditions:
 - (i) obtaining the consent of the Competition Commission of India for the transactions contemplated to be undertaken pursuant to the Transaction Documents (*as defined in the SSA*); and
 - (ii) obtaining shareholder's approval for the transactions contemplated under the SSA including the Open Offer and Unsecured Loan (to be granted on the terms and conditions contained in the Unsecured Loan Agreement).
- c) Until the later of Control Date or Closing Date (*as defined in the SSA*), the Target Company and Taneja Group are subject to customary standstill covenants.
- d) The SSA contains *inter alia* provisions in relation to certain representations and warranties provided by the Taneja Group and the Target Company to the Acquirer. The Taneja Group has also provided indemnity rights to the Acquirer under the SSA.
- e) The Target Company shall utilize the Subscription Amount and the Unsecured Loan (i) for the settlement of the Facilities (*as defined in the SSA*), and (ii) after settling the Facilities (*as defined in the SSA*), for such matters as maybe approved by the Acquirer and thereafter the board of directors of the Target Company, post the Control Date.
- f) On the Control Date, the Target Company shall hold a meeting of its board of directors for *inter alia* approving the re-constitution of the board of directors of the Target Company.
- g) The SSA will stand terminated, at any time prior to the Closing Date (*as defined in the SSA*), upon the occurrence of certain events which *inter alia* include the following:
 - (i) immediately, by mutual written agreement of the Acquirer, the Target Company and the Taneja Group;

- (ii) automatically, if (1) the conditions precedent set out at paragraph 3.1.7(l)b(i) or paragraph 3.1.7(l)b(ii) of this LOF are not fulfilled by the Acquirer, and (2) the conditions precedent set out at paragraph 3.1.7(l)a(i) of this LOF is not fulfilled by the Target Company, on or before the Long Stop Date;
 - (iii) by the Acquirer, if the Closing Date (*as defined in the SSA*) has not occurred on or before the Long Stop Date;
 - (iv) if the Lenders (*as defined in the SSA*) do not execute the One Time Settlement Agreement (*as defined in the SSA*) on or before December 20, 2021 or such other period as may be agreed by the Acquirer and the Target Company in writing; and
 - (v) if in the opinion of the Acquirer, a Material Adverse Effect (*as defined in the SSA*) has occurred.
- h) The Taneja Group have agreed to certain non-compete and non-solicit obligations set out in the SSA. It is clarified that no separate consideration is payable for undertaking such obligations.

II. Salient Features of the SHA:

- (a) On and from the Control Date (i.e., the Effective Date (*as defined under the SHA*)):
 - (i) the Acquirer will be in sole control of the Target Company, and will be identified as and considered the ‘promoter’ of the Target Company under applicable law;
 - (ii) the Taneja Group will continue to be identified as ‘promoters’ of the Target Company;
 - (iii) the Taneja Group are under an obligation to vote along with the Acquirer at each meeting of the shareholders of the Target Company;
 - (iv) the members of the Taneja Group shall not transfer any securities of the Target Company without the prior written consent of the Acquirer and after complying with certain additional conditions in the nature of ‘Right of First Offer’ in favour of the Acquirer (*as described in the SHA*);
 - (v) the members of the Taneja Group are restricted from directly or indirectly, acquiring any Equity Shares of the Target Company, without the prior written consent of the Acquirer, save and except in case of (i) a bonus issuance made by the Target Company, or (ii) a rights issue by the Target Company;

- (vi) upon the occurrence of Cause (*as defined under the SHA*) or breach of the vote along obligation by any member of the Taneja Group, the Acquirer has a call option on the securities held by the relevant member of the Taneja Group.
- (b) The Acquirer has agreed that pursuant to the completion of the Open Offer, if the aggregate shareholding of the Acquirer and certain members of the existing promoter and promoter group exceeds the minimum public shareholding requirements as prescribed under applicable law, then it shall be the sole obligation of the Acquirer to comply with the minimum public shareholding requirements prescribed under applicable law, and the said Promoters shall be under no obligation to ensure such compliance (including by causing a sale of their shares in the Target Company).
- (c) In the event any members of the Taneja Group seeks to re-classify themselves to 'public' or 'non-promoter' shareholders of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations (including compliance with the conditionalities specified therein), the Acquirer has undertaken to take all steps necessary under the SEBI (LODR) Regulations, and ensure that the Target Company takes all steps necessary under the SEBI (LODR) Regulations to cause the re-classification.
- (d) The SHA may be terminated *inter alia*:
 - (i) automatically, upon termination of the SSA;
 - (ii) upon mutual agreement in writing by the Acquirer and the Promoter; and
 - (iii) upon the Taneja Group members seeking to be re-classified as 'public' or 'non-promoter' shareholders.

III. Salient Features of the Unsecured Loan Agreement:

- a) Simultaneously with the remittance of the Subscription Amount (*as defined under the SSA*) to the Target Company, the Acquirer will transfer the Unsecured Loan to the Designated Bank Account (*as defined under the Unsecured Loan Agreement*) of the Target Company.
- b) The Target Company shall utilize the Unsecured Loan (i) for the settlement of the Facilities (*as defined in the SSA*), and (ii) after settling the Facilities (*as defined in the SSA*), for such matters as maybe approved by the Acquirer and thereafter the board of directors of the Target Company, post the Control Date.

- c) The Tenure of the Unsecured Loan is granted for a period of 3 months commencing from the Closing Date (*as defined in the SSA*) and carries simple interest of 9% per annum. The Tenure can be extended by the Acquirer in its sole discretion. Target Company has the right to repay the Unsecured Loan, along with the interest accrued thereto, at any time during the Tenure of the Unsecured Loan.
- d) Upon the occurrence of an Event of Default (*as defined under the Unsecured Loan Agreement*) the Acquirer is entitled to declare the Unsecured Loan as being repayable 'on demand'.

3.1.7 A As indicated in paragraph 3.1.7 II above (salient features of the SHA), the Acquirer will be in sole control of the Target Company on and from the Control Date, and would be identified as the 'promoter' of the Target Company. Since, the Taneja Group does not fulfil the requirements of regulation 31A of the SEBI (LODR) Regulation (which specifies the conditions required to be satisfied for a promoter to be reclassified as public shareholders) as on the Control Date, the Taneja Group cannot be re-classified as 'public' or 'non-promoter' shareholders of the Target Company on the Control Date. On account of the abovementioned, and the fact that the SSA/ SHA do not specifically provide any right to the Taneja Group to have any nominee director on the board of directors of the Target Company, the Taneja Group will cease to be in control of the Target Company on and from the Control Date.

Further, in order to facilitate the re-classification of the Taneja Group as 'public' or 'non-promoter' shareholders of the Target Company, the Acquirer has, under the SHA, agreed to provide all assistance necessary under the SEBI (LODR) Regulations, and ensure that the Target Company takes all steps necessary under and in accordance with the SEBI (LODR) Regulations to cause the re-classification.

3.1.8. The Target Company has, in the shareholders' meeting held on December 22, 2021, received the approval of its shareholders in relation to the allotment of Equity Shares to the Acquirer. Further, the Acquirer has, in the shareholders' meeting held on December 21, 2021, received the approval of its shareholders in relation to the subscription of the Subscription Shares by the Acquirer and the grant of the Unsecured Loan to the Target Company. Additionally, the Statutory Approval as set out in paragraph 7.4 (*Statutory and other Approvals*) have been obtained by the parties. Additionally, Statutory Approval as set out in paragraph 7.4 (*Statutory and other Approvals*) have obtained by the parties.

3.1.9. The Acquirer does not have any nominee directors or representatives on the board of directors of the Target Company as on the date of this LOF. On and from the Control Date, the Acquirer will control the composition of the board of directors of the Target Company in accordance with applicable laws and shall be entitled to nominate all directors on the board of the Target Company except the independent directors (who shall be appointed in accordance applicable laws).

- 3.1.10. It is clarified that, other than as disclosed in this LOF, no supplementary agreement has been entered into between the existing promoters of the Target Company and the Acquirer.
- 3.1.11. Pursuant to completion of this Open Offer and the Underlying Transactions, the public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of the SCRR read with SEBI (LODR) Regulations. In such an event, the Acquirer will ensure compliance with the minimum public shareholding requirements in the manner and timeline prescribed under applicable law.
- 3.1.12. The Acquirer is not prohibited by SEBI from dealing in securities pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 3.1.13. As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to provide its written reasoned recommendation on the Open Offer to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 Working Days before the commencement of the Tendering Period, in the same newspapers in which the DPS was published.
- 3.1.14. The Target Company has constituted a committee of independent directors (“IDC”) on December 06, 2021 and Mr. R Poornalingam is the Chairman of the committee. The recommendations made by IDC will be released in the same newspapers in which DPS was released at least two (2) working days prior to opening of the Tendering Period.

3.2. **Details of the Proposed Open Offer**

- 3.2.1. The Open Offer is a mandatory open offer being made to the Public Shareholders in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the SSA. The Acquirer is making this Open Offer to acquire from the Public Shareholders up to 7,52,86,269 Equity Shares (“**Offer Shares**”), constituting 25.05% of the Emerging Voting Capital of the Target Company (“**Offer Size**”) at an offer price of Rs. 31.84 per Offer Share (“**Offer Price**”) for cash, aggregating to a total consideration of Rs. 2,39,71,14,805 (assuming full acceptance) (“**Offer Consideration**”), subject to the terms and conditions mentioned herein.
- 3.2.2. The PA in connection with the Open Offer was filed on November 25, 2021 with the Stock Exchanges. The same was sent to the Target Company and SEBI *vide* letters dated November 25, 2021. The PA is available on the website of SEBI at www.sebi.gov.in.
- 3.2.3. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the DPS was published in the following newspapers on December 01, 2021:

| Newspapers | Language | Editions |
|-----------------------|-----------------|-----------------|
| The Financial Express | English Daily | All Editions |
| Jansatta | Hindi Daily | All Editions |
| Mumbai Lakshadeep | Marathi Daily | Mumbai Edition |
| Loksatta | Marathi Daily | Pune Edition |

Simultaneously, a copy of DPS was sent by the Manager to the Offer to Stock Exchanges, SEBI, and Target Company on December 01, 2021. The DPS is available on the website of SEBI at www.sebi.gov.in.

- 3.2.4. As on the date of this LOF, there are no partly paid-up Equity Shares and no outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants) issued by the Target Company which are convertible into Equity Shares of the Target Company. There is no differential pricing for this Open Offer.
- 3.2.5. As on date of this LOF, the Emerging Voting Capital of the Target Company is as follows:

| Particulars | Number of Shares | % of Emerging Voting Capital |
|---|-------------------------|-------------------------------------|
| Fully paid-up Equity Shares as on date | 14,65,01,383 | 48.75 |
| Partly paid-up Equity Shares, outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants) | Nil | 0.00 |
| Equity Shares proposed to be allotted under the Preferential Issue | 15,40,00,000 | 51.25 |
| Emerging Voting Capital | 30,05,01,383 | 100.00 |

- 3.2.6. This Open Offer is not a competing offer and as on the date of this LOF, there is no competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. This Open Offer is not conditional upon any minimum level of acceptance from the Public Shareholders of the Target Company.
- 3.2.7. The Acquirer has not acquired any Equity Shares of the Target Company after the date of the PA, i.e. November 25, 2021 and up to the date of this LOF.
- 3.2.8. All the Equity Shares validly tendered by the Public Shareholders of the Target Company in this Open Offer will be acquired by the Acquirer at the Offer Price in accordance with the terms and conditions set forth in the DPS and the LOF. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances, and will be acquired together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared from now on and hereafter.

- 3.2.9. The Acquirer undertakes that they will not tender any Equity Shares in this Offer.
- 3.2.10. The Manager to the Offer does not hold any Equity Shares as on the date of this LOF. The Manager to the Offer further declares and undertakes not to deal on its own account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.

3.3. Object of the Acquisition/Open Offer

3.3.1. The Acquirer aspires to be one of the notable players in the business segment that it operates in and intends to achieve turnover of 1 Billion USD by 2030 by expanding into new value added products, entering into new business segments and scaling the present manufacturing capacities. The Target Company is one of the largest integrated specialized seamless tubes manufacturers in India. This acquisition will enable the Acquirer to enter the business of steel manufacturing and seamless tubes. Further, considering the Target Company's presence in India and abroad and its manufacturing capacities, the acquisition helps accelerate and achieve the Acquirer's intent of expanding into business, which are complementary to its existing business. These synergies are expected to put the business on an accelerated growth path in coming years. With the completion of the Open Offer, the Acquirer intends to obtain the management of the Target Company and put in their efforts towards the sustained growth of the Target Company.

3.3.2. In terms of the Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer has no intention to alienate any material assets of the Target Company or any subsidiaries ("**Group**") whether by way of sale, lease, encumbrance or otherwise for a period of 2 years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of any of the entities forming part of the Group.

3.3.3. Subsequent to the completion of this Open Offer, the Acquirer reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company and/or any of its subsidiaries through arrangement/reconstruction, restructuring, merger, demerger and/or sale of assets or undertakings, at a later date. Further, in terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer may consider disposal of or otherwise encumbering any assets or investments of the Target Company and/or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/ or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or any of its subsidiaries, to improve operational efficiencies and for other commercial reasons. Decision on these matters will be based on the requirements of the business of the Target Company and/or its subsidiary/(ies) and such decision will be taken in accordance with and as permitted by applicable laws.

4. BACKGROUND OF THE ACQUIRER

4.1. Kirloskar Ferrous Industries Limited (“Acquirer”)

- 4.1.1. The Acquirer is a public company limited by shares and its equity shares are listed on BSE and are permitted to be traded on the NSE. The Acquirer was incorporated on September 10, 1991 in accordance with provisions of the Companies Act, 1956. There has been no change in the name of the Acquirer since its incorporation. The CIN of the Acquirer is L27101PN1991PLC063223.
- 4.1.2. The registered office of the Acquirer is situated at 13, Laxmanrao Kirloskar Road, Khadki, Pune, Maharashtra – 411 003, India, Tel. No.: +91 20 66084664, Fax No.: +91 20 25813208, Email: mayuresh.gharpure@kirloskar.com and Website: www.kirloskarferrous.com.
- 4.1.3. The Acquirer is presently in the business of manufacturing pig iron and grey iron castings. The Acquirer has 3 manufacturing facilities of which 2 are located at Koppal and Hiriyur in Karnataka and 1 at Solapur in Maharashtra.
- 4.1.4. The Acquirer belongs to the Kirloskar group, which is based in Pune, Maharashtra. Kirloskar Industries Limited, a public limited company is the Holding Company of the Acquirer and belongs to the Promoters and Promoters Group of the Acquirer.
- 4.1.5. The shareholding pattern of the Acquirer as on the date of this LOF is set out below:

| Sr.No. | Shareholder’s category | Number of shares held | % of shares |
|------------------------------------|--|-----------------------|---------------|
| 1. | Kirloskar Industries Limited | 7,06,43,754 | 50.93 |
| 2. | Other Members of the Promoter and Promoter Group | 1,11,40,068 | 8.03 |
| 3. | Public Shareholders | 56,933,222 | 41.04 |
| Total Paid-up Share Capital | | 13,87,17,044 | 100.00 |

- 4.1.6. 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.
- 4.1.7. The equity shares of the Acquirer are listed on BSE (Security ID: KIRLFER, Security Code: 500245) and are permitted to be traded on the NSE (Security ID: KIRLFER). The ISIN of the Equity Shares of the Acquirer is INE884B01025.

4.1.8. As on date of this LOF, the names of the directors on the board of directors of the Acquirer, their details of experience, qualifications, and date of appointment, are as follows:

| Sr. No. | Details | Qualifications and Experience |
|---------|--|--|
| 1. | Name: Atul Chandrakant Kirloskar Date of Appointment: August 10, 1992 Designation: Chairman DIN: 00007387 | <u>Qualification:</u> Undergraduate <u>Experience:</u> 43 years |
| 2. | Name: Rahul Chandrakant Kirloskar Date of Appointment: October 28, 2013 Designation: Vice Chairman DIN: 00007319 | <u>Qualification:</u> Undergraduate <u>Experience:</u> 34 years |
| 3. | Name: Ravindranath Venkatesh Gumaste Date of Appointment: July 25, 2002 Designation: Managing Director DIN: 00082829 | <u>Qualification:</u> B.Tech (Metallurgy) <u>Experience:</u> 39 Years |
| 4. | Name: Anil Narayan Alawani Date of Appointment: October 22, 2005 Designation: Non Independent Director DIN: 00036153 | <u>Qualification:</u> Chartered Accountant <u>Experience:</u> 44 Years |
| 5. | Name: Mahesh Ramchand Chhabria Date of Appointment: November 3, 2017 Designation: Non Independent Director. DIN: 00166049 | <u>Qualification:</u> Chartered Accountant <u>Experience:</u> 30 Years |
| 6. | Name: Madhukar Vinayak Kotwal Date of Appointment: March 5, 2020 Designation: Independent Director. DIN: 00001744 | <u>Qualification:</u> B. E. (Mechanical), Fellow (INAE) <u>Experience:</u> 52 years |
| 7. | Name: Vijaydipak Mukundprasad Varma Date of Appointment: March 5, 2020 Designation: Independent Director. DIN: 00011352 | <u>Qualification:</u> B. E. (Mechanical) <u>Experience:</u> 40 Years |
| 8. | Name: Yashwant Sripad Bhawe Date of Appointment: January 23, 2017 Designation: Independent Director. DIN: 00057170 | <u>Qualification:</u> M.Sc., M.P.A <u>Experience:</u> 40 Years |
| 9. | Name: Nalini Venkatesh Date of Appointment: July 16, 2014 Designation: Independent Director. DIN: 06891397 | <u>Qualification:</u> L.L.B. <u>Experience:</u> 34 Years |

| Sr. No. | Details | Qualifications and Experience |
|---------|--|---|
| 10. | Name: Rangachary Sampath Kumar Date of Appointment: July 16, 2014 Designation: Independent Director. DIN: 06894180 | Qualification: B. E. (Metallurgy) Experience: 50 Years |
| 11. | Name: Venkataramani Sathya Moorthy Date of Appointment: October 22, 2021 Designation: Independent Director. DIN: 00229998 | Qualification: Chartered Accountant Experience: 30 years |

- 4.1.9. As on the date of this LOF, there are no directors representing the Acquirer and its holding company on the board of directors of the Target Company.
- 4.1.10. As on the date of this LOF, the Acquirer does not hold any Equity Shares or voting rights in the Target Company. Further, neither the Acquirer nor its directors nor key managerial personnel have any relationship with or interest in the Target Company, except for the Underlying Transactions, as detailed paragraph 3.1 (*Background of the Offer*) of this LOF which has triggered the Open Offer.
- 4.1.11. Neither the Acquirer nor any of its directors have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.1.12. The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the Securities and Exchange board of India Act, 1992, and subsequent amendments thereto from time to time or any other regulations made under the SEBI Act.
- 4.1.13. The Acquirer supplies raw materials to the Target Company at the arm's length basis. The Acquirer had supplied total raw materials of 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.
- 4.1.14. Key financial information of the Acquirer based on its audited financial statements as on and for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021, audited by the independent statutory auditor of the Acquirer, the standalone financial statements for the six month period ended September 30, 2021, which has been subject to limited review by the independent statutory auditor of the Acquirer, is as below:

(In Rs. Crore, except for per share data.)

Figures have been rounded off to two integers after decimal.)

| Profit and Loss Statement | | | | |
|--|---|--|--|--|
| Particulars | As at and for the six months period ended September 30, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2020 ⁽¹⁾ | As at and for the financial year ended March 31, 2019 ⁽¹⁾ |
| | (Unaudited) (Standalone) | (Audited) (Standalone) | (Audited) (Standalone) | (Audited) (Standalone) |
| Revenue from Operations | 1,781.21 | 2,038.08 | 1,849.66 | 2,159.15 |
| Other Income | 1.74 | 2.83 | 15.64 | 5.53 |
| Total Income | 1,782.95 | 2,040.91 | 1,865.30 | 2,164.68 |
| Total Expenditure | 1,383.52 | 1,576.58 | 1,634.35 | 1,947.30 |
| Profit Before Depreciation Interest and Tax | 399.43 | 464.33 | 230.95 | 217.38 |
| Depreciation | 42.11 | 75.98 | 57.51 | 54.2 |
| Interest | 10.39 | 25.16 | 17.26 | 16.47 |
| Profit Before Tax | 346.93 | 363.19 | 156.18 | 146.71 |
| Provision for Tax | 87.52 | 61.08 | 43.81 | 48.6 |
| Profit After Tax | 259.41 | 302.11 | 112.37 | 98.11 |

| Balance Sheet Statement | | | | |
|--|---|--|--|--|
| Particulars | As at and for the six months period ended September 30, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2020 ⁽¹⁾ | As at and for the financial year ended March 31, 2019 ⁽¹⁾ |
| | (Unaudited) (Standalone) | (Audited) (Standalone) | (Audited) (Standalone) | (Audited) (Standalone) |
| EQUITIES AND LIABILITIES | | | | |
| Paid up share capital | 69.21 | 69.17 | 68.91 | 68.82 |
| Reserves and Surplus/Other equity (excluding revaluation reserves) | 1149.01 | 930.2 | 653.07 | 589.29 |
| Net worth | 1,218.22 | 999.37 | 721.98 | 658.11 |

| | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| -Borrowings | 96.56 | 128.83 | 157.73 | 41 |
| i) Secured Loan | - | 0 | 0 | 0 |
| ii) Unsecured Loan | - | 128.83 | 157.73 | 41 |
| Provisions | 3.42 | 3.55 | 2.85 | 2.46 |
| Deferred Tax Liabilities (Net) | 91.97 | 88.44 | 114.28 | 94.05 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| -Borrowings | 112.9 | 85 | 83 | 73.88 |
| i) Secured Loan | - | 58 | 83 | 67.1 |
| ii) Unsecured Loan | - | 27 | 0 | 6.78 |
| Trade Payables | 589.1 | 369.25 | 375.59 | 435.23 |
| Other Financial Liabilities | 96.16 | 218.15 | 145.96 | 60.43 |
| Other Current Liabilities | 33.78 | 31.41 | 10.55 | 18.65 |
| Provisions | 9.54 | 8.57 | 7.32 | 6.14 |
| Current Tax Liability | 11.37 | - | - | - |
| Total Equity and Liabilities | 2,263.02 | 1,932.57 | 1,619.26 | 1,389.95 |
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Plant Property and Equipment | 1,045.35 | 1,010.31 | 852.01 | 604.27 |
| Capital Work-in-Progress | 163.9 | 149.08 | 137.69 | 56.73 |
| Intangible Assets | 1.22 | 1.51 | 2.1 | 3.34 |
| Intangible Assets Under Development | 15.8 | 13.14 | 6.06 | 5.42 |
| Financial Assets | | | | |
| -Investments | 0.55 | 0.55 | 0.5 | 0.01 |
| -Loans | 0.25 | 10.5 | 10.78 | 8.68 |
| -Other Financial Assets | 10.47 | 0.09 | 0.08 | 0.08 |
| Other Non-Current Assets | 87.4 | 24.64 | 10.94 | 50.33 |
| Current Assets | | | | |
| Inventories | 379.31 | 284.38 | 236.44 | 246.27 |

| | | | | |
|----------------------------|-----------------|-----------------|-----------------|-----------------|
| Financial Assets | | | | |
| -Trade Receivables | 480.7 | 360.72 | 292.59 | 380.22 |
| -Cash and Cash Equivalents | 6.99 | 10.07 | 6.96 | 1.02 |
| -Bank Balance | 4.28 | 5.96 | 4.08 | 3.53 |
| -Loans | 1.65 | 1.01 | 0.69 | 0.86 |
| -Other Financial Assets | 0.24 | 0.61 | 3.46 | 0.76 |
| Current Tax Assets (Net) | 0.05 | 20.33 | 20.65 | 13.41 |
| Other Current Assets | 64.86 | 39.67 | 34.23 | 15.02 |
| Total Assets | 2,263.02 | 1,932.57 | 1,619.26 | 1,389.95 |

| Other Financial Data | | | | |
|----------------------------------|---|--|--|--|
| Particulars | As at and for the six months period ended September 30, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2020 ⁽¹⁾ | As at and for the financial year ended March 31, 2019 ⁽¹⁾ |
| | (Unaudited) (Standalone) | (Audited) (Standalone) | (Audited) (Standalone) | (Audited) (Standalone) |
| Dividend (%) | Not available | 100 | 40 | 40 |
| Basic Earnings per share (Rs.) | 18.74 | 21.89 | 8.16 | 7.14 |
| Diluted Earnings per share (Rs.) | 18.66 | 21.82 | 8.15 | 7.12 |

Notes:

(1) Source: www.bseindia.com

4.1.15. The commitments and contingent liabilities of the Acquirer on a consolidated basis as on March 31, 2021, are as below:

| Sr. No. | Particulars | Amount (in Rs. crore) |
|-----------|--|-----------------------|
| I | Contingent Liabilities | |
| | (A) Outstanding guarantees furnished to banks including in respect of letters of credit (i) In respect of Others | 13.96 |
| | (B) Claim against the Company/Disputed Liabilities not acknowledged as Debts* (i) In respect of Others | 23.81 |
| II | Commitments | |
| | (A) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (i) In respect of Others | 143.98 |

| Sr. No. | Particulars | Amount (in Rs. crore) |
|---------|--|-----------------------|
| | (B) Uncalled liability on shares and other investments partly paid | Nil |

**The above disputed liabilities are not expected to have any material effect on the financial position of the Company.*

4.1.16. The closing market price on March 07, 2022 of the equity shares of the Acquirer having face value of Rs. 5.00 each, on the Stock Exchanges is given below:

| Stock Exchange | Closing Price as on March 07, 2022 |
|--------------------------|------------------------------------|
| BSE | Rs. 188.00 |
| NSE (Permitted to trade) | Rs. 188.90 |

4.1.17. Status of Corporate Governance of the Acquirer:

The Acquirer has received a certificate dated May 5, 2021 from Kirtane & Pandit LLP, Statutory Auditor, wherein it has been confirmed that the Acquirer has complied with the conditions of corporate governance stipulated in the LODR Regulations, as applicable for the year ended March 31, 2021. Further, the Acquirer has submitted the Annual and quarterly compliance report (in the format prescribed as per SEBI circular CIR/CFD/CMD/5/2015 dated September 24, 2015) on corporate governance wherein it has confirmed compliance, as of March 31, 2021, with corporate governance norms relating to the composition of board of directors and various committees (such as audit committee, nomination and remuneration committee etc.) and that meetings of the board of directors and the relevant committees have been conducted in the manner specified in LODR Regulations.

4.1.18. Name and Details of Compliance Officer of the Acquirer

Mr. Mayuresh Gharpure,
Company Secretary & Compliance Officer,
Tel. No. +91-20- 66084664
Email: mayuresh.gharpure@kirloskar.com

4.1.19. The Acquirer undertake that in the event the Acquirer acquires any Equity Shares of the Target Company during the Offer Period, they will inform the Stock Exchanges and the Target Company of the same within 24 hours of such acquisitions and they will not acquire any Equity Shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period (“TP”) and until the closure of the TP in accordance with Regulation 18(6) of SEBI (SAST) Regulations.

4.1.20. SEBI had passed an order dated October 20, 2020 (the “SEBI Order”) against certain promoters of the Acquirer in respect of a transaction undertaken in 2010 in the shares of Kirloskar Industries Limited (“KIL”) which was undertaken as an inter-se promoter transfer. Aggrieved by the SEBI Order, the promoters of the Acquirer have filed an appeal against the said SEBI Order before the Hon’ble Securities Appellate Tribunal (“SAT”). The Hon’ble SAT vide its interim order dated December 24, 2020

had stay the effect and operation of the said SEBI Order against the identified promoters of the Acquirer (other than Mr. Sanjay Kirloskar and family), subject to the said promoters of the Acquirer (other than Mr. Sanjay Kirloskar and family) not selling their shares in KIL to the extent of the valuation set out in the said SAT order. The identified promoters of the Acquirer (other than Mr. Sanjay Kirloskar and family) have provided an undertaking to this effect and are in compliance with the same.

This space is left blank intentionally

5. BACKGROUND OF THE TARGET COMPANY

- 5.1. The Target Company is a public company limited by shares. The present form of the Target Company is a result of a number of mergers and amalgamations between the years 1993 and 2005, a summary of which is set out hereunder:
- a. 'The Indian Seamless Metal Tubes Limited' was incorporated on July 29, 1977. With effect from April 1, 1993, 'Seamless Tubes & Technologies (India) Limited' amalgamated into 'The Indian Seamless Metal Tubes Limited'. Thereafter, effective the appointed date of July 1, 1999, 'The Indian Seamless Metal Tubes Limited' merged with a competing entity named 'Kalyani Seamless Tubes Limited' but retained the name 'The Indian Seamless Metal Tubes Limited'.
 - b. Indian Seamless Steels & Alloys Limited was incorporated on May 26, 1989 by the promoters of Indian Seamless Metal Tubes Limited.
 - c. Jejuri Steel & Alloys Limited was incorporated as 'Gunjar Marketing Private Limited' on September 1, 1999 in the state of Maharashtra. With effect from June 7, 2000, Gunjar Marketing Private Limited changed its name to 'Jejuri Steel & Alloys Private Limited' which further changed its name to 'Jejuri Steel & Alloys Limited' with effect from February 17, 2002.
 - d. The Hon'ble Bombay High Court vide its order dated February 26, 2002 approved the merger of 'Indian Seamless Steels & Alloys Limited' with 'Jejuri Steel & Alloys Limited' and the resultant entity was named 'Jejuri Steel & Alloys Limited' which thereafter changed its name to 'Indian Seamless Steels and Alloys Limited'. Further, the Hon'ble Bombay High Court vide its order dated October 7, 2005 approved the merger of 'The Indian Seamless Metal Tubes Limited' and 'Indian Seamless Steels and Alloys Limited' and the resultant entity was named 'Indian Seamless Steels and Alloys Limited'. With effect from November 29, 2005 'Indian Seamless Steels and Alloys Limited' changed its name to ISMT Limited (i.e. the Target Company) and a fresh certificate of incorporation was issued to the Target Company.
- 5.2. The CIN of the Target Company is L27109PN1999PLC016417.
- 5.3. The registered office of the Target Company is situated at Panama House (earlier known as Lunkad Towers), Viman Nagar, Pune, Maharashtra, India – 411 014. Tel: +91-20-4143 4100/26630144, Fax: +91-20-26630779, Email: secretarial@ismt.co.in and Website: www.ismt.co.in.
- 5.4. The Target Company is engaged in the business of manufacturing of seamless tubes and engineering steels.
- 5.5. The Equity Shares are listed on the BSE (Security ID: ISMTLTD, Security Code: 532479) and the NSE (Symbol: ISMTLTD). The ISIN of the Equity Shares of the Target Company is INE732F01019. The entire issued, subscribed and paid up share capital of the Target Company is listed on the

Stock Exchanges, except for 15,40,00,000 Equity Shares of the Target Company to be allotted under the proposed Preferential Issue which are not listed on the Stock Exchanges.

- 5.6. The Existing Share Capital Structure of the Target Company as on the date of this LOF, is as follows:

| Paid Up Equity Shares of the Target Company | No of Shares/Voting Rights | % of Equity Shares/Voting Rights |
|--|-----------------------------------|---|
| Fully Paid Up Equity Shares | 14,65,01,383 | 100 |
| Partly Paid Up Equity Shares | Nil | Nil |
| Total Paid Up Equity Shares | 14,65,01,383 | 100 |
| Total Voting Rights in Target Company | 14,65,01,383 | 100 |

- 5.7. The Equity Shares are frequently traded on NSE for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

- 5.8. As on date of this LOF, Names, details and date of appointment of the directors on the board of directors of the Target Company are as follows:

| Sr.No. | Name | DIN | Date of Appointment | Designation |
|---------------|------------------------------|------------|----------------------------|---|
| 1. | Baldevraj Topanram Taneja | 00328615 | December 1, 2020* | Managing Director (With effect from December 01, 2014) |
| 2. | Rajiv Goel | 00328723 | October 1, 2021* | Whole Time Director / Executive Director (With effect from December 01, 2005) |
| 3. | Omprakash Kakkar | 00329426 | November 8, 2012 | Chairman (Non- Executive Director) (With effect from June 14, 2019) |
| 4. | Deepa Mathur | 00449912 | December 29, 2018 | Non-Executive Director |
| 5. | Poornalingam Ramasubramaniam | 00955742 | December 28, 2018 | Non-Executive Independent Director |
| 6. | Kanakraj Madhavan | 08373391 | March 1, 2019 | Non-Executive Independent Director |

*Date of Re-Appointment

- 5.9. As on the date of this LOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company.

- 5.10. As on the date of this LOF, the total Authorised Capital of the Company is Rs. 158,50,00,000 divided into 31,70,00,000 Equity Shares of Rs. 5 each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Target Company for the time being with power to increase and reduce the Capital and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company and the Companies Act, 2013. The total issued, subscribed and paid-up capital of the Target Company is Rs. 73,25,06,915 comprising of 14,65,01,383 Equity Shares.
- 5.11. The trading of the Equity Shares is currently not suspended on the Stock Exchanges. The Equity Shares have not been delisted from any stock exchange in India.
- 5.12. There were no mergers, demergers or spin-offs involving the Target Company during the last 3 years.
- 5.13. The Target Company has complied with the listing requirements and no penal/punitive actions have been taken by the Stock Exchanges.
- 5.14. The Target Company or its promoters and promoter group have not been declared as: (a) willful defaulter by any bank or financial institution or consortium thereof; or (b) a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 5.15. Key financial information of the Target Company based on its audited consolidated financial statements as on and for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021, audited by the independent statutory auditor of the Target Company, and the unaudited consolidated financial statements for the six month period ended September 30, 2021, which has been subject to limited review by the independent statutory auditor of the Target Company, is as below:

(In Rs. Crore, except for per share data.)

Figures have been rounded off to two integers after decimal.)

| Profit and Loss Statement | | | | |
|----------------------------------|---|--|--|--|
| Particulars | As at and for the six months period ended September 30, 2021 | As at and for the financial year ended March 31, 2021⁽¹⁾ | As at and for the financial year ended March 31, 2020⁽¹⁾ | As at and for the financial year ended March 31, 2019⁽¹⁾ |
| | (Unaudited) (Consolidated) | (Audited) (Consolidated) | (Audited) (Consolidated) | (Audited) (Consolidated) |
| Income from operations | 1,046.33 | 1,251.75 | 1,325.36 | 1,853.63 |
| Other Income | 8.36 | 47.87 | 11.62 | 7.39 |
| Total Income | 1,054.69 | 1,299.62 | 1,336.98 | 1,861.02 |
| Total Expenditure | 993.26 | 1,265.95 | 1,247.72 | 1,737.98 |

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Profit Before Depreciation Interest and Tax | 61.43 | 33.67 | 89.26 | 123.04 |
| Depreciation | 31.08 | 64 | 65.56 | 56.89 |
| Interest | 133.86 | 262.65 | 274.89 | 277.86 |
| Exceptional Item | -0.26 | 49.44 | -8.87 | 25.3 |
| Profit Before Tax | -103.25 | -342.42 | -242.32 | -237.01 |
| Provision for Tax | 0.02 | 0.1 | -1.95 | 0 |
| Profit After Tax | -103.27 | -342.52 | -240.37 | -237.01 |

| Balance Sheet Statement | | | | |
|--|--|---|---|---|
| Particulars | As at and for the six months period ended September 30, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2020 ⁽¹⁾ | As at and for the financial year ended March 31, 2019 ⁽¹⁾ |
| | (Unaudited) (Consolidated) | (Audited) (Consolidated) | (Audited) (Consolidated) | (Audited) (Consolidated) |
| EQUITIES AND LIABILITIES | | | | |
| Paid up share capital | 73.25 | 73.25 | 73.25 | 73.25 |
| Reserves and Surplus/Other equity (excluding revaluation reserves) | -1,637.90 | -1,531.42 | -1,187.87 | -942.86 |
| Non-Controlling Interests | 0.24 | 0.24 | 0.24 | -0.11 |
| Net Worth | -1,564.41 | -1,457.93 | -1,114.38 | -869.72 |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| -Borrowings | 16.56 | 65.68 | 167.23 | 277.48 |
| i) Secured Loan | - | 58.85 | 159.06 | 267.25 |
| ii) Unsecured Loan | - | 6.83 | 8.17 | 10.23 |
| Other Financial Liabilities | 3.15 | 2.38 | 4.02 | - |
| Other Non-Current Liabilities | - | - | 0.01 | 0.51 |
| Provisions | 10.42 | 8.86 | 8.48 | 7.76 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| -Borrowings | 996.29 | 1,002.3 | 1,022.69 | 1,066.85 |
| i) Secured Loan | - | 970.98 | 991.37 | 1,035.53 |
| ii) Unsecured Loan | - | 31.32 | 31.32 | 31.32 |
| Trade Payables | 218.5 | 132.73 | 108.42 | 101.5 |
| Other Financial Liabilities | 2,703.85 | 2,525.13 | 2,182.25 | 1,838.23 |

| | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Other Current Liabilities | 25.02 | 25.95 | 17.55 | 18.1 |
| Provisions | 9.14 | 2.77 | 2.33 | 2.18 |
| Total Equity and Liabilities | 2,418.52 | 2,307.87 | 2,398.60 | 2,442.89 |
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Plant Property and Equipment | 1,315.96 | 1,326.74 | 1,385.07 | 1,404.83 |
| Capital Work-in-Progress | 32.66 | 42.12 | 94.17 | 91.01 |
| Goodwill | 37.67 | 37.67 | 37.67 | 37.67 |
| Financial Assets | | | | |
| -Trade Receivables | 0 | 0 | 0 | 0 |
| -Loans | 7.05 | 7.6 | 15.72 | 16.05 |
| -Others Financial Assets | 11.46 | 20.33 | 7.56 | 8.27 |
| Deferred Tax Assets (Net) | 82.05 | 82.05 | 82.05 | 82.05 |
| Other Non- Current Assets | 49.94 | 54.84 | 58.26 | 49.51 |
| Current Assets | | | | |
| Inventories | 422.75 | 357.4 | 388.22 | 349.98 |
| Financial Assets | | | | |
| -Trade Receivables | 331.1 | 273.86 | 198.74 | 249.53 |
| -Cash and Cash Equivalents | 64.49 | 32.79 | 52.97 | 65.81 |
| -Bank Balance other than (ii) above | 4.49 | 8.55 | 27.08 | 13.48 |
| -Loans | 1.33 | 0.96 | 1.15 | 1.14 |
| -Other Financial Assets | 10.83 | 10.83 | 1.08 | 0.92 |
| Current Tax Assets (Net) | 2.18 | 2.03 | 2.46 | 4.73 |
| Other Current Assets | 44.56 | 50.1 | 46.4 | 67.91 |
| Total Assets | 2,418.52 | 2,307.87 | 2,398.60 | 2,442.89 |

| Other Financial Data | | | | |
|--------------------------------|---|--|--|--|
| Particulars | As at and for the six months period ended September 30, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2021 ⁽¹⁾ | As at and for the financial year ended March 31, 2020 ⁽¹⁾ | As at and for the financial year ended March 31, 2019 ⁽¹⁾ |
| | (Unaudited) (Consolidated) | (Audited) (Consolidated) | (Audited) (Consolidated) | (Audited) (Consolidated) |
| Dividend (%) | 0 | 0 | 0 | 0 |
| Basic Earnings per share (Rs.) | -7.05 | -23.38 | -16.41 | -16.18 |

| | | | | |
|----------------------------------|-------|--------|--------|--------|
| Diluted Earnings per share (Rs.) | -7.05 | -23.38 | -16.41 | -16.18 |
|----------------------------------|-------|--------|--------|--------|

Notes:

(1) Source: www.bseindia.com.

5.16. The pre and post Offer shareholding pattern of the Target Company as on February 25, 2022 assuming full acceptance under the Open Offer is as provided below:

| Sr.No. | Shareholders' Category | Shareholding and voting rights prior to the agreement / acquisition and offer | | Shares / voting rights agreed to be acquired/ (sold) under the agreements which triggered the Offer | | Shares / voting rights to be acquired/ (sold) in the Open Offer (assuming full acceptances) | | Shareholding / voting rights after the acquisition and Open Offer | |
|------------------------------------|---|---|----------------|---|--------------|---|--------------|---|---------------|
| | | (A) | | (B) | | (C) | | (A) + (B) + (C) = (D) | |
| | | No. of Equity Shares | %** | No. of Equity Shares | %*** | No. of Equity Shares | %*** | No. of Equity Shares | %*** |
| (1) | Promoter group | | | | | | | | |
| (a) | Parties to the agreement, if any* | 6,95,54,258 | 47.48 | 0 | 0.00 | 0 | 0.00 | 6,95,54,258 | 23.15% |
| (b) | Promoter and promoter group other than (a) above | 16,60,856 | 1.13 | 0 | 0.00 | 0 | 0.00 | 16,60,856 | 0.55% |
| Total 1 (a + b) | | 7,12,15,114 | 48.61% | 0 | 0.00 | 0 | 0.00 | 7,12,15,114 | 23.70 |
| (2) | Acquirer | 0 | 0.00 | 15,40,00,000 | 51.25 | 7,52,86,269 | 25.05 | 22,92,86,269 | 76.30 |
| (3) | Parties to agreement other than (1) (a) and 2 | 0 | 0.00 | | 0.00 | | 0.00 | 0 | 0.00 |
| (4) | Public (other than parties to the agreement and Acquirer) | 7,52,86,269 | 51.39 | | 0.00 | -7,52,86,269 | -25.05 | 0 | 0.00 |
| (a) | Institutions | 7,88,752 | 0.54 | | 0.00 | | 0.00 | | 0.00 |
| (b) | Central/State Govt. | 0 | 0.00 | | 0.00 | | 0.00 | | 0.00 |
| (c) | Non-Institutions | 7,44,97,517 | 50.85 | | 0.00 | | 0.00 | | 0.00 |
| Total 4 (a+b+c) | | 7,52,86,269 | 51.39% | 0 | 0.00 | | 0.00 | | 0.00 |
| Grand Total (1 + 2 + 3 + 4) | | 14,65,01,383 | 100.00% | | 0.00 | | 0.00 | 30,05,01,383 | 100.00 |

*Taneja Group, who is party to the SSA and the SHA are not selling any Equity Shares.

*** As a percentage of the Existing Paid Up Capital.*

**** As a percentage of the Emerging Voting Capital.*

- 5.17. Certain erstwhile members of the 'Promoter and Promoter Group' of the Target Company namely Tara Jain, Ashok Kumar Jain HUF, Aayushi Jain, Akshay Jain, Misrilall Mines Private Limited, Misrilall Properties Private Limited, Tulika Estate and Holding Private Limited have not complied with Regulation 30(2) of the SEBI SAST Regulations for the financial years 2018, 2019, 2020 and 2021. The above mentioned entities (except Misrilall Mines Private Limited and Misrilall Properties Private Limited) were reclassified from 'Promoter/ Promoter Group' to 'Public' category with effect from April 05, 2021. SEBI may initiate suitable action against the above mentioned entities.

This space is left blank intentionally

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

- 6.1.1. The Equity Shares are listed on the BSE (Security ID: ISMTLTD, Security Code: 532479) and the NSE (Symbol: ISMTLTD). The ISIN of the Equity Shares of the Target Company is INE732F01019.
- 6.1.2. The trading turnover of the Equity Shares, on the Stock Exchanges during the 12 (twelve) calendar months preceding the calendar month in which the PA was made, i.e., from November 1, 2020 to October 31, 2021 (“**Twelve Months Period**”), is as set out below:

| Stock Exchange | Traded turnover of Equity Shares of the Target Company during the Twelve Months Period (“A”) | Weighted average number of Equity Share during the Twelve Months Period (“B”) | Traded turnover %(A/B) |
|----------------|--|---|------------------------|
| BSE | 1,45,50,610 | 14,65,01,383 | 9.93% |
| NSE | 4,78,29,823 | 14,65,01,383 | 32.65% |

(Source: www.bseindia.com and www.nseindia.com)

- 6.1.3. Based on the above, the Equity Shares of the Target Company are frequently traded on NSE in accordance with Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 6.1.4. The Offer Price of Rs. 31.84 per Equity Share has been determined in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, being the highest of the following:

| Sr.No. | Particulars | Rs. per Equity Share |
|--------|--|----------------------|
| A. | The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer: <ul style="list-style-type: none">• Price under the SSA: 30.95• Price under the SHA: NIL | 30.95 |
| B. | The volume weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer, during the fifty-two weeks immediately preceding the date of the PA. | Nil |
| C. | The highest price paid or payable for any acquisition, by the Acquirer, during the twenty-six weeks immediately preceding the date of the PA. | Nil |
| D. | The volume-weighted average market price of such shares for a period of 60 (sixty) trading days immediately preceding the date of PA as traded on NSE, being the stock exchange where the | 31.84 |

| | | |
|----|--|----------------|
| | maximum volume of trading in the Equity Shares is recorded during such period, provided such shares are frequently traded. | |
| E. | where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. | Not Applicable |
| F. | The per share value computed under sub-regulation (5), if applicable. | Not Applicable |

(Source: www.nseindia.com)

- 6.1.5. In view of the parameters considered and presented in the aforesaid table, the minimum offer price per Equity Share under Regulation 8(2) of the SEBI (SAST) Regulations is the highest of item numbers A to F above i.e., Rs. 31.84 per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations of M/s Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/W100057), having their office at 5th Floor, Gopal House, A Wing, S. No.127/1B/1, Plot A1, Opp. Marshall Hall, Kothrud, Pune, Maharashtra 411 038 , Tel No : +91 20-67295100/25433104, Email Id: kpca@kirtanepandit.com confirmed the computation of the Offer Price vide their certificate dated November 25, 2021.
- 6.1.6. Since the date of the PA and as on the date of this LOF, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls prior to 3 Working Days before the commencement of the tendering period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.7. The price of the Subscription Shares has been determined in accordance with Chapter V of the SEBI (ICDR) Regulations.
- 6.1.8. In the event of any acquisition of Equity Shares by the Acquirer during the Offer Period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.
- 6.1.9. As on the date of this LOF, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the

commencement of the last 1 Working Day before the commencement of the tendering period of this Offer in accordance Regulation 18(4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount; (ii) make Public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision.

- 6.1.10. If the Acquirer acquires any Equity Shares during the period of 26 weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within 60 days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2. Financial Arrangements

- 6.2.1. The total funding requirement for the Open Offer, assuming full acceptance, i.e., for the acquisition of 7,52,86,269 Equity Shares of the Target Company at the Offer Price, is Rs. 2,39,71,14,805.
- 6.2.2. The Acquirer has furnished an unconditional, irrevocable and on demand bank guarantee dated November 29, 2021 in favour of the Manager to the Offer from Kotak Mahindra Bank Limited acting through its Trade Finance Department, Kotak House, Ground Floor, No-22, M G Road, Bangalore - 560001 branch having bank guarantee No: 0721IGF210026464 for an amount of Rs. 60,00,00,000 (the “**Bank Guarantee**”) in terms of Regulation 17(3)(b) of the SEBI (SAST) Regulations, which is more than the minimum prescribed amount of 25% of the Offer Size calculated in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorised to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer undertakes that in case the Offer process is not completed within the validity period of the Bank Guarantee i.e. by May 31, 2022, then the Bank Guarantee will be further extended by at least 30 days from the date of completion of payment of consideration to the Shareholders who have validly tendered the Equity Shares held by them in the Target Company in this Offer. The Bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer or the Target Company.
- 6.2.3. Further, the Acquirer and the Manager to the Offer have, entered into an escrow agreement dated November 26, 2021 with Kotak Mahindra Bank Limited acting through its branch at 5 C/ II, Mittal Court, 224, Nariman Point, Mumbai, Maharashtra 400021 (the “**Escrow Bank**”), in terms of which the Acquirer has opened a cash escrow account (the “**Escrow Account**”) with the Escrow Bank. The

Acquirer has deposited a sum of Rs. 2,40,00,000 in the Escrow Account being higher than the amount required under Regulation 17(4) of the SEBI (SAST) Regulations (i.e. 1% (one per cent) of the Offer Consideration). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.

- 6.2.4. The Acquirer has authorized the Manager to the Open Offer to operate and realize the value of the Escrow Account and the Special Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5. The Escrow Agent is neither an associate company nor a group company of the Acquirer or the Target Company.
- 6.2.6. The sources of funds for the Acquirer are available cash, cash equivalents, internal accruals and debt raised from third parties. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, and the Acquirer is able to implement this Offer.
- 6.2.7. Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/W100057) (Suhrud Lele, Partner, membership no.: 121162), vide their certificate dated November 27, 2021 certified that the Acquirer has adequate financial resources for fulfilling its obligations in relation to the Underlying Transactions and Open Offer.
- 6.2.8. Based on the aforementioned financial arrangements made by the Acquirer and confirmation received from Kirtane & Pandit LLP, Chartered Accountants, the Manager to the Offer is satisfied, (a) about the adequacy of resources to meet the financial requirements for the Open Offer and the ability of the Acquirer to implement the Open Offer in accordance with the SEBI (SAST) Regulations; and (b) that firm arrangements for payment through verifiable means are in place to fulfill the Open Offer obligations.
- 6.2.9. In case of any upward revision in the Offer Price or Offer Size, the corresponding increase to the escrow amount as mentioned above shall be made by the Acquirer in terms of Regulation 17 (2) of the SEBI (SAST) Regulations, prior to effecting such revision.

This space is left blank intentionally

7. TERMS AND CONDITIONS OF THE OPEN OFFER

7.1. Operational Terms and Conditions

- 7.1.1. In terms of the indicative schedule of major activities, the Tendering Period for the Open Offer is expected to commence on Monday, March 21, 2022 and close on Friday, April 01, 2022.
- 7.1.2. The Offer is being made by the Acquirer to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
- 7.1.3. The Acquirer is making this Offer to all Public Shareholders to acquire up to 7,52,86,269 Equity Shares, constituting 25.05% of the Emerging Voting Capital of the Target Company, subject to the terms and conditions mentioned in the PA, DPS and the LOF.
- 7.1.4. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Equity Shares tendered under this Open Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attaching thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.5. This Open Offer is not conditional upon any minimum level of acceptance.
- 7.1.6. The Identified Date for this Open Offer as per the indicative schedule of major activities is Friday, March 04, 2022.
- 7.1.7. The marketable lot for the Equity Shares for the purpose of this Open Offer shall be 1 only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 7.1.8. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.9. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the PA, DPS and LOF, to the extent of the Offer Size. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with

the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.

- 7.1.10. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
- 7.1.11. Copies of the PA and DPS are available on the website of SEBI at www.sebi.gov.in and copies of DLOF and LOF will be available on the website of SEBI at www.sebi.gov.in.
- 7.1.12. The Acquirer reserves the right to revise the Offer Price and/or the number of Offer Shares upwards at any time prior to the commencement of the last one (1) Working Day before the commencement of the Tendering Period, i.e., up to Thursday, January 13, 2022, in accordance with the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall (i) make a corresponding increase to the escrow amount, (ii) make an announcement in the same newspapers in which the DPS was published, and (iii) simultaneously notify the Stock Exchanges, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, the Acquirer will pay such revised price for all the Equity Shares validly tendered in the Open Offer and accepted under the Open Offer in accordance with the terms of the LOF.
- 7.1.13. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Open Offer. The Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website (www.sebi.gov.in), and the Public Shareholders can also apply by downloading such forms from the website.
- 7.1.14. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected.

7.2. **Locked-in Equity Shares**

The locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

7.3. Eligibility for accepting the Open Offer

- 7.3.1. All Public Shareholders registered or unregistered, who hold Equity Shares and are able to tender such Equity Shares in this Offer at any time before the Offer Closing Date are eligible to tender such Equity Shares in this Open Offer (subject to the approvals that they may need to obtain as stated in paragraph 7.4 of this LOF).
- 7.3.2. The acceptance of this Open Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Open Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.3.3. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Open Offer. Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected. Accidental omission to send LOF to any person to whom the Offer is made or the non-receipt or delayed receipt of the LOF by any such person will not invalidate the Offer in any way.
- 7.3.4. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
- 7.3.5. Neither the Acquirer nor the Manager to the Offer nor the Registrar to the Offer accept any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.3.6. The acceptance of Equity Shares tendered in the Open Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.3.7. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

7.4. Statutory and other Approvals

- 7.4.1. As on the date of the DPS, to the best knowledge of the Acquirer, the following statutory or other approval is required by the Acquirer to complete the Open Offer (“**Statutory Approval**”), and the same have been received on the dates mentioned corresponding to the relevant approval:
- (i) Approval from the Competition Commission of India (or such approval being deemed to have been granted) in accordance with the Indian Competition Act, 2002 – The transaction was approved by the CCI and the same was communicated to the Acquirer vide CCI’s letter dated February 24, 2022.
 - (ii) In-principle approval of the Stock Exchanges for the issue and allotment of the Equity Shares (either unconditionally, or in a form satisfactory to the Acquirer), applicable only for the Underlying Transaction under the SSA – received vide letters dated December 16, 2021 as issued by NSE and BSE

Except as mentioned above, as on the date of this LOF, to the best knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete the Open Offer except as disclosed at paragraph 7.4.1 above. However, in case any further statutory or other approval becomes applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.

- 7.4.2. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals specified in this LOF as set out in Paragraph 7.4.1 (*Statutory and Other Approvals*) above or those which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirer, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager to the Offer) shall, within 2 working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 7.4.3. Non-resident Indians (“**NRIs**”), erstwhile overseas corporate bodies (“**OCBs**”) and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required (including without limitation, the approval from the Reserve Bank of India (“**RBI**”), if any, to tender the Equity Shares held by them in this Open Offer and submit such approvals/exemptions along with the documents required to accept this Open Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, foreign institutional investors (“**FIIs**”) and foreign portfolio investors (“**FPIs**”)) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the

other documents required to be tendered to accept this Open Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer.

- 7.4.4. Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the FEMA and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.
- 7.4.5. Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (ten) Working Days from the closure of the tendering period to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.
- 7.4.6. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
- 7.4.7. In case of delay/non-receipt of any statutory and other approvals referred to in paragraph 7.4 of this LOF, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

This space is left blank intentionally

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

- 8.1. All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.2. BSE Limited shall be the designated stock exchange for the purpose of tendering shares in the Offer (“**Designated Stock Exchange**”).

8.3. Procedure for acceptance and settlement of the Offer

- 8.3.1. The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by BSE in the form of separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and subsequent amendments thereto from time to time, including any guidelines and circulars issued in relation to the same by the Stock Exchanges and clearing corporations (“**Acquisition Window Circulars**”).
- 8.3.2. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to the Open Offer shall be available on BSE in the form of a separate Acquisition Window.
- 8.3.3. The Acquirer has appointed Systematix Shares and Stocks (India) Limited (“**Buying Broker**”) as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:



Systematix Shares and Stocks (India) Limited
A/603-606, The Capital, Plot C-70,
G-Block, BKC, Bandra (East),
Mumbai 400 051, India
Tel. No. +91-22-6704 8000;
Fax No. +91-22-6704 8029;
Email: compliance@systematixgroup.in;
Contact Person: Rajkumar Gupta

- 8.3.4. Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker(s)**”) during the normal trading hours of the secondary market during the Tendering Period.
- 8.3.5. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialized Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.

8.3.6. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the Offer Opening Date.

8.3.7. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).

8.3.8. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Public Shareholder approaching BSE registered stock broker (with whom it does not have an account) may have to submit the following details:

(i) In case of Public Shareholder being an individual:

(a) If Public Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

1. Central Know Your Client (“CKYC”) form including Foreign Account Tax Compliance Act (“FATCA”), In Person Verification (“IPV”), Original Seen and Verified (“OSV”), if applicable
2. Know Your Client (“KYC”) form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
3. Demat details for Equity Shares in demat mode (demat master/latest demat statement)

(b) If Public Shareholder is not registered with KRA: Forms required:

1. CKYC form including FATCA, IPV, OSV, if applicable
2. KRA form
3. KYC form documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)

- (c) Demat details for Equity Shares in demat mode (demat master/latest demat statement). It may be noted, that other than submission of above forms and documents, inperson verification may be required.
- (ii) In case of Public Shareholder, being a Hindu Undivided Family (“**HUF**”):
- (a) If Public Shareholder is registered with KRA: Forms required:
1. CKYC form of karta including FATCA, IPV, OSV, if applicable
 2. KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 3. Demat details for Equity Shares in demat mode (demat master/latest demat statement).
- (b) If Public Shareholder is not registered with KRA: Forms required:
1. CKYC form of karta including FATCA, IPV, OSV if applicable
 2. KRA form
 3. KYC form documents required (all documents self-attested):
 - PAN card copy of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
 4. Demat details for Equity Shares in demat mode (demat master/latest demat statement). It may be noted, that other than submission of above forms and documents, in person verification may be required.
- (iii) In case of Public Shareholder other than Individual and HUF:
- (a) If Public Shareholder is KRA registered: Form required
1. KYC form documents required (all documents certified true copy):

- Bank details (cancelled cheque)
- 2. Demat details for Equity Shares in demat mode (demat master/latest demat statement)
- 3. FATCA, IPV, OSV if applicable
- 4. Latest list of directors/authorised signatories/partners/trustees
- 5. Latest shareholding pattern
- 6. Board resolution
- 7. Details of ultimate beneficial owner along with PAN card and address proof
- 8. Last 2 years financial statements

(b) If Public Shareholder is not KRA registered: Forms required:

- 1. KRA form
- 2. KYC form documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/firm/trust
 - Bank details (cancelled cheque)
- 3. Demat details for Equity Shares in demat mode (demat master/latest demat statement)
- 4. FATCA, IPV, OSV, if applicable
- 5. Latest list of directors/authorised signatories/partners/trustees
- 6. PAN card copies & address proof of directors/authorised signatories/ partners/trustees
- 7. Latest shareholding pattern
- 8. Board resolution/partnership declaration
- 9. Details of ultimate beneficial owner along with PAN card and address proof
- 10. Last 2 years financial statements

11. Memorandum of association/partnership deed /trust deed

It may be noted that, other than submission of above forms and documents, in person verification may be required.

It may be noted that the above-mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.4. Procedure for tendering Equity Shares held in dematerialised form

- 8.4.1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.4.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 8.4.3. The Public Shareholders shall earmark / provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
- 8.4.4. Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc.
- 8.4.5. On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 8.4.6. For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

8.4.7. For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copy of the TRS with them until the expiry of the Offer Period. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.

8.4.8. **The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance, unless required by their respective Selling Broker.**

8.5. **Procedure for tendering the Equity Shares held in physical form**

As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

8.5.1. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e., Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN card, (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.

8.5.2. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.

8.5.3. Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing

the bid, the Selling Broker shall provide a TRS generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.

- 8.5.4. The Selling Broker/ Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post/speed post or courier or hand delivery to the Registrar to the Offer i.e., KFin Technologies Limited at the address mentioned on the cover page within 2 days of bidding by the Selling Broker and in any event not later than Tuesday, April 05, 2022 (by 5.00 p.m. (IST)). The envelope should be super scribed as "ISMT Limited – Open Offer". 1 copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker/Public Shareholder.
- 8.5.5. The Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares in physical form shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.
- 8.5.6. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company/Registrar of the Target Company.
- 8.5.7. In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of having the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance.

8.6. Procedure for tendering the shares in case of non-receipt of LOF:

- 8.6.1 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also

participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.

- 8.6.2 A Public Shareholder may participate in the Open Offer by approaching its broker/Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF.
- 8.6.3 The LOF along with the Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company as on the Identified Date. A Public Shareholder receiving the LOF along with the Form of Acceptance through electronic mode will be entitled to be furnished with a physical copy of the said documents upon receipt of requisition, if any, by e-mail at ismt.openoffer@kfintech.com or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may (i) download the same from the SEBI website (www.sebi.gov.in) and can apply by using the same; or (ii) obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Public Shareholders can also download the soft copy from the Registrar's website (www.kfintech.com).
- 8.6.4 Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Open Offer.

8.7. Acceptance of Shares

- 8.7.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within the specified timelines.
- 8.7.2 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares agreed to be acquired in this Offer the Acquirer shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.
- 8.7.3 In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.8. Settlement Process

- 8.8.1 On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to BSE to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.
- 8.8.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in accordance with the Acquisition Window Circulars.
- 8.8.3 The Public Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.
- 8.8.4 For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 8.8.5 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- 8.8.6 Excess Equity Shares in dematerialized form or unaccepted Equity Shares in dematerialized form, if any, tendered by the Public Shareholders would be released to them by the Clearing Corporation.
- 8.8.7 The direct credit of Equity Shares shall be given to the demat account of the Acquirer as indicated by the Buying Broker.
- 8.8.8 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer.
- 8.8.9 In case of partial or non-acceptance of orders, the balance Equity Shares in dematerialized form shall be returned directly to the demat accounts of the Public Shareholders by the Clearing Corporation. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity

Shares to the respective Public Shareholders. Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited / restricted from being transferred pursuant to any pending court cases / attachment orders / restriction from other statutory authorities; are liable to be rejected unless directions / orders of an appropriate court / tribunal / statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.

- 8.8.10 Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
- 8.8.11 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to the Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.8.12 Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager to the Offer, accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 8.8.13 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

This space is left blank intentionally

9. NOTE ON TAXATION

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SUMMARY IS BASED ON THE CURRENT PROVISIONS OF THE INDIAN INCOME TAX LAWS AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS. THE FOLLOWING OVERVIEW IS NOT EXHAUSTIVE OR COMPREHENSIVE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL ADVICE.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION.

THE LAW STATED BELOW IS AS PER THE IT ACT AS AMENDED UPTO FINANCE ACT, 2021.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS NOTE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

9.1. General:

- 9.1.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31 of the following year.
- 9.1.2. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, in a manner as provided under the Income Tax Act, 1961, as amended ("**IT Act**").
- 9.1.3. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India (including income deemed to be received in India).
- 9.1.4. Since the Target Company is incorporated in India, the Equity Shares are "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.

- 9.1.5. Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”) between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting (“Multilateral Instrument/ MLI”) as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule (“GAAR”) and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 9.1.6. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- 9.1.7. The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- 9.1.8. In addition to income tax, as the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to Securities Transaction Tax (“STT”). STT is payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.
- 9.1.9. All references to equity shares herein refer to listed equity shares unless stated otherwise.

9.2. Classification of Shareholders

Shareholders can be classified under the following categories:

- 9.2.1. Resident Shareholders being:
- i. Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
 - ii. Others
 - a) Company
 - b) Other than company
- 9.2.2. Non Resident Shareholders being:
- i. Non-Resident Indians (“NRIs”)
 - ii. Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
 - iii. Others
 - a) Company
 - b) Other than company

9.3. Classification of Shares

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“CBDT”). The nature of gains/loss in the foregoing cases will be as under:

- 9.3.1. Shares held as investment: Income arising from transfer of shares taxable under the head “Capital Gains”.
- 9.3.2. Shares held as stock-in-trade: Income arising from transfer taxable under the head "Profits and Gains from Business or Profession”.

9.4. Taxability of Capital Gains in the hands of the Shareholders:

- 9.4.1. Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.
- 9.4.2. Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:
 - i. Short-term Capital Asset (“STCA”): Equity shares held for less than or equal to 12 months.
 - ii. Long-term Capital Asset (“LTCA”): Equity share held for more than 12 months.
- 9.4.3. Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“STCG”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“LTCG”).
- 9.4.4. As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“STT”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs. 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- 9.4.5. As per Section 112A of the IT Act, LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act. In terms of Section 55 read with Section 112A of the IT Act, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to January 31, 2018 are grandfathered. To clarify, if the equity shares on which STT is paid were acquired prior to January 31, 2018, the cost of acquisition of such shares should be higher of (a) actual cost of acquisition and (b) lower of (i) fair market value as on January 31, 2018 (highest quoted price on January 31, 2018 or immediately prior trading day if shares were not traded on January 31, 2018) and (ii) actual sale consideration.

- 9.4.6. If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018 dated October 1, 2018, then the entire LTCG arising to the shareholder shall be subject to tax @ 10% (plus applicable surcharge and cess) under Section 112 of the IT Act or 20% (plus applicable surcharge and cess) after claiming indexation benefit which is relevant in case of resident shareholders.
- 9.4.7. STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- 9.4.8. As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 9.4.9. Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders. The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- 9.4.10. As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- 9.4.11. Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.
- 9.4.12. Additional information in case of Foreign Institutional Investors ("FIIs"):
- i. As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
 - ii. Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,

- iii. Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income rising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.

Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.

- iv. The above rates are to be increased by applicable surcharge and cess.
- v. Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- vi. The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

9.4.13. Additional Information in case of Non-resident Indians (“NRIs”):

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

- i. Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
- ii. Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
- iii. Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange

and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

- iv. Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
- v. As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

9.4.14. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

9.4.15. Investment Funds:

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

9.4.16. Mutual Fund:

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

9.5. Taxability of Business Income in the hands of the Shareholders:

9.5.1. Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.

9.5.2. In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

- 9.5.3. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) maintaining necessary information and documents as prescribed under the IT Act.

9.6. **Withholding Tax implications:**

9.6.1. Remittance/Payment of Consideration

i. Resident shareholders:

As of the date of filing of this document, in the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.

With effect from 1 July 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds Rs. 50,00,000 and the buyer had a business turnover of more than Rs. 10,00,00,000 in the immediately preceding year. The term “goods” has not been defined and may cover shares.

As per Circular No 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Acquirer is not required to withhold tax under Section 194Q on consideration payable to resident shareholders.

The resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

ii. Non-resident shareholders – FIIs

Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer

of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIS.

iii. Non-resident shareholders (other than FIIs):

Each non-resident shareholder will confirm its status by selecting the appropriate box in the FOA.

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.

However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.

Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident shareholders consult their custodians/ authorized dealers/ tax advisors appropriately. In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

The non-resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.6.2. Remittance/Payment of Interest

- i. In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the FOA or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on

the categorization of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

- ii. The shareholders must file their tax return in India inter alia considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.7. Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

9.7.1. Surcharge

- i. In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- ii. In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable.
- iii. In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- iv. In case of individuals, HUF, AOP, BOI:
 - a. Surcharge at the rate of 10% is leviable where the total income exceeds Rs. 50 lakh but does not exceed Rs. 1 crore.
 - b. Surcharge at the rate of 15% is leviable where the total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore.
 - c. Surcharge at the rate of 25% is leviable where the total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore.
 - d. Surcharge at the rate of 37% is leviable where the total income exceeds Rs. 5 crore.
 - e. However, for the purpose of income chargeable under section 111A, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- v. In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

9.7.2. Cess

Health and Education Cess @ 4% is currently leviable in all cases.

9.8. Others

- 9.8.1. Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- 9.8.2. The tax deducted by the Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- 9.8.3. The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and cooperate in any proceedings before income tax/ appellate authority in India.
- 9.8.4. The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT INCOME TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 9, 2016. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE EQUITY SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.

This space is left blank intentionally

10. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the Public Shareholders (i) at the office of the Manager to the Offer at the address mentioned on Cover page, or (ii) through online mode, on any working day (except Saturdays and Sundays) between 10:30 am to 5:00 pm during the Tendering Period:

- 10.1. Copies of the memorandum and articles of association and certificate of incorporation of the Acquirer and the Target Company;
- 10.2. Copy of the SSA dated November 25, 2021;
- 10.3. Copy of the SHA dated November 25, 2021;
- 10.4. Copy of the Unsecured Loan Agreement dated November 25, 2021;
- 10.5. Copies of the audited annual reports of the Acquirer for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and limited review report for the six months period ended September 30, 2021;
- 10.6. Copies of the audited annual reports of the Target Company for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and limited review report for the six months period ended September 30, 2021;
- 10.7. Copy of the certificate dated November 27, 2021 issued by Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/W100057) (Suhrud Lele, Partner, membership no.: 121162) certifying the adequacy of financial resources of the Acquirer to fulfill the Open Offer obligations;
- 10.8. Copy of Escrow Agreement dated November 26, 2021 entered into by and among the Acquirer, Escrow Agent and Manager to the Offer;
- 10.9. Copy of letter from the Escrow Agent, confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer;
- 10.10. Copy of PA dated November 25, 2021, DPS published in the newspapers on December 01, 2021 and issue opening public announcement;
- 10.11. Copy of DP Escrow Agreement dated December 7, 2021 entered into by and among the Acquirer, DP Agent, Registrar to the Offer and Manager to the Offer;
- 10.12. A copy of the recommendation made by the committee of independent directors of the Target Company scheduled to be published in the newspapers on or before Wednesday, March 16, 2022;
- 10.13. Copy of the SEBI observations letter dated March 04, 2022 bearing reference no. SEBI/HO/CFD/DCR2/P/OW/2022/09427/1; and
- 10.14. Copy of the CCI approval Letter dated February 24, 2022.

In the event the Public Shareholder intends to inspect the documents vide the online mode, the Public Shareholder is requested to submit a request in this regard to the Manager to the Offer by writing to ecm@systematixgroup.in indicating the following details, as applicable, (i) Name of the Public Shareholder, (ii) DP ID, (iii) Client ID, (iv) registered folio number, and (v) scanned copy of the share certificate (applicable in case of Public Shareholders holding Equity Share in physical form). Upon receipt of the request the Manager to the Offer will provide necessary instruction for facilitating the inspection through the online mode. ***Kindly note that the Manager to the Offer will process the request for inspection, through the online mode, only upon receipt of a request with the complete details listed above.***

This space is left blank intentionally

11. DECLARATION BY THE ACQUIRER

- 11.1. The Acquirer and its directors accept full responsibility for the information contained in the PA, the DPS and this LOF (other than as specified in Paragraph 11.3 below) and also for the obligations of the Acquirer, respectively, laid down in the SEBI (SAST) Regulations in respect of the Open Offer.
- 11.2. The Acquirer and its directors shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
- 11.3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or the LOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company, which have not been independently verified by the Acquirer or the Manager to the Offer. The Acquirer do not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF or the LOF pertaining to the Target Company.

EXECUTED by the Acquirer acting through its duly authorised representative

On behalf of the Acquirer

Sd/-

Kirloskar Ferrous Industries Limited

Place : Pune

Date : March 07, 2022.

This space is left blank intentionally

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Public Shareholders holding shares in dematerialised form are not required to fill the Form of Acceptance unless required by their respective Selling Broker. The Public Shareholders holding physical shares (resident and non-resident) are mandatorily required to fill the Form of Acceptance and are required to submit it along with TRS and other enclosures directly or through their respective broker/Selling Broker to the Registrar to the Offer, at its registered office address provided in the LOF]

ISMT LIMITED

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the letter of offer dated March 07, 2022 (“LOF”))

| | |
|-----------------|--|
| From | |
| Name: | |
| Address: | |
| Tel. No: | |
| Fax: | |
| Email: | |

| TENDERING PERIOD FOR THIS OPEN OFFER | |
|--------------------------------------|----------------|
| OPEN OFFER OPENS ON | March 21, 2022 |
| OPEN OFFER CLOSSES ON | April 01, 2022 |

To,

The Acquirer

C/o KFin Technologies Limited

Selenium Tower-B, Plot 31 & 32, Gachibowli,

Financial District, Nanakramguda, Serilingampally,

Hyderabad – 500 032, Telangana, India

Tel. No.: +91 40 6716 2222

Toll Free Number: 1800 3094 001

Fax No.: +91 40 2343 1551

Email: ismt.openoffer@kfintech.com

Dear Sirs,

Sub: Open Offer for acquisition of up to 7,52,86,269 fully paid up equity shares of face value of Rs. 5 each (“Equity Shares”) of ISMT Limited (“Target Company”) from the Public Shareholders of the Target Company by Kirloskar Ferrous Industries Limited (“Acquirer”) (“Offer” / “Open Offer”).

I / We refer to the LOF dated March 07, 2022 for acquiring the Equity Shares held by me / us in the Target Company.

I / We, the undersigned, have read the PA, the DPS, LOF, and the Offer opening public announcement, and understood their contents, including the terms and conditions mentioned therein, and unconditionally accept the same.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

Details of Public Shareholder:

| Name (in BLOCK LETTERS) | Holder | Name of the Public Shareholder(s) | Permanent accountNumber |
|--|------------------------------|-----------------------------------|-------------------------|
| (Please write names of the joint holders in the same order as appearing in the EquityShare certificate(s)/demat account) | Sole/First | | |
| | Second | | |
| | Third | | |
| Contact number(s) of the first holder | Tel No. (with ISD/STD Code): | | Mobile Number: |
| Full address of the first holder (with pincode) | | | |
| Email address of first holder | | | |
| Date and place of incorporation (if applicable) | | | |

FOR EQUITY SHARES HELD IN PHYSICAL MODE:

I/We, confirm that our residential status for the purposes of tax under the Income Tax Act is as below (tick whichever is applicable).

- Resident
- Non-Resident

I / We, holding physical shares, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below along with enclosures as mentioned herein:

| Sr.No. | Regd. Folio Number | Share Certificate Number | Distinctive Numbers | | No. of Equity Shares |
|--|--------------------|--------------------------|---------------------|--------------|----------------------|
| | | | From | To | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| <i>(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)</i> | | | | TOTAL | |

Enclosures (whichever is applicable)

- Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance or Equity Share transfer deed(s)
- Original Equity Share certificate(s)
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration

(in case of single Shareholder), in case the original Shareholder has expired

- Self-attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

FOR ALL PUBLIC SHAREHOLDERS (DEMAT SHARES AND PHYSICAL SHARES)

1. I / We confirm that the Offer Shares which are being tendered herewith by me / us under this Open Offer are not locked in and are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
2. I / We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.
3. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us and are sold and transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares.
4. I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.
5. I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.
6. I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.
7. I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.
8. I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer.
9. I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Offer Shares in this Open Offer.
10. I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS, and the LOF.
11. I / We undertake to execute any further documents and give any further assurances that may

be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

12. I / We are / am not debarred from dealing in shares or securities, including the Equity Shares.
13. I / We confirm that there I / We have neither received any notice, nor have they been subject to any investigation or inspection from any tax authority and there are no pending audits, examinations or assessments for or relating to any liability in respect of Tax. I / We are not involved in a dispute, litigation or claim in relation to Tax paid or payable in India. There are no pending tax proceedings and / or outstanding tax demands (disputed or otherwise) against me/us under the IT Act that can adversely affect the transfer of the Company Shares under the IT Act including but not limited to Section 281 of the Income Tax Act 1961.
14. I / We note and understand that the Offer Shares/ original share certificate(s) and the transfer deed(s) will be held by the Registrar to the Offer/ Clearing Corporation in trust for me / us till the date the Acquirer makes payment of consideration as mentioned in the LOF, or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the Public Shareholders, as the case may be. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the LOF.
15. I / We confirm that in the event of any income tax demand (including surcharge, cess interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any surcharge, cess and consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares or any other payments, I / we will indemnify the Acquirer for such income tax demand (including surcharge, cess, interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co- operate in any proceedings before any income tax / appellate authority/ courts.
16. I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer makes payment of purchase consideration as mentioned in the LOF.
17. I / We authorize the Acquirer to accept the Offer Shares so offered or such lesser number of Offer Shares which the Acquirer may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the LOF. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Open Offer is not found valid / not accepted, by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof. In case of Public Shareholders holding Equity Shares in physical form, I/we further agree to receive a single share certificate for the unaccepted Equity Shares in physical form.

I/We, confirm that my/ our status as a shareholder is (“☐” whichever is applicable)

| | | | | |
|-------------------------------------|--|--|---|-------------------------------|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Company | <input type="checkbox"/> FII/FPI - Corporate | <input type="checkbox"/> FII/FPI - Others | <input type="checkbox"/> FVCI |
|-------------------------------------|--|--|---|-------------------------------|

| | | | | |
|--|--|---|--|---|
| <input type="checkbox"/> Foreign Trust | <input type="checkbox"/> Private Equity Fund / AIF | <input type="checkbox"/> Pension/ Provident Fund | <input type="checkbox"/> Sovereign Wealth Fund | <input type="checkbox"/> Partnership/ Proprietorship Firm |
| <input type="checkbox"/> Financial Institution | <input type="checkbox"/> NRIs/PIOs-repatriable | <input type="checkbox"/> NRIs/ PIOs – non Repatriable | <input type="checkbox"/> OCB | <input type="checkbox"/> QFI |
| <input type="checkbox"/> Domestic Company | <input type="checkbox"/> Domestic Trust | <input type="checkbox"/> Insurance Company | <input type="checkbox"/> Banks | <input type="checkbox"/> Others – please Specify |

FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS:

I/We, confirm that my/ our investment status is (please provide supporting documents and “☐” whichever is applicable)

- FDI Route
- PIS Route
- Any other - please specify _____

I/We, confirm that the Offer Shares tendered by me/ us are held on (“☐” whichever is applicable)

- Repatriable basis
- Non - repatriable basis

I/We, confirm that (“☐” whichever is applicable)

- No RBI, FIPB or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Open Offer and the Offer Shares are held under general permission of the RBI.
- Copies of all approvals required by me for holding Offer Shares that have been tendered in this Open Offer are enclosed herewith.
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith.

I/We, confirm that (“☐” whichever is applicable)

- No RBI or other regulatory approval is required by me for tendering the Offer Shares in this Open Offer.
- Copies of all approvals required by me for tendering Offer Shares in this Open Offer are enclosed herewith.

Additional confirmations and enclosures for all Public Shareholders, as applicable

I / We, have enclosed the following documents (“☐” whichever is applicable):

- Self-attested copy of PAN card.

- Self-declaration form in Form 15 G / Form 15 H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any).*
- No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable.*
- For Mutual Funds/ Banks/ notified institutions/ other shareholders, self-attested copy of relevant registration or notification in support of the claim that they are eligible to exemption from withholding tax (applicable in case of interest payment, if any).*
- 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA read with the provisions of MLI, including but not limited to a declaration of not having a permanent establishment in India and declaration of characterization of income arising from the Open Offer.*
- SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs).*
- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.*
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).*
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum- Acknowledgement*
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories*
- Other relevant documents (Please specify) _____*

BANK DETAILS

Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

So as to avoid fraudulent encashment in transit, the Public Shareholder(s) holding physical shares should provide details of bank account of the first/sole shareholder.

| | |
|-----------------------------|--|
| Name of the Bank | |
| Branch Address and Pin Code | |
| Account Number | |
| IFSC Code | |

| | |
|--|--|
| Name of the Bank | |
| MICR Code | |
| Type of Account – Savings/ Current/ Others (please specify) | |

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.

Yours faithfully, signed and delivered,

| | Full name | PAN | Signature |
|---------------------|-----------|-----|-----------|
| Sole/ First Holder | | | |
| Second Holder | | | |
| Third Public Holder | | | |

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and certified copies of necessary board resolutions / corporate authorization should be attached.

Place:

Date:

.....Tear Here

.....

Acknowledgement Receipt –ISMT Limited- Open Offer

Received from Mr./Ms./M/s _____

Address: _____

Form of Acceptance-cum-Acknowledgement for ISMT Limited - Open Offer as per details below:

Copy of delivery instruction to depository participant of DP ID / Client ID/ Folio no. _____ for
_____ Equity Shares

Date of Receipt:

Place of Receipt:

Stamp of Selling Broker:

Signature of Official:

INSTRUCTIONS

PLEASE NOTE THAT NO OFFER SHARES / FORMS OF ACCEPTANCE SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form must be legible and should be filled in English only.
2. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
3. Eligible Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Open Offer would have to do so through their respective Selling Member by indicating the details of Equity Shares they intend to tender under the Open Offer.
4. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e. Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors), (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained herein, by sole/ joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. **Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.** In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of addressproof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.
5. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED**
6. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
7. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgments with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
8. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer i.e. KFin Technologies Limited (at the following address: Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India so that the same reaches the Registrar to the Offer in no event later

than Tuesday, April 05, 2022 (by 5.00 p.m. (IST)). The Selling Broker should place bids on the stock exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc. The envelope should be superscribed “**ISMT Limited-Open Offer**”

9. In case of Offer Shares held in joint names, names should be filled in the same order in this Form and in the share transfer deed(s), as the order in which they hold the Offer Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer.
10. If the Offer Shares are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
11. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF in Paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*).
12. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent.
13. All the Public Shareholders are advised to refer to Paragraph 9 (*Note on Taxation*) of the LOF. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Paragraph 9 of the LOF, as referred to above, are indicative and for guidance purposes only.
14. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
15. The Selling Broker(s) shall print the TRS generated by the exchange bidding system.
16. In case any person has submitted Equity Shares in physical mode for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
17. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF at Paragraph 8.
18. The Form of Acceptance or TRS is not required to be submitted to the Acquirer, the Manager to the Offer or the Registrar to the Offer. Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance unless required by their respective Selling Broker. Equity Shares under lock-in will be required to fill the respective Forms of Acceptance-cum-Acknowledgment.
19. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted for the eligible Public Shareholders holding Equity Shares in demat form.
20. No indemnity regarding title is required from persons not registered as Public Shareholders.
21. Procedure for tendering the Offer Shares in case of non-receipt of LOF:
 - a. Public Shareholders may participate in the Open Offer by confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, the DPS, LOF, and the issue opening public announcement cum corrigendum. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents mentioned in Paragraph 5 above. Public Shareholders must ensure that the Form of Acceptance, along with the TRS and requisite documents (as mentioned in Paragraph 5 above), should reach the Registrar to the Offer no later than Tuesday, April 05, 2022 (by 5.00 p.m. (IST)). If

the signature(s) of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

- b. Alternatively, such holders of Offer Shares may also apply on the form of acceptance in relation to this Open Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Registrar to the Offer.
22. The procedure for acceptance and settlement of the Offer and the note on taxation have been provided in the LOF under Paragraphs 8 and 9, respectively.
23. The LOF along with Form of Acceptance is being dispatched to all the Public Shareholders as on the Identified Date. In case of non- receipt of the LOF, such shareholders may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares.
24. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the LOF, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
25. In case of interest payments, if any, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.
26. Public Shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate should submit to the Registrar to the Offer, the following documents, as applicable:

For resident Public Shareholders:

- Self-attested copy of PAN card.
- Certificate from the income tax authorities under Section 197 of the IT Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate).
- Self-declaration in Form 15G/ Form 15H (in duplicate), if applicable.
- Self-attested copy of relevant registration or notification in support of the claim that they are otherwise eligible to exemption from withholding tax (applicable in case of interest payment, if any).

For non-resident shareholders:

- Self-attested copy of PAN Card; or
 - name, e-mail id, contact number;
 - address in the country or specified territory outside India of which the shareholder is a resident;
 - Tax Residency Certificate;
 - Form 10F; and

- Tax Identification Number/ Unique Identification Number of the shareholder.
- Tax Residency Certificate;
- Form 10F;
- Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA read with the provisions of MLI, including but not limited to a declaration of not having a permanent establishment in India and declaration of characterization of income arising from the Open Offer;
- Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
- Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
- SEBI registration certificate for FII and FPI.

In an event of non-submission of aforesaid documents as may be applicable, tax will be deducted at the maximum rate applicable to the relevant category to which the Public Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING OFFER SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LOF.

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:



KFin Technologies Limited

Selenium Tower-B, Plot 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana,
India

Telephone: +91 40 6716 2222 Toll Free Number: 1800 3094 001

Fax: +91 40 2343 1551 Email: ismt.openoffer@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

Form No. SH-4 - Securities Transfer Form

[Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11 of the Companies(Share Capital and Debentures) Rules 2014]

Date of execution: _____/_____/_____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

| | | | | | | | | | | | | | | | | | | | | | |
|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CIN: | L | 2 | 7 | 1 | 0 | 9 | P | N | 1 | 9 | 9 | 9 | P | L | C | 0 | 1 | 6 | 4 | 1 | 7 |
|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Name of the company (in full): **ISMT LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE Limited and National Stock Exchange of India Limited**

DESCRIPTION OF SECURITIES:

| Kind/ Class of securities (1) | Nominal value of each unit of security (2) | Amount called up per unit of security (3) | Amount paid up per unit of security (4) |
|-------------------------------|--|---|---|
| Equity Shares | Rs. 5/- | Rs.5/- | Rs. 5/- |

| No. of Securities being Transferred | | Consideration received (Rs.) | |
|-------------------------------------|----------|------------------------------|------------|
| In figures | In words | In words | In figures |
| | | | |

| Distinctive Number | From | | | |
|--------------------|------|--|--|--|
| | To | | | |
| | | | | |

| Corresponding Certificate Nos. | | | |
|--------------------------------|--|--|--|
| | | | |

Transferor's Particulars

Registered Folio Number:

Name(s) in full

PAN No.

Signature(s)

1. _____
2. _____
3. _____

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

Pin code: _____

| Transferee's Particulars | | |
|--------------------------------------|---------------------------------------|---|
| Name in full (1) | Father's/ Mother's/ Spouse's Name (2) | Address & E-mail ID (3) |
| KIRLOSKAR FERROUS INDUSTRIES LIMITED | N.A. | 13, Laxmanrao Kirloskar Road, Khadki, Pune – 411 003, Maharashtra Email: kfilinvestor@kirloskar.com |
| Occupation (4) | Existing Folio No., if any (5) | Signature (6) |
| Business | | 1. _____ 2. _____ 3. _____ |

| Folio No. of Transferee | Specimen Signature of Transferee(s) |
|-------------------------|-------------------------------------|
| | 1. _____ |
| | 2. _____ |
| | 3. _____ |

Value of Stamp affixed: Rs. ____

Enclosures:

Stamps

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

For Office Use Only

Checked by _____

Signature Talled by _____

Entered in the Register of Transfer on _____

_____ vide Transfer no _____

Approval Date _____

Power of attorney / Probate / Death certificate / Letter of
Administration

Registered on _____ at

No _____

On the reverse page of the certificate

Name of
Transferor

Name of
Transferee

No. of Shares

Date of transfer

Signature of authorised