

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Exit Offer Letter (“**Offer Letter**”) is being sent to you as you are a public shareholder(s) (“**Public Shareholders**”) of Sivanandha Steels Limited (“**the Company**” /“**SSL**”). In case you have recently sold your equity shares of the Company, please hand over the Offer Letter and the accompanying documents to the person to whom the Sale was effected.

**EXIT OFFER TO THE PUBLIC SHAREHOLDER(S) OF**

**SIVANANDHA STEELS LIMITED**

(CIN:U27109TN1963PLC111217)

**Registered Office:** 18, 19 & 20, Ambit Park Road, Ambattur, Industrial Estate, Chennai - 600058, Tamil Nadu, India; **Tel:** +91 44 26251187/ 42031951; **Email:** jothi@sivanandha.com; **Website:** www.sivanandhasteels.com;**Contact Person:**Ms. Jothi Ramesh

**By**

**Mr. Ponnuswamy Venkatesan, Mr. Ramganesan Venkatesan and Mr. Karthikesan Venkatesan**  
(hereinafter collectively referred to as the “**Offerors**”)

To acquire 9,98,495 equity shares (“**Offer Shares**”) of face value of Rs. 10/- each of the Company at Rs. 19.67 (Rupees Nineteen and Sixty Seven Paise only) (“**Exit Price**”) per Offer Share, for cash, pursuant to Securities and Exchange Board of India (“**SEBI**”) Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 Dated October 10, 2016 (“**SEBI Circular**”), (“**Exit Offer**”).

**If you wish to tender your Offer Shares to the Offerors, you should:**

- Read this Offer Letter and the instructions herein;
- Complete and sign the accompanying 'Form of Acceptance' (“**Form**”) in accordance with the instructions in this Offer Letter;
- **Instruction for Public Shareholders holding Offer Shares in physical form:** As per Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 dated September 10, 2018, inter-alia, every holder of securities of an unlisted public company who intends to transfer such securities on or after October 02, 2018 shall get such securities dematerialized before the transfer. **ACCORDINGLY, ALL PUBLIC SHAREHOLDERS HOLDING OFFER SHARES IN PHYSICAL FORM ARE ADVISED TO FIRST DEMATERIALIZE THE OFFER SHARES WHICH THEY INTEND TO TENDER IN THE EXIT OFFER.**
- **Instruction for Public Shareholders holding Offer Shares in demat form:** Ensure that you submit your Form along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the Depository Participant (“**DP**”), in favor of the Depository Escrow Account(*details given in point# [X(2b)]*) by hand delivery as set out in this Offer Letter. Alternatively, you may submit the Form by registered post, speed post or courier only (at your own cost and risk), clearly marking the envelope “**Sivanandha Steels Limited - Exit Offer**” to **S.K.D.C Consultants Limited, the Registrar and Transfer Agent (“RTA”)**, at Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006, so that it is received on or before August 02, 2019 the (“**Closing Date**”) or the extended date, as the case may be. **The Form has to be executed only by the beneficial holder of the Offer Shares.**

<b>Date of Opening of Exit Offer Period</b>	<b>July 29, 2019</b>
<b>Date of Closure of Exit Offer Period</b>	<b>August 02 ,2019</b>

Dear Public Shareholder(s),

## Invitation to tender Offer Shares held by you in SSL

The Promoter and Promoter Group of SSL holds 26,71,505 Equity Shares representing 72.79% of the total Paid up Share Capital of SSL. Pursuant to the SEBI Circular, upon exit of Madras Stock Exchange Limited (“MSEL”) vide SEBI Order No. WTM/RKA /MRD/47/2015 dated May 14, 2015 (“MSEL Exit Order”), the Offerors intend to provide an exit opportunity to the Public Shareholders (*defined to mean all the Shareholders other than the Promoter and Promoter Group members*) of the Company by acquiring upto 9,98,495 Equity Shares at Exit Price in accordance with the SEBI Circular.

### I. BACKGROUND OF THE EXIT OFFER

- The equity shares (“Equity Shares”) of SSL were listed only on MSEL. Upon exit of MSEL as stock exchange, SSL ceased to be a listed company and has been referred to the Dissemination Board (“DB”) of National Stock Exchange of India Limited (“NSE”) w.e.f December 01, 2014 vide letter dated December 03, 2014 issued by NSE.
- In terms of SEBI Circular, either SSL has to secure listing of its Equity Shares on a Nationwide Stock Exchange(s) or the promoter(s) have to provide exit to the Public Shareholders.
- The Offerors have decided to exercise the option of providing exit to the Public Shareholders of SSL in terms of the SEBI Circular and Offerors are giving the exit option through NSE as designated stock exchange for this Exit Offer. The Offerors have in terms of applicable provisions of SEBI Circular, submitted the Plan of Action to NSE on June 15, 2019.
- In terms of the SEBI Circular, the Public Announcement (“PA”) was published on Thursday, July 18, 2019 in the following newspapers:

Name of the Newspaper	Language	Edition
Financial Express	English	All Editions
Makkal Kural	Tamil	Regional Editions

### II. BACKGROUND OF THE COMPANY

- Sivanandha Steels Limited was incorporated on December 04, 1963 under the Companies Act, 1956 as a public limited company in the name and style of “Sivanandha Steels Limited”. The registered office of the Company is situated at 18, 19 & 20, Ambit Park Road, Ambattur, Industrial Estate, Chennai - 600058, Tamil Nadu, India. The Company Identification Number of the Company is U27109TN1963PLC111217.
- The Company is carrying on the business of alloy steel foundry, trading of engineering goods and real estate.
- As on the date of this Offer Letter, the Board of Directors of the SSL comprises of seven directors. The details of Board of Directors are as below:

NAME	ADDRESS	DESIGNATION	DIN
Mr. Ponnuswamy Venkatesan	10, Arch Bishop Mathias Avenue, Adayar Club Gate Road, Chennai – 600028	Managing Director	01769294
Mr. Ramaswamy Ponnuswamy Krishnamurthi	No. 30, II Main Road, Raja Annamalai Puram, Chennai – 600028	Managing Director	02105381
Mr. Rajavel Munisamy Gurunamasivayan	14A, Janaki Nagar, Vellanthi Palayam, Coimbatore – 641025	Director	02584201
Mr. Ramganesan Venkatesan	10, Arch Bishop Mathias Avenue, Adayar Club Gate Road, Chennai – 600028	Director	01899129
Mr. Karthikesan Venkatesan	10, Arch Bishop Mathias Avenue, Adayar Club Gate Road, Chennai – 600028	Director	01923148
Mr. Ramanathan Marudhachalam	SF3, 2 <sup>nd</sup> Floor, Casablanca, 30, Velachery By Pass Road, Velachery, Chennai-600042	Director	01996361
Mr. Gopalakrishnan Natarajan	No. 32/138, Periasamy Road, R S Puram, Coimbatore – 641002	Director	06370155

### III. CAPITAL STRUCTURE OF THE COMPANY

Particulars	No. of Equity Shares (face value of Rs. 10/-)	No. of Preference Shares (face value of Rs.100/-)	Total Amount (Rs.in Lakhs)
Authorized Capital	37,00,000	10,000	380.00
Issued Capital, Subscribed and Paid-up Capital	36,70,000	NIL	367.00

### IV. SHAREHOLDING PATTERN OF THE COMPANY

Category	Number of Equity Share holders	Number of Equity Shares held	% of total Equity Share Capital
Promoter and Promoter Group	21	26,71,505	72.79
Public	1,113	9,98,495	27.21
<b>Total</b>	<b>1,134</b>	<b>36,70,000</b>	<b>100.00</b>

### V. STANDALONE FINANCIAL SNAPSHOT OF THE COMPANY

(Rs.in Lakhs)

Particulars	For the Financial Year ended March 31, 2019		
	2019	2018	2017
Share Capital	367.00	367.00	367.00
Reserves & Surplus	930.73	921.32	912.83
Networth	1297.73	1288.32	1279.83
Total Income	69.72	375.90	129.76
Profit/(Loss) After Tax	9.40	8.49	4.54

### VI. BACKGROUND OF THE OFFERORS

- Mr. Ponnuswamy Venkatesan aged about 81 years, is residing at 10, Arch Bishop Mathias Avenue, Adyar Club Gate Road, Chennai 600 028.
- Mr. Ramganesan Venkatesan aged about 48 years, is residing at 10, Arch Bishop Mathias Avenue, Adyar Club Gate Road, Chennai 600 028.
- Mr. Karthikesan Venkatesan aged about 41 years, is residing at 10, Arch Bishop Mathias Avenue, Adyar Club Gate Road, Chennai 600 028.
- Offerors hold 14,11,855 Equity Shares representing 38.47% of paid up equity share capital of SSL.

### VII. REGISTRAR TO THE OFFER

Offerors have appointed S.K.D.C Consultants Limited, the Registrar and Transfer Agent ("RTA"), having office at Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641006, Tel No: +91 422 4958995; Fax: +91 422 2539837; E-mail: info@skdc-consultants.com; Contact Person: Mr. K.Jayakumar, as the Registrar to the Exit Offer.

### VIII. EXIT PRICE AND FINANCIAL ARRANGEMENTS

- In terms of the applicable provisions of the SEBI Circular, the Offerors have appointed Saffron Capital Advisors Private Limited ("**Saffron**") a SEBI registered category I Merchant Banker (with permanent registration) and empaneled as "Independent Valuer" with NSE to carry out valuation of Equity Shares of the Company. Saffron after taking into consideration applicable valuation methodologies has issued its valuation report dated July 15, 2019 and determined Rs. 19.61 to be the fair value per Offer Share. In view of the above, the Offerors have decided to offer Rs. 19.67 per Offer Share as the Exit Price.
- Assuming full acceptances of Offer Shares under the Exit Offer, the total requirement of funds on the basis of Exit Price is Rs. 1,96,40,396.65 (Rupees One Crore Ninety Six Lakhs Forty Thousand Three Hundred Ninety Six and Sixty Five Paise Only) ("**Total Consideration**"). In accordance with the SEBI Circular, the Offerors have executed an unconditional, irrevocable demand bank guarantee pursuant to bank guarantee letter dated July 15, 2019 ("Bank Guarantee") in favour of the NSE for an aggregate amount of Rs. 1,97,24,000 (Rupees One Crore Ninety Seven Lakhs Twenty Four Thousand Only) being more than 100% of the Total Consideration payable to the Public Shareholders under the Exit Offer. The Bank Guarantee is valid from July 15, 2019 to September 26, 2020.

Shareholders under the Exit Offer. The Bank Guarantee is valid from July 15, 2019 to September 26, 2020.

#### **IX. TERMS AND CONDITIONS RELATING TO OFFER**

- a) The Exit Offer shall remain open for 5 working days w.e.f July 29, 2019 to August 02, 2019 (“**Exit Offer Period**”). The Offerors shall accept all the Offer Shares tendered post the closure of Exit Offer up to a period of one year in accordance with the SEBI Circular.
- b) All the Public Shareholders of the Company are eligible to participate in this Exit Offer.
- c) The Offerors will not accept any Offer Shares offered under Exit Offer where there exists any restraint order of a Court/ any other competent authority for transfer/disposal/sale or where the title to the Offer Shares is under dispute or otherwise not clear or where any other restraint subsists.
- d) The Offerors will not accept Offer Shares which are encumbered till such time the Offer Shares become transferrable.
- e) The Form to be filled and returned by the Public Shareholders shall be dispatched to the Public Shareholders along with Offer Letter latest by July 22, 2019. The Exit Offer may be availed by sending duly completed Form to the RTA at Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641006, clearly marking the envelope “**Sivanandha Steels Limited - Exit Offer**”, not later than August 02, 2019.

#### **X. ACCEPTANCE OF OFFER**

##### **1. Instruction for Public Shareholders holding Offer Shares in physical form**

- a) As per Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 dated September 10, 2018, inter-alia, every holder of securities of an unlisted public company who intends to transfer such securities on or after October 02, 2018 shall get such securities dematerialized before the transfer.

**ACCORDINGLY, ALL PUBLIC SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM ARE ADVISED TO FIRST DEMATERIALIZE THE OFFER SHARES WHICH THEY INTEND TO TENDER IN THE EXIT OFFER**

##### **2. For Demat Shareholders: -**

- a) The Public Shareholders who wish to tender their Offer Shares in this Exit Offer will be required to send their Form along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the DP, in favor of the depository escrow account (**details given in point b below**). The Form has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Public Shareholder(s) whose name appears in the beneficiary account and in the same order therein. **The Form has to be executed only by the beneficial holder of the Offer Shares.**
- b) Offerors have opened a Special Depository Account with Choice Equity Broking Private Limited called “Sivanandha Steels Limited - Exit Offer” (“**Depository Escrow Account**”). The Public Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Offer Shares in the Depository Escrow Account:

<b>Depository Name</b>	Central Depository Services Limited
<b>Account Name</b>	Sivanandha Steels Limited - Exit Offer Escrow Account
<b>Depository Participant (“DP”) Name</b>	Choice Equity Broking Private Limited
<b>DP ID</b>	12066900
<b>Client ID</b>	00673030
<b>ISIN</b>	INE879X01011
<b>Market</b>	Off - Market

- c) It is the sole responsibility of the Public Shareholders to ensure credit of their Offer Shares in the Depository Escrow Account, on or before 5:00 pm on August 02, 2019.

The Public Shareholders having their beneficiary account in NSDL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with CDSL.

## **XI. PAYMENT OF CONSIDERATION**

- a) Upon fulfillment of the terms and conditions mentioned herein, the consideration for such Offer Shares will be settled on closure of the Exit Offer Period and the payment will be completed within 15 working days from the date of the closure of the Exit Offer by way of cheque/ pay order/ demand draft/ electronic credit, as the case may be. For electronic credit, please provide the details as mentioned in the Form which is enclosed with the Offer Letter. The cheque/ pay order/ demand drafts will be dispatched to the Public Shareholders participating in the Exit Offer, at their own risk, by way of speed post/ registered post/courier.
- b) In case of any defect in Form, it will be returned to the Public Shareholders by speed post/ registered post at their own risk.
- c) In the event of any Public Shareholder not receiving or misplacing the Form, the same can be obtained from the website of the Company, [www.sivanandhasteels.com](http://www.sivanandhasteels.com).

## **XII. DECLARATION**

The Offerors jointly and severally undertake to acquire Offer Shares at the Exit Price from those Public Shareholders who have not offered their Offer Shares under the Exit Offer upto a period of one year from the completion of the Exit Offer, i.e. up to August 02, 2020. Subject to compliance with terms and conditions mentioned in paras VIII and IX above, Offerors shall settle the consideration on monthly basis and complete the payment within 15 working days from the end of previous month in which the Offer Shares are tendered and are found to be in order, by way of demand draft/ RTGS/NEFT and any electronic credit, as the case may be. The cheque/ pay order/ demand drafts will be dispatched to the Public Shareholders participating in the Exit Offer, at their own risk, by way of speed post/ registered post/courier.

## **XIII. GENERAL DISCLAIMER**

- a) Every Public Shareholder who desires to avail of the 'Exit Offer' may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Offerors, Saffron or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such Exit Offer and tender of Offer Shares through this Exit Offer whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.
- b) The Offerors jointly and severally accept the full and final responsibility for the information contained in this Offer Letter.
- c) This Offer Letter shall be available at the website of the Company at [www.sivanandhasteels.com](http://www.sivanandhasteels.com) and NSE at [www.nseindia.com](http://www.nseindia.com)

### **Offerors on behalf of Promoter Group of the Company**

Sd/-  
Ponnuswamy Venkatesan

Sd/-  
Ramganesan Venkatesan

Sd/-  
Karthikesan Venkatesan

Place: Chennai  
Date: July 22, 2019

**Encl: Form**

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**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT ("FORM")**  
**SIVANANDHA STEELS LIMITED-EXIT OFFER**

(Please send this Form with enclosures to the Registrar to the Exit Offer at their address given overleaf)

From,

EXIT OFFER SCHEDULE	
OPENS ON	July 29, 2019
CLOSES ON	August 02, 2019

Folio No.:

Name:

Address:

Tel No.

Email:

Fax:

To,

**Promoter and Promoter Group Members of Sivanandha Steels Limited (Offerors)**

C/o S.K.D.C Consultants Limited ("Registrar"),  
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,  
Ganapathy, Coimbatore - 641006

Dear Sir/Madam,

**Sub:** Exit offer of upto 9,98,495 Equity Shares each having face value of Rs. 10 each at Rs. 19.67 ("**Exit Price**") from the Offerors for acquisition of Equity Shares of **Sivanandha Steels Limited**("SSL") from Public shareholders.

I/we, refer to the 'Exit Offer Letter' dated July 22, 2019 for acquiring the Equity Shares held by me/us in SSL.

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

**A. SHARES HELD IN PHYSICAL FORM**

As per Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 dated September 10, 2018, inter-alia, every holder of securities of an unlisted public company who intends to transfer such securities on or after October 02, 2018 shall get such securities dematerialized before the transfer.

**ACCORDINGLY, THE PUBLIC SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM AND ARE DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE EXIT OFFER CAN DO SO ONLY AFTER THE EQUITY SHARES ARE DEMATERIALIZED.**

**B. SHARES HELD IN DEMATERIALIZED FORM:**

I/We hold the following Equity Shares in Dematerialized Form. I/We accept the Exit Offer provided by Offerors and enclose a counterfoiil(s)/photocopy of the Delivery Instruction(s) duly acknowledged by my DP in respect of said Equity Shares as detailed below:

DP NAME	DP ID	CLIENT ID	NAME OF BENEFICIARY	NO. OF SHARES

I/We have done off market transaction for crediting the above Equity Shares to the Special Depository Account opened by Offerors, whose particulars are given as under:

Name of Account	DP ID	Client ID	Depository Participant ("DP") Name	Depository Name	ISIN	Market
Sivanandha Steels Limited - Exit Offer Escrow Account	12066900	00673030	Choice Equity Broking Private Limited	Central Depository Services Limited	INE879X01011	Off - Market

I/We note and understand that the shares would lie in the Special Depository Account until the Offerors make payment of the purchase consideration within 15 working days from the date of closure of Exit Offer (or such longer period as may be required to obtain the relevant regulatory approvals, if any).

For each delivery Instruction, the beneficial owner should submit a separate application form. Public Equity Shareholders having their beneficiary account in NSDL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Special Depository Account with CSDL.

**C. GENERAL**

I / We confirm that the equity shares of SSL, which are being tendered herewith by me / us under the offer are free from liens, charges and encumbrances of any kind whatsoever.

My / Our execution of this Form shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are 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 Offerors, harmless and indemnified against any loss they or either of them may suffer in the event of the Offerors acquiring these equity shares.

I / We agree that the Offerors may pay the Exit Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals if any.

I/We note and understand that the shares would be held in trust by the Registrar until the time the Offerors makes payment of purchase consideration.

I/We undertake to execute such further document(s) if any and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.

I / We irrevocably authorize the Offerors to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable, to the Sole / First holder will be dispatched to the address registered with the Depositories:

The Permanent Account No. (PAN) Allotted under the Income Tax Act, 1961 is as under

PAN	First/Sole Holder	Joint Holder 1	Joint Holder 2

Yours faithfully,

Signed and Delivered,

Signed & Delivered by	Full Name(s) of the Shareholder	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. In case of body corporate, the company seal should be affixed

Place:

Date:

**SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORMS / SHARES SHOULD REACH THE REGISTRAR TO THE EXIT OFFER AT THE ADDRESS MENTIONED ABOVE ON OR BEFORE AUGUST 02, 2019.**

**CHECKLIST**

FOR DEMAT SHAREHOLDERS
1. Duly Filled and Signed Form of Acceptance
2. Copy of Acknowledged Demat Instruction Slip
3. Other document, as applicable

-----Tear along this line -----

**Acknowledgement Slip**

Received from Mr./Ms./M/s..... Form along-with the following documents:-

**A) For shares held in Dematerialized Form:**

1. Counterfoils photocopy of the delivery Instruction duly acknowledged by Depository Participant.
2. (Specify)
3. (Specify)

**Signature of Official:** .....

**Date:** .....