

SIVANANDHA STEELS LIMITED

("SSL"/ "The Company")

Registered Office: 18, 19 & 20, Ambit Park Road, Ambattur, Industrial Estate, Chennai - 600058, Tamil Nadu, India

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THIS PUBLIC ANNOUNCEMENT ("PA") IS BEING ISSUED ON BEHALF OF THE PROMOTER AND PROMOTER GROUP MEMBERS OF SIVANANDHA STEELS LIMITED ("SSL/ THE COMPANY") BY MR. PONNUSWAMY VENKATESAN, MR. RAMGANESHAN VENKATESAN AND MR. KARTHIKESAN VENKATESAN ("HEREINAFTER COLLECTIVELY REFERRED TO AS THE "OFFERORS"), BEING THE PROMOTERS OF THE COMPANY TO PROVIDE EXIT OPTION TO THE PUBLIC SHAREHOLDERS (DEFINED TO MEAN ALL THE SHAREHOLDERS OF THE COMPANY OTHER THAN THE PROMOTERS AND PROMOTER GROUP MEMBERS HEREINAFTER REFERRED TO AS "PUBLIC SHAREHOLDERS") OF SSL BY ACQUIRING UPTO 9,98,495 EQUITY SHARES ("OFFER SHARES") HAVING FACE VALUE ₹ 10 EACH AT ₹ 19.67 ("EXIT PRICE") IN ACCORDANCE WITH THE SEBI CIRCULAR ("EXIT OFFER").

I. BACKGROUND

The equity shares ("Equity Shares") of SSL were listed only on the Madras Stock Exchange Limited ("MSEL"). Upon exit of MSEL as a stock exchange, SSL ceased to be a listed company and has been transferred to the Dissemination Board ("DB") of National Stock Exchange of India Limited ("NSE") w.e.f December 01, 2014. The registered office of the Company is presently situated at 18, 19 & 20, Ambit Park Road, Ambattur, Industrial Estate, Chennai - 600058, Tamil Nadu, India. The Company is engaged in the business of alloy steel foundry, trading of engineering goods and real estate.

The Offerors have in terms of applicable provisions of SEBI Circular, expressed their intention to provide an exit opportunity to the Public Shareholders of SSL and have submitted the Plan of Action to NSE on June 15, 2019.

II. SHAREHOLDING DETAILS

As on the date of this PA, the Paid up Equity Share Capital of SSL is ₹ 3,67,00,000 comprising of 36,70,000 Equity Shares of ₹ 10 each. Out of these, the Promoter and Promoter group holds 26,71,505 Equity Shares representing 72.79% of the Paid up Equity Share Capital and balance 9,98,495 Equity Shares representing 27.21% of the Paid up Equity Share Capital are held by the Public Shareholders.

III. 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 ₹ 19.61 to be the fair value per Offer Share. In view of the above, the Offerors have decided to offer ₹ 19.67 per Offer Share as the Exit Price.
- Assuming full acceptances of Offer Shares at the Exit Price under the Exit Offer, the total requirement of funds is ₹ 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 ₹ 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 payable under the Exit Offer. The Bank Guarantee is valid from July 15, 2019 to September 26, 2020.

IV. ACTIVITY SCHEDULE FOR EXIT OFFER

Date of Opening of Exit Offer Period	July 29, 2019
Date of Closing of Exit Offer Period	August 02, 2019
Last Date for Payment of Consideration	August 26, 2019

V. REGISTRAR TO THE EXIT OFFER

Offerors have appointed S.K.D.C Consultants Limited having office at Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641006 as the Registrar to the Exit Offer ("RTA"). Public Shareholders are requested to send their Form of Acceptance ("Form") along with other relevant documents, clearly marking the envelope "Sivanandha Steels Limited Exit Offer" either by registered post/ speed post/ courier, at their own risk or by hand delivery to the RTA on or before the closure of business hours on August 02, 2019.

VI. EXIT OFFER PROCEDURE AND SETTLEMENT

- Public shareholders are requested to kindly refer to the Exit Offer Letter ("Offer Letter") (being dispatched separately to all Public Shareholders as on the date of Plan of Action, June 15, 2019) for procedure to be followed and documents required to be submitted for participating in the Exit Offer.
- 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.**
- Upon verification of applications (along with necessary documents) submitted by the Public Shareholders to the RTA, the RTA shall provide list of successful Public Shareholders to whom the payment shall be made by the Offerors within 15 working days from the date of closure of Exit Offer Period by way of cheque/ pay order/ demand draft/ 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.

VII. EXIT WINDOW

The Public Shareholders may note that, those who could not tender their Offer Shares during the Exit Offer Period may do so during the period between August 03, 2019 to August 02, 2020 (both the days inclusive) being one year from the completion of the closure of the Exit Offer Period at the Exit Price ("Exit Window Offer Period"). The procedure for tendering the Offer Shares during Exit Window Offer Period shall be same except the payment of consideration, which shall be on a monthly basis within maximum 15 working days of the end of the relevant calendar month in which Offer Shares have been validly tendered by the Public Shareholders ("Monthly Payment Cycle").

VIII. DECLARATION

The Offerors undertake to acquire the Offer Shares at the same Exit Price from those Public Shareholders who did not tender their Offer Shares under the Exit Offer Period, during the Exit Window Offer Period, subject to verification by the RTA.

IX. GENERAL DISCLAIMER

- 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 the Exit Offer whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.
- The Offerors jointly and severally accept the full and final responsibility for the information contained in this PA. This PA shall be available at the website of the Company at www.sivanandhasteels.com and NSE at www.nseindia.com.

Offerors on behalf of Promoter Group of the Company

Place: Chennai	Sd/-	Sd/-	Sd/-
Date: July 16, 2019	Ponnuswamy Venkatesan	Ramganesan Venkatesan	Karthikesan Venkatesan