

SHREE SPONGE STEEL AND FORGING LIMITED

Registered Office: 6/1, GIDC Estate, National Highway No. 8, Por- Ramangamdi, Dist. Vadodara- 391 243 | Tel.: 0265-2830132,2830636
Email: hrishparikh@shreesponge.com | CIN: L27100GJ1991PLC016203

This Public Announcement ("PA") is being issued by Mr. Vinaykumar P. Parikh promoter of Shree Sponge Steel & Forging Limited ("SSFL"). SSSFL was listed on the Vadodra Stock Exchange (VSE), Jaipur Stock Exchange (JSE) which has been de-recognised by the Securities and Exchange Board of India ("SEBI") and on Ahmedabad Stock Exchange (ASE) which is non-operational Stock Exchange. Consequently, SSSFL has been moved to the Dissemination Board ("DB") of the BSE Limited ("BSE").

Financial and Other Information of Shree Sponge Steel & Forging Limited Pre Acquisition Shareholding Pattern

As on the date of this PA, the authorized share capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of ₹ 10 (Rupees Ten) each. The issued, subscribed and paid up share capital of the Company is ₹ 4,23,80,000 (Rupees Four Crore Twenty-three Lac Eighty Thousand) divided into 42,38,000 (Forty Two Lac Thirty Eight Thousand) Equity Shares of ₹ 10 each. As on date of the PA, the Promoter & Promoter Group (including Acquirer) holds 21,49,215 (Twenty-one Lac Forty Nine Thousand Two Hundred And Fifteen) shares representing 50.71 % of Equity Capital.

Other than the shareholding mentioned herein, as on the date of this Public Announcement, neither the Promoter nor any other member of the Promoter group holds any Equity Shares in the Company.

The shareholding pattern of the Company as on December 31, 2016 was as follows:

Shareholder Category	Number of Equity Shares	Percentage
Promoter and Promoter Group (I)	21,49,215	50.71
Non-Promoter Shareholding		
Institutions (a)	0	0.00
Non-institutions (b)		
Bodies corporate	7100	0.17
Individuals	2081685	49.12
Clearing members	-	-
NRIs / OCBs	-	-
Sub-Total (a+b) (II)	20,88,785	49.29
GRAND TOTAL (I) + (II)	42,38,000	100

As on the date of this Public Announcement, there are no partly paid-up shares, convertible instruments or stock options or any other instruments that may result in the issuance of Equity Shares by the Company at any later date.

Likely Post Acquisition Shareholding Pattern of the Company

The likely post Acquisition shareholding pattern of the Company, assuming that all the Shares held by the Public Shareholders are acquired pursuant to the exit Offer, will be as follows:

Shareholder	No. of Equity Shares	Percentage
Promoter & Promoter Group (a)	42,38,000	100
Non-Promoter shareholding (b)	0	0
GRAND TOTAL (a) + (b)	42,38,000	100

Summary Financials

As per its audited financial statements for the last three financial years ending on March 31, 2016, 2015 and 2014 and Un-audited financial statements for period ended December 31, 2016

Net Worth and Net Profit / (Loss) after tax was as follows:

Particulars	31.12.2016 (Un-audited) ₹	31.03.2016 (Audited) ₹	31.03.2015 (Audited) ₹	31.03.2014 (Audited) ₹
Revenue from Operations	5,86,69,826	9,47,85,819	8,89,56,441	11,23,49,572
Other Income	25,791	2,84,909	58,00,806	13,51,905
Total Income	5,86,95,617	9,50,70,728	9,47,57,247	11,37,01,477
Profit/(Loss) before tax	(97,07,357)	(84,65,720)	(99,63,670)	(74,45,668)
Profit/(Loss) after tax	(93,20,403)	(78,71,063)	(89,98,528)	(84,94,984)
Paid-Up share capital	4,23,80,000	4,23,80,000	4,23,80,000	4,23,80,000
Reserve & Surplus	(24,91,879)	68,28,524	1,46,99,587	2,43,45,662
Basic & Diluted Earnings Per share	(2.20)	(1.86)	(2.12)	(2.00)
Book Value per share	9.41	11.61	13.47	15.74

The SEBI vide its Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 ("SEBI Circular"), has stipulated the procedure and process for exit of Exclusively Listed Companies ("ELC") from the DB. As provided in Clause (j) of Annexure A of the SEBI Circular, Mr. Vinaykumar Parikh has appointed, on December 31 2016, Asit C. Mehta Investment Intermediates Limited, a Category I Merchant Banker as Independent Valuer from BSE's panel of independent valuers. The said Independent Valuer after taking into consideration the applicable valuation methodologies, has issued to SSSFL its Valuation Report dated January 20, 2017 and has determined the fair value of an equity share of SSSFL as ₹ 10.66. Such Fair Value of the Equity shares has been derived based on Net Realisable Assets Value Method of Valuation. The Net Assets Value of SSSFL as per Unaudited Financial Statement as on December 31, 2016 and after making adjustments for Current Market Value of Assets and Liabilities is derived ₹ 4,51,56,788. The total number of shares of SSSFL as on date is 42,38,000. Thus the Net Assets Value per share is derived at ₹ 10.66 per share. The said Valuation Report will be available for inspection at the Registered Office of SSSFL during office hours for a period of ten days from the date of this Public Announcement.

In view of the above, to provide exit opportunity to all the Public shareholders of SSSFL, We are inviting you to tender your fully paid up equity shares of ₹ 10 each in accordance with below mentioned:

Offer Details:

EXIT PRICE	₹ 10.70
EXIT PERIOD OPENS	March 6, 2017
EXIT PERIOD CLOSES	March 10, 2017

Assuming full acceptance of this Exit Offer, the total requirement of funds on the basis of Exit Price is ₹ 2,23,50,000 (Rupees Two Crore Twenty Three Lac Fifty Thousand) ("Offer Consideration") and the promoter of the Company, Mr. Vinaykumar P. Parikh has executed a Bank Guarantee in favour of Independent Valuer for ₹ 1,67,62,500 (Rupees One Crore Sixty Seven Lac Sixty Two Thousand Five Hundred) and deposited ₹ 55,87,500 (Rupees Fifty Five lac Eighty Seven Thousand Five Hundred) in the Escrow maintained with Bank of Baroda.

However, those public shareholders who could not offer their shares under the exit offer, may do so on or before March 10, 2018 at the same price of ₹ 10.70 per share, determined by the valuer.

REGISTRAR TO THE OFFER

The Acquirer has appointed M/s MCS Share Transfer Agent Limited as the Registrar to the Acquisition Offer ("Registrar to the Offer").

ELIGIBILITY

All the Public Shareholders can tender Shares of the Company.

DETAILS REGARDING OFFER PROCEDURE

a. The Company has opened a special Depository account with CDSL (the "Special Depository Account"), details of which are as follows:

Special Depositor Account Name	SHREE SPONGE STEEL AND FORGING LIMITED - EXIT OFFER ACCOUNT - OPERATED BY - MCS SHARE TRANSFER AGENT LTD
Name of the Depository Participant	Asit C.Mehta Investment Intermediates Limited
Depository Participant	Central Depository Services Limited (CDSL)
DP Identification Number	IN13200
Client Identification Number	1201320001728218

b. Mailing of Letter of Offer: the Letter of Offer ("Offer Letter") and Application Form will be sent to the Public Shareholders by registered post at the address on record with the Registrar and Transfer Agent (R&TA) of the Company.

c. Resident Public Shareholder(s) holding shares in Dematerialized form should transfer their dematerialized shares from the depository account in which they are currently held to the above mentioned Special Depository Account prior to submitting the Application Form to Registrar to the Offer. All transfer will be in off market mode. A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to respective depository participant of the Public Shareholders' depository account and duly acknowledged by such depository participant crediting Public Shareholders' Equity Shares to the aforesaid Special Depository Account should be attached with the Public Shareholder's Application.

d. Public Shareholders having their beneficiary account in NSDL will have to execute inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of above mentioned Special Depository Account with CDSL.

e. Public Shareholders who hold equity shares in physical form should (i) in case of registered shareholders, send their Application form together with share certificates and duly executed transfer deeds (ii) in case of unregistered Public Shareholder, send their application form together with original contract note issued by the registered broker of a recognized stock exchange through whom offered shares were acquired together with duly executed share transfer deeds and original share certificate (s) as received from the market to Registrar to the Offer on or before March 10, 2017. Purchaser's name in the Transfer deed should be left blank.


f. If any Public Shareholder fails to receive or misplaces the Offer Letter along with Application Form, a copy of the same may be obtained by writing to the Registrar to the Offer at their address given clearly marking the envelope "Shree Sponge Steel & Forging Limited-Exit Offer". Alternatively, such Public Shareholder may download the copies of Offer Letter and Application form from the website of the Company, www.shreesponge.com.

This exit offer is pursuant to SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016.

On completion of offer, irrespective of the number of shares offered by the public shareholders, the Company will seek confirmation of removal of name from Dissemination board of BSE in accordance with SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016.

COMPLIANCE OFFICER:

The Compliance Officer of the Company is Mr. Mitesh H. Parikh; Tel.: +91-0265 - 283 0132; and email id: accounts_sssfl@yahoo.in. In case the Public Shareholders have any queries concerning the non-receipt of credit or payment for Offer Shares or on Exit processes and procedure, they may address the same to the Registrar to the Offer or the Independent Valuer to the Offer.

Independent Valuer to the Offer	Registrar to the Offer
Asit C. Mehta INVESTMENT INTERMEDIATES LTD. Asit C. Mehta Investment Intermediates Ltd. 317/318, 3rd Floor, Podar Chambers, Fort, Mumbai. Tel.: +91 22 6132 5959/ 5951 Email: lalit.phatak@acm.co.in Contact Person: Mr. Lalit Phatak SEBI Registration No.: INM000010973	 MCS Share Transfer Agent Limited 2nd Floor, 10, Aaram Apartment, 12, Sampat Rao Colony, B/H Laxmi Hall, Alkapuri, Vadodara - 390 007. Tel.: +91 265 2314757, 2350490 Email: mcsitdbaroda@gmail.com Contact Person: Mr. S. M. Gandhi SEBI Registration No: INR000004108

For Shree Sponge Steel And Forging Limited

Sd/-
Mr. Vinaykumar P. Parikh
Promoter Chairman & Managing Director
(DIN: 00258864)